

# **Nex Metals Explorations Ltd**

ACN 124 706 449

Of 45 Guthrie Street, Osborne Park WA 6017

**Circular to Shareholders**  
including  
**Notice of Annual General Meeting**  
**Explanatory Statement**  
**Proxy Form**

The Annual General Meeting of Nex Metals Explorations Ltd will be held at  
2.00 pm on Friday, 29 November 2019 (WST)  
at Comfort Inn & Suites Goodearth Perth,  
195 Adelaide Terrace EAST PERTH WA 6004

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9221 6813.

For personal use only

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# NEX METALS EXPLORATIONS LTD

ACN 124 706 449

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Nex Metals Explorations Ltd (“Company”) will be held at 2.00 pm on Friday 29 November 2019 (WST) at Comfort Inn & Suites Goodearth Perth, 195 Adelaide Terrace, East Perth WA 6004 (“Meeting”).

The Proxy Form forms are part of this Notice of Annual General Meeting (“Notice”).

Unless otherwise defined, capitalised terms used in this Notice are defined in the Glossary of the Explanatory Statement accompanying this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 2.00pm on Wednesday, 27 November 2019 (WST).

Please note that:

- a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## AGENDA

### ORDINARY BUSINESS

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#### Financial Statements and Reports

To receive and consider the annual financial report of the Company and its controlled entities, together with the directors' report and the report of the auditor for the financial year ended 30 June 2019.

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#### 1. Adoption of the Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“That the Remuneration Report of the Company for the year ended 30 June 2019 be adopted.”*

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

### Voting Exclusion

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 2. Re - Election of Thomas Percy QC

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That Thomas Percy QC who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

## 3. Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of 2,087,796 fully paid ordinary Shares to Kym Mining Pty Ltd on the dates and on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Kym Mining Pty Ltd; or
- (b) any associate of Kym Mining Pty Ltd.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions of the proxy form; or
- (c) if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 4. Approval for the Company to issue an additional 10 percent of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

To consider, and if thought fit, pass with or without amendment the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the shareholders approve the issue of equity securities of up to 10 per cent of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period from the date of this General*

*Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum (“10 % Securities”).”*

### **Voting Exclusion**

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who is expected to participate in the proposed issue, or who will obtain a material benefit as a result of the proposed issue.
- (b) or any Associate of those persons.

However, the Company will not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or,
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **PROXIES**

□ Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) A member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy may exercise half of the votes.

### **BY ORDER OF THE BOARD**

**Kenneth M Allen**

Company Secretary

Nex Metals Explorations Ltd

22 October 2019

# EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2019 Annual General Meeting.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in the Explanatory Statement are defined in the Glossary.

## Financial Statements and Reports

The *Corporations Act 2001 (Cth)* requires the Company's financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's 2019 Annual Report is available on the Company's website ([www.nexmetals.com](http://www.nexmetals.com)).

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

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Shareholders are entitled to submit written questions to the auditor prior to the Annual General Meeting providing that the question relates to:

- the content of the auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than five business days before the date of the meeting.

All questions must be sent to the Company Secretary and may not be sent direct to the auditor. The Company will then forward all questions to the auditor.

A representative from the audit firm will be attending the Annual General Meeting and will be available to answer questions from Shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

A reasonable time will be allowed at the Meeting for Shareholders to ask the auditor or the auditor's representative questions on the above matters.

## Resolution 1 – Adoption of the Remuneration Report

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The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and Key Management Personnel;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's Key Management Personnel named in the Remuneration Report for the financial year ended 30 June 2019.

The Directors recommend that Shareholders vote in favour of Resolution 1

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

The Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report at the Annual General Meeting.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 30 June 2019. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a closely related party of that member as your proxy (and that person is not the Chairman of the Meeting), and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

## **Resolution 2 – Re-Election of Thomas Percy QC as Director**

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Clause 16.4 of the Company's constitution requires that at each Annual General Meeting one-third of the Directors must retire from office.

Mr Thomas Percy QC, a non-executive director, retires by rotation and is eligible for re-election at the Annual General Meeting. In accordance with clause 16.4 of the Company's constitution Mr Thomas Percy QC has submitted himself for re-election at the Annual General Meeting as a non-executive director.

### **Directors' Recommendation**

The Directors recommend that Shareholders vote in **favour** of this resolution.

