

Replacement Target's statement

In response to the offer by Metalicity Limited (ACN 086 839 992) to acquire all of your ordinary shares in Nex Metals Explorations Ltd (ACN 124 706 449)

If you are in any doubt about how to deal with it, please consult your stockbroker or other professional adviser: or telephone the company on 0436 121 809.

The directors of Nex Metals Explorations Ltd unanimously recommend that, in the absence of a higher offer, you

REJECT

METALICITY LIMITED'S OFFER

**TO REJECT METALICITY LIMITED'S OFFER DO NOTHING.
Take NO ACTION in relation to all documents sent to you
by Metalicity.**

IMPORTANT INFORMATION

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should consult your financial, legal or other professional adviser without delay.

This Replacement Target's Statement is dated 17 March 2022. This Replacement Target's Statement is ordered by the Takeover Panel to replace the Original Target's Statement dated 29 October 2021

Legal Adviser

**GEORGE PAPAMIHAIL**
BARRISTERS & SOLICITORS INCORPORATING LEGAL SETTLEMENTS WA

Financial Adviser

indianocean

What do your Directors recommend?

REJECT the Offer

To REJECT the offer DO NOTHING

Take NO ACTION in relation to all documents sent to you by Metalicity.

Your Directors' key reasons to **REJECT** the Offer

1. The Offer by Metalicity materially undervalues your shares in Nex Metals

Your Directors unanimously consider that Nex Metals Shares are worth substantially more than the value of the Metalicity Offer (the Metalicity Offer values Nex Metals Shares at \$0.0337 as at 11 March 2022).

Your Directors consider that the Enterprise Value¹ of Nex Metals on a relative basis should be a premium to the Enterprise Value of Metalicity:

- Nex Metals and Metalicity each have approximately an equal interest in The Kookynie Gold Project (“**Kookynie**”) (Nex Metals 49% vs. Metalicity 51%)
- Nex Metals also owns 100% of the prospective Kookynie Tailings Research Project (“**Kookynie Tailings**”). Initial drilling and technical studies at Kookynie Tailings infer the potential for considerable value to be realised (subject to additional investment and technical work) In comparison, Metalicity’s only other asset is an 80.3% interest in the Admiral Bay Zinc Project, an asset that is dormant and that is currently unable to be monetised in any way, despite historical expenditure of \$50m, and is therefore considered by your Directors to be have negligible value
- In summary, Nex Metals has an 49% interest in Kookynie and a 100% interest in Kookynie Tailings, whereas Metalicity’s only asset of value is considered to be its

¹ Interest bearing liabilities less cash and cash equivalents

51% interest in Kookynie. Your Directors therefore consider that Nex Metals has a superior asset holding compared to Metalicity.

Given Nex Metals' superior asset holding, it would be reasonable to assume that the Enterprise Value of Nex Metals would be a premium to Metalicity. However, the Enterprise Value of Nex Metals, and the value of the Metalicity Offer, is at a material discount to the Enterprise Value of Metalicity on the dates shown below:

Enterprise Value of Metalicity Compared to Nex Metals

| | Metalicity | | Nex Metals | |
|---|-------------|-------------|-----------------|---------------|
| | pre-Offer | pre-Offer | Announced Offer | Current Offer |
| | 13-Sep-21 | 13-Sep-21 | 14-Sep-21 | 4-Mar-22 |
| Price per share (\$/sh) | 0.01 | 0.037 | 0.048 | 0.0337 |
| Market Capitalisation (\$m) | 21.4 | 9.9 | 12.8 | 9.0 |
| Net Debt / (Net Cash) ¹ | (2.0) | (0.1) | (0.1) | (0.1) |
| Enterprise Value | 19.4 | 9.8 | 12.8 | 8.9 |
| Discount to Enterprise Value of Metalicity | | -49% | -34% | -54% |

1. Interest bearing liabilities less cash and cash equivalents as at 31-Dec-21

Metalicity is seeking to exploit this disconnection in the relative Enterprise Value of Nex Metals compared to Metalicity with an undervalued Offer for your Nex Metals Shares.

Your Directors unanimously recommend that, in the absence of a higher offer, you REJECT Metalicity's Offer.

