

4 January 2023

Chairpersons Address

The purpose of today's meeting is to continue the process to clean up debt on Nex's Balance Sheet by converting unpaid accrued director fees and loans to equity and seeking shareholder ratification of a number of previous liabilities converted to equity.

Again, this is all part of improving the solvency of Nex.

At the conclusion of this meeting and subject to shareholder approval Nex would have removed approximately \$3.7m of debt from its Balance Sheet since 1 July 2022.

Based on the closing share price of 3 January 2023, your directors and creditors have paid a 56% premium for the conversion, I consider this a reflection of the confidence in the future of the Company.

In combination with the above actions plus placing the shortfall in the rights issue, Nex will have relatively little debt remaining but will have cash reserves to continue its proposed activities.

Where to from here in the next 12 Months

1. To continue to pursue that which is in the best interest of shareholders.
2. Place rights issue shortfall of approximately \$3m.
3. Develop value and pursue a better outcome for Kookynie/Yundamindra Gold Projects.
4. Eliminate remaining debt from the Balance sheet.

Background

By any measure the last 24 months have been challenging for the company.

The board entered into the agreement with Metalicity Ltd (ASX:MCT) in May 2019 with optimism that it would lead to the successful development of the highly prospective Kookynie/Yundamindra Projects.

In about February 2020, Nex and MCT had a number of meetings with respect to a possible merger these discussions ultimately failed as the Board of Nex did not consider the value offered to Nex Shareholders by MCT adequate.

Nex was fully supportive of a fair merger.

MCT commenced a Takeover of Nex in September 2021 only to close it in August 2022 with circa 34%.

Legal Actions

Once MCT advised that they had spent the \$5m earn-in for stage 1, Nex had to reluctantly commence Supreme Court proceedings to have MCT prove the actual spend, this was settled by consent of both parties.

MCT commenced and lost Supreme Court Proceedings against Nex in an attempt to replace the Board under sections 249F and 249G of the Corporations Act (a cost order is pending)

MCT commenced and lost Supreme Court Proceedings against Nex with regards to trying to overturn the outcomes of an AGM and EGM in 2022, costs were ordered (including uplift in special costs) against MCT.

MCT has commenced Supreme Court proceedings against Nex claiming unpaid cash calls of \$1.50m.

Nex's defence against this claim includes amongst other things,

1. MCT spent funds without an approved budget as required under the JV.
2. The majority of the expenditure had already been spent prior to any proposed approval of the JV committee (retrospective).
3. MCT has not provided all the mining information as required under the JV for Nex to make an informed decision.
4. MCT continually made ASX announcements without any consultation with Nex.

MCT commenced further Supreme Court proceedings claiming that they are an oppressed shareholder.

A Directions hearing has now adjourned that action until February 2023.

Thank you for your attendance.

This announcement is authorised by Thomas Percy KC.