## **Ordinary Resolution 3 - Ratification of Prior Issues of Shares**

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### **3.1 Background**

During the last 12 months, the Company issued 2,087,796 Shares (fully paid ordinary shares which are on the same terms and conditions as other ordinary shares already issued) without disclosure to investors under the exceptions provided in section 708 of the Corporations Act. The placement of shares were not a related party of the Company.

### **3.2 Corporations Act**

None of the allottees the subject of Resolutions 3 in conjunction with any of their associates, hold, either before, during, or after any of the issues the subject of Resolutions 3 more than 19.9% of the issued capital of the Company.

### **3.3 Listing Rule 7.4**

Resolutions 3 seeks Shareholder ratification of these issues of Shares pursuant to ASX Listing Rule 7.4 and for all other purposes.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where, pursuant to ASX Listing Rule 7.4, a company in general meeting ratifies the previous issue of securities made (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the issue of the Shares the subject of Resolutions 3 the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

Unless otherwise stated, none of the Directors have a material personal interest in the subject matter of Resolutions 3. The Board believes that the ratification of the issues of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolutions 3 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

### 3.4 Technical information required by Listing Rule 7.4 for the Share Issues Ratifications

Resolution	Allottee	No of shares	Issue Price	Date Issued	Purpose of Issue
3	Kym Mining Pty Ltd	2,087,796 <i>(ordinary fully paid shares)</i>	\$0.0239 <i>(paid in cash)</i>	13/5/2019	Placement under an agreement dated 4/5/2019 with Metalicity Ltd (ASX:MCT) The funds were used to further exploration on the Kookynie and Yundamindera gold projects and working capital.

## Resolution 4 – Approval for the Company to issue an additional 10 percent of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

### Background

Resolution 4 seeks the approval of shareholders to allow the directors of the Company to issue an additional 10 per cent of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A on the same terms and conditions as the Company's ordinary shares.

### Introduction

Pursuant to Resolution 4, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period in accordance with Listing Rule 7.1A. If passed, this resolution will allow the Company to issue 10% Securities at the issue price set out in Resolution 4.

Under Listing Rule 7.1A, small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary Shareholders by special resolution at the annual general meeting (AGM), are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the AGM (Additional 10% Issue). The Additional 10% Issue under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the 10% Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of 10% Securities are intended to be used as follows:

- working capital;
- additional exploration activities at the Yundamindera Project; and
- providing the Company with the ability to sole or part fund any additional project acquisitions.

### Listing Rule 7.1A

#### (a) General

##### (1) Eligibility

An entity is eligible to undertake an Additional 10% Issue if at the time of its AGM it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

The Company's market capitalisation will be based on the closing price on the Trading Day before the AGM, and will be released by the Company to the ASX at that time. The calculation of market capitalisation will be based on the Closing Price of the Shares in the main class of Shares of the Company, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (in that main class, but excluding restricted securities and securities quoted on a deferred settlement basis).

For illustrative purposes only, on 22 October 2019 the Company's market capitalisation is \$3,083,958 based on the Closing Trading Price on that date.

The Company is not included in the S&P/ASX300 Index as at the time of issue of this Notice of Meeting and the Company does not expect that it will be included in the S&P/ASX300 Index at the date of the Annual General Meeting.

The Company is therefore an eligible entity and able to undertake an Additional 10% Issue under Listing Rule 7.1A.

In the event that the Company is no longer an eligible entity to undertake an Additional 10% Issue after the Company has already obtained ordinary security holders' approval, the approval obtained will not lapse and the Company will still be entitled to undertake the Additional 10% Issue.

(2) *Shareholder approval*

The ability to issue the 10% Securities under the Additional 10% Issue is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Annual General Meeting. Pursuant to Listing Rule 7.1A, no Shares will be issued until and unless this Special Resolution is passed at the Annual General Meeting.

(b) **Issue Period - Listing Rule 7.1A.1**

Shareholder approval of the Additional 10% Issue under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (2) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

If approval is given for the Additional 10% Issue at the Annual General Meeting on 29 November 2019 then the approval will expire, unless there is a significant change to the Company's Business, on 28 November 2020.

(c) **Calculation for Additional 10% Issue - Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at AGM may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Shares calculated in accordance with the following formula:

**(A x D) – E**

**A** = the number of Shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid Shares that became fully paid in the 12 months;
- (3) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid Shares cancelled in the 12 months.