In addition, the true value of Kookynie is yet to be realised, with material upside potential, including near-term appreciation in value from the impending declaration of a maiden JORC resource at Kookynie on the back of a gold exploration target of between 294,000 ounces and 967,000 ounces. (as announced by Metalicity on ASX dated 12 March 2020).

Metalicity's undervalued and opportunistic bid for Nex Metals seeks to capture this value, depriving Nex Metals Shareholders of the full opportunity to participate. Metalicity, as project manager, has the best understanding of the inherent value of Kookynie and the lucrative upside available.

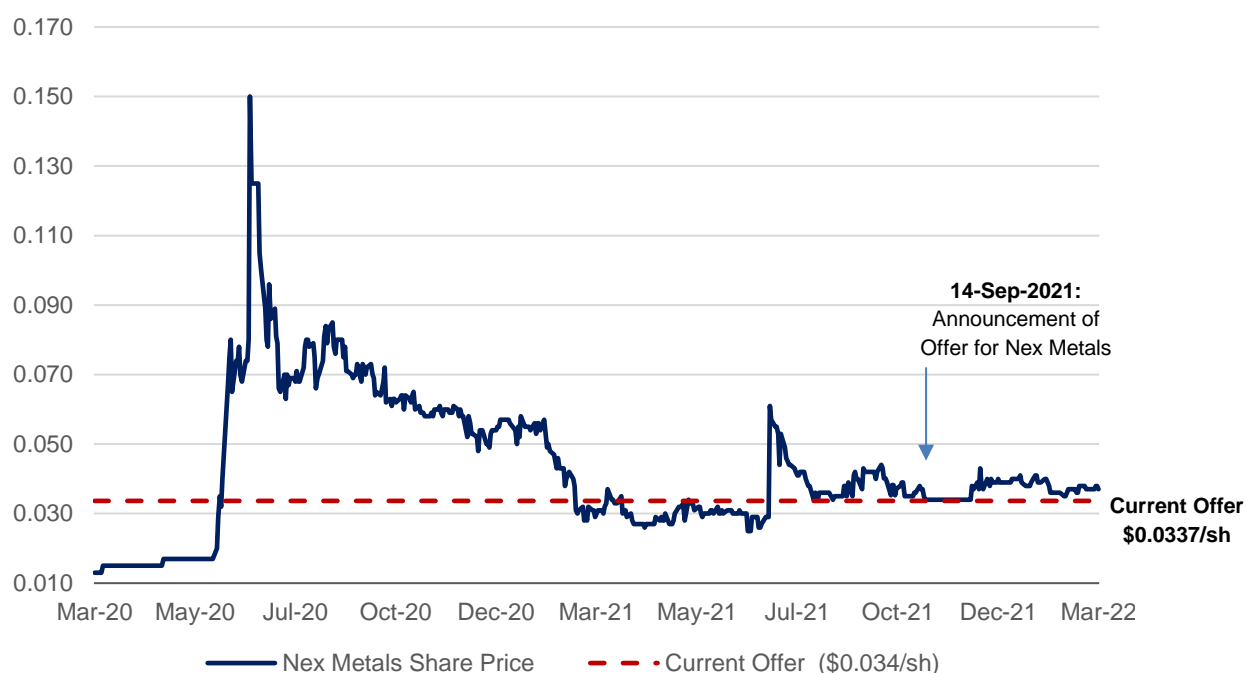
In the event Metalicity acquires 100% of Nex Metals, Nex Metals Shareholders will have an effective interest of 37.5% in Metalicity and therefore a 37.5% interest in Kookynie. However, Nex Metals shareholders currently have an effective interest of 49% in Kookynie. Therefore, Nex Metals Shareholders accepting the Metalicity offer will have their effective interest in Kookynie significantly diluted. Your Directors believe it is not rational to dilute your interest in Kookynie and therefore unanimously recommend that you **REJECT** Metalicity's undervalued and opportunistic Offer.

2. The price offered to Nex Metals Shareholders and implied acquisition premium are highly unattractive, opportunistic and significantly less than market standard acquisition premiums for comparable transactions

Metalicity's Offer to Nex Metals Shareholders is highly unattractive, opportunistic and not compelling for Nex Metals Shareholders to accept.

The following chart shows Nex Metal's historical share price over the last two years from 12 March 2020 to 11 March 2022.

