

ASX RELEASE: 27 January 2022

METALICITY BID FOR NEX METALS – EXTENSION OF OFFER PERIOD

- The Closing Date for Metalicity’s offer for NME has been extended to 10 February 2022
- Nex Metals has failed to prepare a compliant Target’s Statement accompanied by an Independent Expert’s Report (IER) by 21 January 2022 as required by the Takeovers Panel
- The extension provides NME shareholders impacted by the lack of a proper Target’s Statement and IER more time to await the IER commissioned by Metalicity and then to consider Metalicity’s offer outlined in the Bidder’s Statement
 - The Directors of Nex Metals are personally liable for the first \$50,000 in costs for the IER
- Nex Metals’ writ in the Supreme Court against Metalicity with respect to the Joint Venture has been dismissed
- Metalicity’s interest in NME has now increased to 31.48%, and is NME’s single largest shareholder
- The Offer is Unconditional, with all NME shareholders who accept or have accepted to receive 4.81 MCT Shares for every 1 NME Share
- Metalicity continues to encourage NME shareholders to accept the Offer to enable work on the Kookynie and Yundamindra Gold Projects to move forward as quickly as possible

Metalicity Limited (ASX: MCT) (**Company** or **Metalicity**) is pleased to announce that the Closing Date for its offer for Nex Metals Exploration Limited (ASX: NME) (**NME** or **Nex Metals**) has been extended by two weeks to 5.00pm (Perth time) on 10 February 2022.

Nex Metals has failed to prepare a Replacement Target’s Statement accompanied by an Independent Expert’s Report (IER) as required by the Takeovers Panel (see [TP22/08](#)). To assist NME’s shareholders, Metalicity has now engaged an independent expert to provide an IER to Nex Metals’ shareholders. The external costs of the Metalicity IER are to be borne by Nex Metals’ directors jointly and severally up to an amount of \$50,000, as ordered by the Takeovers Panel. Nex Metals has also been ordered to use its best endeavours to assist the expert engaged to produce the Metalicity IER with its inquiries.

Andrew Daley, Chairman of Metalicity commented:

“I believe it is becoming clearer that we are now closer to the end than the beginning of this takeover offer. Metalicity is now by far the largest shareholder of Nex Metals, and we fully intend to exercise all rights attached to that holding, including voting rights. We have an effective direct and indirect interest of more than two thirds in the Kookynie and Yundamindra Gold Projects.

“After making a huge fuss about the expenditure undertaken at the Kookynie and Yundamindra Gold Projects, and seeking to imply there had somehow been irregularities, Nex Metals has quietly settled the matter and withdrawn their claims. After NME’s multiple losses in the Takeovers Panel, and subsequent failure to produce the required documentation to inform NME shareholders, Metalicity has now engaged a reputable Independent Expert to help inform NME shareholders.

With each passing day, NME simply becomes less and less relevant. As such, I urge NME shareholders to continue to accept the Offer, so that all parties can continue to benefit from continued development at the Kookynie and Yundamindra Gold Projects efficiently.

The current extension of the offer period provides NME shareholders impacted by the continued lack of a proper Target's Statement and IER more time to await the Metalicity IER and then to consider Metalicity's offer outlined in the Bidder's Statement. Since Metalicity launched its bid NME's Target's statement has been found by the Takeovers Panel to be misleading and to contain material information deficiencies.

The extension does not impact acceptances received to date and the Offer remains Unconditional. NME shareholders who have accepted any time after 3 December will receive MCT shares within one month after the date they accepted (or 21 days after the end of the Offer Period). As is standard for Australian takeovers, any NME shareholders accepting will receive the full benefit of any revised offer should such an offer be made.

On 15 November 2021, Nex Metals announced that it had lodged a writ in the Supreme Court against the Company for breach of the Joint Venture between Nex Metals and the Company. On Monday, 24 January 2022 under orders made by Justice Hill the case against the Company was dismissed.

Metalicity's bid was declared Unconditional on 3 December 2021 and Metalicity has now received acceptances representing 31.48% of NME's issued shares, providing it with the largest single voting interest in NME.

NME shareholders can email acceptances to capitalmarkets@linkmarketservices.com.au with the subject line "NME Takeover by MCT". **The new Closing Date of the Offer (unless extended) is 5:00pm (Perth time) on 10 February 2022.**

Please see the section 650D Notice attached.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

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Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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Perth | Melbourne

27 January 2022

Your Ref:
Our Ref: RCS:AND:3515-06
Contact: Adrian Di Menna
Senior Associate
adimenna@steinpag.com.au

The Manager
Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**METALICITY LIMITED OFF-MARKET TAKEOVER BID FOR NEX METALS EXPLORATIONS LIMITED:
EXTENSION OF OFFER PERIOD**

We act for Metalicity Limited (ACN 086 839 992) (**Metalicity**) in respect of its offers in relation to its off-market takeover bid for all of the fully paid ordinary shares in Nex Metals Explorations Limited (ACN 124 706 449) (**Offer**) pursuant to its bidder's statement dated 24 September 2021 (as varied).

Metalicity has determined to extend the period during which the Offer will remain open for acceptance until **5:00pm (Perth time) on 10 February 2022**.

We **enclose** formal notice given by Metalicity under section 650D of the *Corporations Act 2001* (Cth) in relation to the extension of the offer period lodged with the Australian Securities and Investments Commission on 27 January 2022.

This release has been authorised by the board of directors of Metalicity.

Yours faithfully



STEINPREIS PAGANIN

For personal use only

Metalicity Limited

ACN 086 839 992

Off-market takeover bid for Nex Metals Explorations Limited

Notice under section 650D of the Corporations Act 2001 (Cth)

Variation of offer – extension of offer period

To: Australian Securities and Investments Commission (**ASIC**);
Nex Metals Explorations Limited (ACN 124 706 449) (**NME**);
ASX Limited (**ASX**); and

Those persons shown as holders of NME shares in the register of members of NME as at 24 January 2022 who have not yet accepted the Offer in accordance with section 650D(1)(c)(ii) of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order [CO 13/521])

Metalicity Limited (ACN 086 839 992) (**Metalicity**) gives this notice under section 650D of the *Corporations Act 2001* (Cth) (**Corporations Act**) in respect of its offers dated 14 October 2021 (**Offer**) in relation to its off-market takeover bid for all of the fully paid ordinary shares in Nex Metals Explorations Limited (ACN 124 706 449) pursuant to its bidder's statement dated 24 September 2021 (as varied) (**Bidder's Statement**).

Capitalised terms in this notice have the same meaning as given in the Bidder's Statement, unless the context requires otherwise.

Extension of Offer Period

Metalicity gives notice under section 650D(1) of the *Corporations Act* that pursuant to section 650C(1) of the *Corporations Act* it varies the Offer by:

- (a) extending the period during which the Offer will remain open for acceptance until **5:00pm (Perth time) on 10 February 2022**, unless withdrawn or further extended; and
- (b) replacing references to '15 November 2021' with '10 February 2022' in all places in the Bidder's Statement and the Acceptance Form where '15 November 2021' appears (or is deemed to appear) as the last day of the Offer Period.

Date of lodgement and disclaimer

A copy of this notice was lodged with ASIC on 27 January 2022. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this notice.

Authorisation

This notice has been approved by a unanimous resolution passed by the Directors of Metalicity in accordance with section 650D(3A) of the *Corporations Act* (as inserted by ASIC Class Order [CO 13/521]).

Date: 27 January 2022

Signed for and on behalf of Metalicity Limited:


Justin Barton
Managing Director