

**Nex Metals Explorations Ltd**  
**ACN 124 706 449**

Of 45 Guthrie Street, Osborne Park WA 6017

***Notice of Annual General Meeting***  
***Explanatory Memorandum***  
***and***  
***Proxy Form***

**Date of Meeting**  
30 NOVEMBER 2023

**Time of Meeting**  
2.00pm (AWST)

**Place of Meeting**

The AGM will be conducted as a hybrid meeting at Ambassador Hotel, 196 Adelaide Terrace, Perth, WA, 6000 and as a virtual meeting, accessible online.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

This Notice of Meeting can be accessed on the Company's website at [www.nexmetals.com](http://www.nexmetals.com).

Shareholders are also strongly encouraged to lodge their completed Proxy Forms in accordance with the instructions in this Notice of Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of Shareholders of Nex Metals Explorations Ltd (**NME** or the **Company**) will be held on Thursday, 30 November 2023 commencing at 2.00pm (AWST) at Ambassador Hotel, 196 Adelaide Terrace, Perth, WA,6000 and virtually via an online Meeting platform provided by the Company's share registry, Advanced Share Registry.

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 Shareholders at 4pm (AWST) on Tuesday, 28 November 2023.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice of Meeting

Terms and abbreviations used in the Notice are defined in Schedule 1.

## Agenda

### 1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** there is no requirement for Shareholders to approve the Annual Report.

### 2 Resolutions

#### Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

*'That, the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'*

**Note:** a vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### Resolution 2 - Re-election of Director - Mr Thomas Francis Percy KC

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

*'That, in accordance with clause 16.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Thomas Francis Percy KC, retires by rotation at this Meeting and, being eligible and offering himself for re-election, is re-elected as a Director, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 3 - Approval of 10% Placement Facility**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% 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 and on the terms and conditions in the Explanatory Memorandum."*

### **Resolution 4 - Release of Shares from Holding Lock**

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

*"That the holding lock placed on the 44,595,317 ordinary shares in the capital of the Company issued to Kenneth Allen and Allens Business Group Pty Ltd on 2 March 2023 be released."*

## **Voting exclusions**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The Company will disregard any votes cast in favour of Resolution 4 by Kenneth Allen and Allens Business Group Pty Ltd, or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Voting prohibitions**

Resolution 1: in accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person 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 does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**

A handwritten signature in blue ink, appearing to read 'Kenneth Malcolme Allen', with a long horizontal flourish extending to the right.

**Kenneth Malcolme Allen**  
Director and Company Secretary  
Nex Metals Explorations Ltd

24 October 2023

# Explanatory Memorandum

## 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ambassador Hotel, 196 Adelaide Terrace, Perth, WA,6000 on Thursday, 30 November 2023 at 2:00pm (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Re-election of Director - Thomas Percy
Section 6	Resolution 3 - Approval of 10% Placement Facility
Section 7	Resolution 4 - Release of Shares from Holding Lock
Schedule 1	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Voting and attendance information

Shareholders should read the Notice, including the Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

### 2.2 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) 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.**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **2.3 Chair's voting intentions**

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, even though this Resolution is connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

## 2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [admin@nexmetals.com](mailto:admin@nexmetals.com) by 10am on Wednesday, 29 November 2023.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2023.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.nexmetals.com](http://www.nexmetals.com);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's Auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

## 4. Resolution 1 - Remuneration Report

### 4.1 General

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election (**Spill Resolution**).

The Company's Remuneration Report received a second consecutive Strike at the 2022 annual general meeting, which resulted in a Spill Resolution being put to Shareholders. The Spill Resolution was not carried, with 51.76% of Shareholders voting against the resolution.

In relation to recent circumstances that may affect voting on this Resolution, the Directors note the settlement of recent disputes with major shareholder Metalicity Limited (**Metalicity**) pursuant to the binding term sheet referred in the announcement released by the Company on 29 September 2023 (**Term Sheet**). The Board considers that entering the Term Sheet provides a pathway for the Company and Metalicity to focus their efforts on achieving the objectives under the Kookynie and Yundamindra Joint Venture.

If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2024 annual general meeting, this may result in a further Spill Resolution being put to Shareholders at that meeting.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

### 4.2 Board recommendation

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.



## **5. Resolution 2 - Re-election of Director - Mr Thomas Percy KC**

### **5.1 General**

Clause 16.4 of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or three years, whichever is longer. Clause 16.4 of the Constitution also provides that one-third of the Directors of the Company must retire from office at the Meeting.

Accordingly, Mr Thomas Percy KC, who has served as a Director and Chair since 2007 and was last re-elected at the Company's 2021 Annual General Meeting held on 31 March 2022, retires at this Meeting and, being eligible and offering himself for re-election, seeks re-election pursuant to Resolution 2.

If elected, the Board considers Mr Percy KC to be an independent Director.

### **5.2 Thomas Percy KC**

Mr Percy KC is an experienced lawyer.

Mr Percy KC holds a Bachelor of Jurisprudence and Bachelor of Laws.

Mr Percy KC became a partner in the firm Lalor & Co in 1981, and later practiced on his own as a Barrister. He joined the W.A. Bar Association in 1984 and was appointed Queen's Counsel in December 1997. Mr Percy KC specialises in criminal trials and appeals and has been involved in many prominent cases over the past 25 years.

He also has significant experience in mining litigation and Warden's Court cases. He was a founding member and former Chairman of the Goldfields Credit Union, is currently a National Director of the Australian Lawyers Alliance and is a Director and Life Member of the East Perth Football Club.