Nex Metals 2-year Share Price Performance (12 March 2020 to 11 March 2022)



Nex Metals Shareholders would currently realise a loss by accepting the Metalicity Offer. The current price of \$0.0337 per share offered by Metalicity for your Nex Metals Shares is less than the last traded price for Nex Metals Shares of \$0.037 per share².

As illustrated by the above chart, the Metalicity Offer for Nex Metals is significantly below the recent trading performance of Nex Metals. Therefore, your Directors consider the Offer to be undervalued and opportunistic.

Furthermore, the Offer is unattractive and opportunistic when compared with a range of historical trading prices for Nex Metals Shares. The current Offer of \$0.0337 per share (as at 11 March 2022) represents:

² As at 11 March 2022

- a 9.0% discount to the last traded price of Nex Metals Shares of \$0.037 per share on 11 March 2022
- a 9.6% discount to the 30-day Volume Weighted Average Price (“VWAP”)³ of \$0.037 per Nex Metals share
- a 36.9% discount to the 180-day VWAP³ of \$0.053 per Nex Metals share
- a 38.8% discount to \$0.055 per Nex Metals share, being the most recent price that Nex Metals raised capital on 2 July 2020
- a 58.4% discount to the 52-week⁴ high price of \$0.081 per Nex Metals share
- a 34.7% premium to the 52-week⁴ low price of \$0.025 per Nex Metals share

The Offer for Nex Metals is undervalued and opportunistic. Your Directors unanimously recommend that, in the absence of a higher offer, you REJECT Metalicity’s Offer.

3. Nex Metals has a number of highly attractive near-term opportunities, including the ongoing work on Kookynie and Kookynie Tailings, that are anticipated to create material valuation upside for Nex Metals Shareholders.

Nex Metals’ near-term value creation opportunities are detailed below:

- The declaration of a maiden resource at Kookynie
- Further drilling and definition of the Kookynie ore body
- Commencement and completion of a Scoping Study at Kookynie
- Further technical work defining the opportunity at Kookynie Tailings
- Development and commencement of production at Kookynie Tailings

Kookynie has recently had expenditure on drilling and technical studies of approximately \$5.0m. An increase in the value of Kookynie from this expenditure is yet to be fully realised, pending the declaration of a maiden resource at Kookynie. Nex Metals anticipates the declaration of a resource at Kookynie will occur in the near-term, which is expected to translate to material valuation upside.

Nex Metals is also enthusiastic to realise the commercial potential of Kookynie Tailings (See ASX announcement dated 29 July 2020). Nex Metals regards Kookynie Tailings as “low-hanging fruit” and able to be monetised in the near-term. The Kookynie Tailings opportunity is 100% owned by Nex Metals and, in the absence of the Metalicity transaction, will not be able to be realised by Metalicity.

³ VWAPs are based on trading prior to the Offer announcement date of 14 September 2021

⁴ The 52-week high and 52-week low prices represent the 52-weeks trading prior to the Metalicity Offer on 14 September 2022

Your Directors believe that the price of Nex Metals Shares does not reflect the potential increase in value that will be created by these opportunities, and therefore neither does the Offer price for Nex shares.

Nex Metals is currently raising funding to realise these opportunities and has advanced preparations to undertake a capital raise of up to \$3.115m via a non-renounceable rights issue (please refer to Nex Metals' ASX announcement dated 29 September 2021). Proceeds of the capital raise will provide Nex Metals with sufficient funding for the medium term to advance Nex Metals' projects and create value for Nex Metals Shareholders. The rights issue offer will be subject to shareholders' approval at a general meeting and a notice of meeting will be announced after the Takeover Panel has given their approval (Refer to Takeover Panel Media Release dated 3 November 2021)

The key terms of the non-renounceable rights issue are:

| | |
|--|--------------------|
| Offer Price per Share | \$0.035 |
| Entitlement Ratio (based on existing Shares) | 1:3 |
| Shares currently on issue | 267,014,768 |
| Shares to be issued under the Offer | 89,004,923 |
| Gross proceeds of the issue of Shares | \$3,115,276 |
| Shares on issue Post-Offer | 356,019,691 |

Risks of Accepting the Rights Takeover Bid versus proceeding with the Rights Issue

Since the lodgement of the Bid Nex Metals has been effectively precluded from accessing the capital markets via undertaking any form of placement or fund raising.