**D** = 10 per cent.

**E** = the number of Shares issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4

(d) **Listing Rule 7.1A.3**

(1) *Shares*

Shares issued under the Additional 10% Issue must be in the same class as an existing quoted class of equity securities of the Company.

The Company presently has 192,747,348 Shares on issue as at the date of this notice. However, the Company is only seeking approval to issue ordinary Shares under the Additional 10% Issue in addition to its 15% capacity permitted under Listing Rule 7.1.

(2) *Minimum Issue Price*

The issue price for the 10% Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Shares in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (A) the date on which the price at which the 10% Securities are to be issued is agreed; or



- (B) if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the 10% Securities are issued.

**(e) Information to be given to ASX - Listing Rule 7.1 A.4**

If Resolution 4 is passed and the Company issues any 10% Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the 10% Securities and the number of 10% Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.1 0.5A, will be released to the market on the date of issue:
  - (A) details of the dilution to the existing holders of Shares caused by the issue;
  - (B) where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
  - (D) any other fees or costs incurred in connection with the issue.

**(f) Listing Rule 7.1 and 7.1A**

The ability of an entity to issue Shares under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 192,747,348 Shares, and therefore has the capacity to issue:

- (1) 28,912,102 Shares under Listing Rule 7.1; and
- (2) 19,274,734 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have the capacity to issue under Listing Rule 7.1 A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A2 (as above).

**Specific Information required by Listing Rule 7.3A**

*(a) Minimum Price of securities Issued under Listing Rule 7.1 A - Listing Rule 7.3A.1*

Pursuant to and in accordance with Listing Rule 7.3A 1, the 10% Securities issued pursuant to approval under Listing Rule 7.1A must be not less than 75% of the VWAP for the Company's Shares over the 15 Trading Days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the 10% Securities are to be issued is agreed; or
- (2) if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the 10% Securities are issued.

*(b) Risk of economic and voting dilution - Listing Rule 7.3A.2*

As provided by Listing Rule 7.3A.2, if the Additional 10% Issue is passed by Shareholders and the Company issues the 10% Securities, there is a risk of economic and voting dilution to the existing ordinary security holders of the Company. The Company currently has on issue 192,747,348 Shares. Upon the Additional 10% Issue, the Company will have approval to issue an additional 19,274,734 Shares based on its existing issued capital. (The exact number of additional Shares to be issued under the Additional 10% Issue will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 and set out above). Any issue of 10% Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the market price for the Company's Shares may be significantly lower on the date of the Issue than it is on the date of the AGM; and
- (2) the 10% Securities may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the 10% Securities.

As required by Listing Rule 7.3A.2, the table below shows the economic and voting dilution effect, in circumstances where the issued Share capital has doubled and the Market Price of the Shares has halved. The Table also shows additional scenarios in which the issued Share capital has increased (by both 50% and 100%) and the Market Price of the Shares has:

- decreased by 50%; and
- increased by 100%.

Issued Capital	50 % decrease in Market Price – 0.8 cents		Current Market Price 1.6 cent		100 % increase in Market Price – 2.4 cents	
	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised
Present issued capital = 192,747,348 shares	19,274,734 shares	\$154,198	19,274,734 shares	\$308,396	19,274,734 shares	\$462,593
50% increase in capital = 289,121,022 shares	28,912,102 shares	\$231,297	28,912,102 shares	\$462,594	28,912,102 shares	\$693,890
100% increase in capital = 385,494,696 shares	38,549,469 shares	\$308,396	38,549,469 shares	\$616,791	38,549,469 shares	\$925,187

#### Assumptions and explanations

- The Market Price is 1.6 cent based on the closing price of the Shares on ASX on 22 October 2019.
- The above table only shows the dilutionary effect based on the Additional 10% Issue (assuming only Shares are issued) and not the 15% under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of 10% Securities available to it under the Additional 10% Issue.
- The Issued Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 22 October 2019.
- The issue price of the 10% Securities used in the table does not take into account the discount to the Market Price (if any).

#### (a) Final date for issue - Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the 10% Securities during the 12 months after the date of this Annual General Meeting which the Company anticipates will be 29 November 2019. The approval under Resolution 3 for the issue of the 10% Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

#### (b) Purpose - Listing Rule 7.3A.4

As noted above, the purpose for which the 10% Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of 10% Securities are intended to be used as follows:

- working capital;
- additional exploration activities at the Kookynie Gold Project and Yundamindera Project; and
- providing the Company with the ability to sole or part fund any additional project acquisitions.

