

25 March 2022

## ANNUAL GENERAL MEETING OF NEX METALS

As the largest shareholder of Nex Metals Explorations Limited (**Nex**), Metalicity Limited (**Metalicity**) is very concerned about the future of Nex under management of the current Board of Directors and accordingly, is seeking the support of Nex shareholders to implement changes at Nex's upcoming Annual General Meeting to be held on Thursday, 31 March 2022 (**AGM**).

Metalicity has considered a number of factors in seeking to implement changes to the Board of Nex Metals and specifically notes:

- **The operational progress of Nex Metals:** the current Board has failed to achieve any of its stated objectives for the tailings treatment project.
- **The financial position of Nex Metals:** the balance sheet as at 31 December 2021 shows current liabilities far exceed current assets and poor cash position. These accounts also show transactions with entities related to current Nex Metals' Directors, which Metalicity considers require independent review.
- **The inability to meet basic compliance and governance requirements:** reference is made to Nex Metals' failure to lodge its 2021 Annual Report on time and resulting suspension from quotation, the AGM being held well outside of the statutory requirements and the decision made by the Takeovers Panel in relation to (among other things) preparation and lodgement of Nex Metals' original target's statement which can be viewed at the following link <https://bit.ly/3oSONx8>.

Metalicity seeks the support of shareholders of Nex Metals for the appointment of proposed nominees, Alexander Neuling, Justin Barton and Kevin O'Sullivan (**Proposed Directors**). Each of the Proposed Directors has strong corporate governance credentials, and extensive resources company experience. Summaries of the background and experience of the Proposed Directors are set out in the notice of annual general meeting released by Nex Metals to convene the AGM.

**Metalicity recommends that shareholders of Nex Metals vote for the appointment of the Proposed Directors and against the re-election of Thomas Percy QC, an existing Nex Metals' Director, at the AGM. Nex shareholders should vote as follows at the upcoming AGM:**

- Resolution 1 - **No**
- Resolution 2 - **No**
- Resolution 3 - **No**
- Resolution 4 - **Yes**
- Resolution 5 - **Yes**
- Resolution 6 - **Yes**

Metalicity has also arranged and called a **General Meeting under S249F** of the Corporations Act on 4 May 2022 to seek the support of the shareholders of Nex Metals for:

- the removal of Kenneth Allen, Thomas Percy QC and Hock Hoo Chua, the existing Nex Metals' Directors, from the Board of Nex Metals; and
- the appointment of Alexander Neuling, Justin Barton and Kevin O'Sullivan, the Proposed Directors, to the Board of Nex Metals.

A copy of the Notice convening the General Meeting has been dispatched to shareholders of Nex Metals together with a covering letter from Metalicity, which outlines the key reasons why the Metalicity has called and arranged the General Meeting. A copy of this can be found on Metalicity's website [www.metalicity.com.au](http://www.metalicity.com.au). **Metalicity urges Nex Metals shareholders to consider the Notice and the covering letter in full.**

**Metalicity believes complete Board change at Nex Metals is required urgently and recommends that shareholders of Nex Metals vote for all resolutions proposed at the General Meeting as set out in the Notice.**

Metalicity's interests are completely aligned with fellow shareholders of Nex Metals in wanting better leadership and progress with the projects Nex Metals has an interest. The Kookynie and Yundamindra Gold Projects are at the heart of this – they are very promising assets and deserve leadership that can unlock their value.

It is time to change things at Nex and put in place a Board that is transparent with shareholders of Nex Metals and works collaboratively to maximise the value of the Kookynie and Yundamindra Gold Projects for all stakeholders.

This Announcement is approved by the Board of Metalicity Limited.

## ENQUIRIES

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