Accordingly, the Board is of the view that the Rights Issue is the most equitable and, in the circumstances, feasible mechanism to raise capital.

Nex Metals is currently accessing interest free loans from Directors and their related entities to provide sufficient working capital for Nex Metals given its inability to be able to access the capital markets.

In order for Nex Metals to meet its commitments and to provide working capital the Rights Issue is necessary.

Shareholders need to carefully consider the advantages and disadvantages of approving the Rights Issue as is it will affect their ability to be able to participate in the Bid.

Set out below are the relative merits of the Bid versus the Rights Issue.

Relative Merits of the Bid

The relative merits of the Bid as against the Rights Issue are that:

- (a) the Bid is an opportunity for Shareholders to release a control premium now, and improve their investment in the Kookynie and Yundamindra Gold Projects via ownership of a single entity;
- (b) the Bid represents an attractive premium to the pre-Bid valuation of Net Metals Shares;
- (c) it will create a combination with improved access to capital, removal of the joint venture structure, cost savings and enhanced balance sheet position leading to accelerated project development;
- (d) it will provide a simplified (100%) ownership of the Kookynie and Yundamindra Gold Projects and a stronger balance sheet with an enhanced cash position;
- (e) it will enable cost synergy benefits by removing duplicate listed company costs, provide management efficiencies and streamline administration processes; and
- (f) it will provide Nex Metals Shareholders potential access to CGT scrip for scrip rollover relief in respect of the Bid.

As at the date of this document Metalicity has a relevant interest in 32.76% of the issued share capital of the Company.

Relative Merits of the Rights Issue

The relative merits of the Rights Issus as against the Bid are set out below.

Better Value

While Metalicity's Bidder's Statement offers Nex Metals shareholders 4.81 Metalicity shares for every 1 Nex Metals share, no cash is offered to Nex Metals shareholder.

The Rights Issue offers better value to Nex Metals shareholders given:

- (a) a significant proportion of the proceeds will be used to advance Nex Metals joint venture with Metalicity concerning the Projects, thereby adding value to the shareholder's interest in Nex Metals; and
- (b) the value of Metalicity's share price fell by about 55% from February 2021 (where it was valued at 0.020) when compared to its current share price as at 15 March 2022 (being \$0.006). The shares in Metalicity have not increased since February 2021. Nex Metals Shares in comparison have increased in value at a much higher rate with the Share price being noted at \$0.061 as of 8 July 2021.

Choosing the Rights Issue offers greater value for money and return on investment for Nex Metals shareholder. Metalicity's Bid represents a low return on investment, evidenced by the low share price.

The Bid is problematic in the absence of obtaining an accurate valuation of Nex Metals. Metalicity's Bid significantly lacks information on but not limited to the mineral resource estimates. Proceeding with Metalicity's Bid presents an unnecessary risk to Nex Metals Shareholders when the value of Nex Metals could be at a much higher value than what is offered in Metalicity's Bid.

Control and Decision-Making Power

In respect of control, Metalicity's Bidder Statement only allows Nex Metals shareholders a total of 37.5% of the ordinary shares of Metalicity and its subsidiaries. Accepting Metalicity's Bid reduces Nex Metal's decision-making power and its Shareholders overall voting power. Nex Metals is currently a standalone entity and can continue developing other mining projects across Western Australia in its own right. The Rights Issue allows Nex Metals and its Shareholders to retain their current decision making and voting powers, which would decrease if Metalicity's Bid was accepted.

Control under Metalicity's Bid

There is no certainty that Nex Metals will gain a relevant interest in more than 50% of the issued share capital of the Company. The Rights Issue in contrast is not subject to any conditions and would allow Nex Metals shareholders being able to receive the new shares in a shorter time frame.

Nex Metal's First Right

Nex under the joint venture agreement maintains in its own right the first right to all processing (Using Nex Technologies) from the joint venture tenements and all the rights to the tailings project at Kookynie which would provide significant incomes to Nex Metals alone.