Mr Percy KC has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

### **5.3 Board recommendation**

Resolution 2 is an ordinary resolution.

The Board (other than Mr Percy KC who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

## **6. Resolution 3 - Approval of 10% Placement Facility**

### **6.1 General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A, however, enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general

meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval in Listing Rule 7.1.

## 6.2 Listing Rule 7.1A

### (a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$6.346m, based on the closing price of Shares (\$0.018) on 20 October 2023.

### (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities on issue, being the Shares (ASX:NME).

### (c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A =** is the number of Shares on issue at the commencement of the Relevant Period:

(A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

- (B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (1) the agreement was entered into before the commencement of the Relevant Period; or
  - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

**D =** is 10%.

**E =** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the Shareholders under rule 7.4; and

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per Equity Security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or

- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 6.2(e)(i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

**(f) When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**(g) What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### **6.3 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

**(a) Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

**(b) Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

**(c) Purposes of issues under the 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

If this Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c) above) as at the date of this Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	<b>\$0.01</b> 50% decrease in Current Market Price	<b>\$0.02</b> Current Market Price	<b>\$0.04</b> 100% increase in Current Market Price
<b>352,532,527 Shares Variable A</b>	10% Voting Dilution	35,253,253 Shares	35,253,253 Shares	35,253,253 Shares
	Funds raised	\$352,533	\$705,065	\$1,410,130
<b>528,798,791 Shares 50% increase in Variable A</b>	10% Voting Dilution	52,879,879 Shares	52,879,879 Shares	52,879,879 Shares
	Funds raised	\$528,799	\$1,057,598	\$2,115,195

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	<b>\$0.01</b> 50% decrease in Current Market Price	<b>\$0.02</b> Current Market Price	<b>\$0.04</b> 100% increase in Current Market Price
<b>705,065,054 Shares 100% increase in Variable A</b>	10% Voting Dilution	70,506,505 Shares	70,506,505 Shares	70,506,505 Shares
	Funds raised	\$705,065	\$1,410,130	\$2,820,260

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) The issue price is the current market price (\$0.02), being the closing price of the Shares on ASX on 17 October 2023, being the latest practicable date before this Notice was signed.
  - (b) Variable A comprises of 352,532,527 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
  - (c) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (d) No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - (e) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

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

- (i) the effect of the issue of the Equity Securities on the control of the Company;
- (ii) financial situation and solvency of the Company; and
- (iii) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Issues in the past 12 months**

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

However, this does not apply to a vote cast in favour of this Resolution by:

- (i) A person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (ii) The Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the chair decides; or
- (iii) A Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (A) The beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and

- (B) The Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

#### 6.4 Board recommendation

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

### 7. Resolution 4 - Release of Shares from Holding Lock

#### 7.1 General

At a general meeting of the Company held on 4 January 2023 (**General Meeting**), shareholders approved the issue of 44,595,317 ordinary shares in the capital of the Company (**Breach Shares**) to Kenneth Allen and Allens Business Group Pty Ltd. The Company subsequently issued the Breach Shares on 2 March 2023 (**Issue Date**).

The Breach Shares were issued to:

- (a) Mr Allen in satisfaction of unpaid accrued director fees; and
- (b) Allens Business Group Pty Ltd for the repayment of loans provided to the Company up to 30 June 2022.

The Company inadvertently breached Listing Rule 10.11 by failing to issue the Breach Shares within 1 month of the relevant resolutions being passed at the General Meeting. The consequence of failing to issue the Breach Shares within the required timeframe is that shareholder approval for the issue of the Breach Shares is deemed to have lapsed prior to their issue. The Breach Shares were subsequently placed in a 'holding lock' by the Company's Share Registry Service Provider at the request of the Company on 3 March 2023 as a result of the breach.

The Company is seeking approval from members to release the holding lock over the Breach Shares.

If Resolution 4 is not approved, the Company will be required to cancel the Breach Shares and the debts owed to Mr Allen and Allens Business Group Pty Ltd will become due and payable by the Company.

#### 7.2 Board recommendation

Resolution 4 is an ordinary resolution.

The Board recommends (other than Mr Allen who has a personal interest in the outcome of this Resolution) that Shareholders vote in favour of Resolution 4.



## Schedule 1      Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$</b>	means Australian Dollars.
<b>10% Placement Facility</b>	has the meaning in Section 6.1.
<b>10% Placement Period</b>	has the meaning in Section 6.2(f).
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2023.
<b>Annual General Meeting or Meeting</b>	means the meeting convened by the Notice.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor</b>	means Armada Audit and Assurance Pty Ltd.
<b>Auditor's Report</b>	means the report of the Auditor contained in the Annual Report.
<b>AWST</b>	means Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Closely Related Party</b>	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
<b>Company</b>	means Nex Metals Explorations Ltd (ACN 124 706 449).
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.

<b>Financial Report</b>	means the annual financial report in respect of the year ended 30 June 2023 prepared under Chapter 2M of the Corporations Act and contained in the Annual Report.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Minimum Issue Price</b>	has the meaning in Section 6.2(e).
<b>Notice</b>	means this notice of Annual General Meeting.
<b>Option</b>	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Relevant Period</b>	means the 12-month period immediately preceding the date of the issue or agreement.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Trading Day</b>	means a day determined by ASX to be a trading day and notified to market participants being: <ul style="list-style-type: none"> <li>(a) a day other than: <ul style="list-style-type: none"> <li>(i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and</li> <li>(ii) any other day which ASX declares and publishes is not a trading day; and</li> </ul> </li> <li>(b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.</li> </ul>
<b>VWAP</b>	means the volume weighted average price of Shares traded on ASX.

