

3 October 2022

The Company Announcements Officer  
The Australian Securities Exchange  
Level 40, 152-158 St Georges Terrace  
Perth WA 6000

### **Shareholder Update – Moving Forward**

Dear Shareholders,

The last 12 months have been challenging for Nex Metals Explorations Ltd (Nex or the Company) as a consequence of being unwillingly entangled in a web of corporate activities involving the failed attempted takeover by Metalicity Ltd (ASX:MCT) which is also our Joint Venture Partner in the Kookynie and Yundamindra Joint Venture Project. MCT allowed the takeover to lapse on 29 August 2022.

Over the course of MCT's takeover attempt, Nex was restricted from any capital raising activities, where in contrast MCT raised capital on occasions, which required amendments to MCT's Bidder's Statement.

At no point did MCT offer Nex shareholders a better bid offer, seek to engage in a commercial resolution to the takeover bid or engage with the Company as to the Board's view of what a fair and reasonable price looked like.

Moving forward, the Directors are being very mindful of their obligations to maintain solvency for the Company and all its stakeholders.

To this end, the Board have in recent days disclosed the following:

1. Nex's creditors and liabilities totalling \$1,445,974 (including significant outstanding legal fees) have been converted to equity at a 42.86% premium to the current market price. Refer to ASX announcement dated 30 September 2022.
2. All directors (including Allens Business Group Pty Ltd, a related party of Mr Allen) have agreed to convert all outstanding directors' fees and loans (as of 30 June 2022), a sum which currently stands at a total of \$3,300,611, to equity in the Company at \$0.05 (being five cents per share) subject to shareholder approval to be sought at a later date.

3. A pro rata rights issue was announced on 30 September 2022 of a 1 new share for every 3 existing shares for an issue price of \$0.031 (three-point one cent) per share to raise approximately \$3.058m in capital. This will be used to advance the Kookynie and Yundamindra Gold Projects and ongoing administration. Participants in the rights issue will also receive 1 free attaching option for every 3 shares subscribed for with an exercise price of \$0.10 and an expiry date of 31 October 2025. The Company will seek to have the options admitted to quotation on the ASX.

The Company is committed to advancing the Kookynie Gold project under the terms of the JV. There has been significant corporate activity with gold miners/exploration companies in the wider Leonora region which can only add value to a well-structured project.

The Company notes that it is still in dispute with MCT as to claims for expenditure in the Joint Venture Project before the Supreme Court of Western Australia. At this time, the Company is of the view that this matter will be resolved by either a Court-ordered mediation or at trial.

Following the intended actions of the Company listed (1 – 3) above have been completed, the Company is confident that will be in a position of where it will have no overdue creditors and additionally will be well-funded to move forward with its projects.

The Company's auditors have informed us that MCT's legal representative, Tottle Partners, have communicated that MCT intend to oppose the Company's proposed capital raising and the conversion of loans and payables to equity (listed above).

The Company will deal with that in the normal course if and when this occurs and will notify shareholders accordingly.

This announcement is approved by the Board.

ENDS.