#### (c) Shares Issued for Non-cash consideration - Listing Rule 7.3A.4

The Company may issue 10% Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Shares for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Shares complies with Listing Rule 7.1 A. 3.

#### (d) Company's Allocation Policy - Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of 10% Securities pursuant to the Additional 10% Issue. The identity of the allottees of Shares will be determined on a case-by-case basis having regard to the factor including but not limited to the following:

- (1) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (2) the effect of the issue of the 10% Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the 10% Securities under the Additional 10% Issue have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional 10% Issue will be the vendors of the new assets or investments.

**(e) Company previously obtained shareholder approval under listing rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 November 2018. In the 12 months preceding the date of this notice, the Company has issued 2,087,796 fully paid ordinary shares on 13/05/2019 to Kym Mining Pty Ltd as a placement under an agreement dated 4/05/2019 with Metalicity Ltd (ASX:MCT). This represents 1.09% of the total issued capital of the Company at the date of the last annual general meeting. The issue price (\$0.0239) was based on the 10 days VWAP prior to the issue with no discount, the closing price on the day of issue was \$0.024. This issue relates to resolution 3 of this meeting for which shareholder approval is sought for ratification of prior issue of shares, please refer to the resolution and accompanying explanatory statement.

Resolution	Allottee	No of shares	Issue Price	Date Issued	Purpose of Issue
4	Kym Mining Pty Ltd	2,087,796 <i>(ordinary fully paid shares)</i>	\$0.0239 <i>(paid in cash)</i>	13/5/2019	Placement under an agreement dated 4/5/2019 with Metalicity Ltd (ASX:MCT) 100% of the funds were used to further exploration on the Kookynie and Yundamindera gold projects and working capital, nil is remaining.

**(f) Voting Exclusion Statement**

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these Listing Rules 7.1 and 7.1A, for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible their holding will be diluted and there is no reason to exclude their votes.

**Directors' Recommendation**

The Directors recommend that Shareholders vote in **favour** of this resolution.

## Glossary

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In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) and, where the context permits the Australian Securities Exchange operated by ASX Limited
<b>Board</b>	board of Directors
<b>Company</b>	Nex Metals Explorations Ltd (ACN 124 706 449)
<b>Constitution</b>	constitution of the Company
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>Director</b>	each of the persons who acts as directors of the Company
<b>Explanatory Statement</b>	the information attached to the Notice, which provides information to Shareholders about the resolutions contained in the Notice
<b>Listing Rule</b>	the listing rules of the ASX
<b>Meeting or Annual General Meeting</b>	means the annual general meeting convened by the Notice
<b>Notice</b>	the notice of meeting which accompanies this Explanatory Statement
<b>Remuneration Report</b>	the section of the Directors' report contained in the Annual Report entitled "remuneration report"
<b>Share</b>	fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	a holder of a Share
<b>WST</b>	Australian Western Standard Time

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### Notes

A shareholder who is entitled to attend and vote at a meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the company.

Where a voting exclusion applies, the company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the proxy form or it is cast by a person chairing the meeting as proxy for person who is entitled to vote in accordance with the direction of the proxy form to vote as the proxy decides. The directors of the company have set a snapshot date to determine the identity of those entitled to attend and vote at the meeting. The snapshot date is Wednesday 27 November 2018 at 2.00pm.

A proxy form is attached. If required, it should be completed, signed and returned in accordance with the proxy instructions on that form. To be effective, the proxy form (and any power of attorney) must be lodged at the registered office of the company not less than 48 hours before the time of holding the meeting. The proxy may be lodged by facsimile transmission to Advanced Share Registry on (+61 8) 9262 3723.

## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

## 2019 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of The Food Revolution Group and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chair of the meeting

OR



**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Comfort Inn & Suites Goodearth Perth, 195 Adelaide Terrace EAST PERTH WA 6004 on Friday 29 November 2019 at 2.00pm (WST)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though this Item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

### VOTING DIRECTIONS

#### Agenda Items

	For	Against	Abstain*
1 Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re - Election of Thomas Percy QC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the Company to issue an additional 10 percent of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

For personal use only

STEP 1

STEP 2

STEP 3

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chair may vote as they see fit on that item.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2.00pm (WST) on 27 November 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 9262 3723



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033