Use of Proceeds of the Rights Issue

Outlined below is a table detailing how the proceeds obtained through the Rights Issue are proposed to be used:

| Budget for Rights Issue | |
|---|--|
| Item | Amount |
| 1. 50 % JVA expenditure as per budget, provided by Metalicity but not yet approved by the Joint Venture or called | \$1,100,000 |
| 2. Tailings Work | Equipment Hire \$300,000 Staffing \$160,000 Fuels \$32,000 |

| | | | |
|----|---|--|---|
| 3. | Plaint Costs relating to the current warden's court case regarding a plaint on current NME tenements. | Carrying costs of Legal fees relating to Plaint | \$250,000 |
| 4. | Takeover Costs including various mailouts to shareholders, independent corporate advice and solicitor costs | Legal Fees Printing Share Registry Costs Total | \$350,000 \$25,000 \$15,000 \$390,000 |
| 5. | Expenses of the Offer | | 29,939 |
| 6. | Working Capital including ongoing office rent, salaries and wages, listed entity costs, insurance | | \$853,337 |

Underwriting

The Rights Issue is not currently underwritten. The current predicament in which Nex Metals finds itself has made procuring a commercial underwriting proposal difficult, however Nex Metals expects for the rights issue to be fully underwritten at the time of issuing the Notice of Meeting and lodging the disclosure document. In this respect Nex Metals has engaged Indian Ocean Capital to assist in this regard.

Directors and their associates are not permitted to underwrite or sub-underwrite the Rights Issue and will not be doing so.

Shortfall and Dispersal Strategy

The Board is of the view that the issue of Shortfall to non-associated unrelated third-party investors is the most equitable method pursuant to which the Company can gain the funding required to meet its business objectives.

Given the potential control effects from the dispersal of any shortfall arising under the Rights Issue, the Board has resolved not to issue any shortfall to any.

For the avoidance of doubt no director or their associates may participate in any shortfall arising from the Rights Issue, nor can any shareholder. Shortfall may be issued by the Board at its discretion to non-associated unrelated third-party investors provided that any shortfall allocated to that person does not provide them with a relevant interest in Shares in excess of 15%.

Given that the Takeovers Panel has not precluded Directors or their associates from taking up their entitlements under the Rights Issue, those parties may participate in the Rights Issue to the extent of their entitlement.

Metalicity may participate in the Rights Issue to the extent of its entitlement.

Effect on capital structure

The effect of the Rights Issue (assuming the Rights Issue is fully subscribed) will be that approximately 89,004,923 new Shares will be issued, which will increase the number of Shares on issue from 267,014,768 to 356,019,691.

| | |
|--|-------------|
| Shares currently on issue | 267,014,768 |
| Options currently on issue | Nil |
| Shares offered under the Offer | 89,004,923 |
| Amount raised under this Offer (before costs) ¹ | \$3,115,276 |
| Total Shares on issue following the Offer | 356,019,691 |

Notes:

- 1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date and the Rights Issue is fully subscribed.

Potential effect of the Offer on control of the Company

The potential effect of the Offer on control of the Company is as follows:

- (a) If all eligible shareholders take up their Entitlement, then the Offer will practically have no effect on control of the Company.
- (b) In the more likely event, there is a Shortfall:
 - a. eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table below. Refer to the table below for examples on how the dilution may impact Shareholders; and
 - b. the Directors reserve the right to place the Shortfall within 3 months of the closing date. Shortfall Shares will be issued at a price not less than the issue price of new Shares under the Rights Issue, although the Directors reserve the right to issue any Shortfall at a higher price than the issue price.

Dilution

Shareholders should note that if they do not participate in the Rights Issue their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at today's date).

Examples of how the dilution may impact Shareholders are set out in the table below:

| Holder | Holding as at Record date | Approximate % at Record Date ¹ | Entitlement under the Offer | Holdings if Offer not taken up | Approximate % post Offer |
|---------------|---------------------------|---|-----------------------------|--------------------------------|--------------------------|
| Shareholder 1 | 7,000,000 | 2.62 | 2,333,333 | 7,000,000 | 1.97 |
| Shareholder 2 | 3,000,000 | 1.12 | 1,000,000 | 3,000,000 | 0.84 |
| Shareholder 3 | 1,000,000 | 0.37 | 333,333 | 1,000,000 | 0.28 |

Notes:

1. This is based on a share capital of 356,019,591 Shares on issue.

Your Board considers that these factors, together with the strategic outlook and growth opportunities of Nex Metals, support its view that the Offer is materially inadequate and does not reflect fair value for your Nex Metals Shares.

4. Metalicity will require additional cash in the near-to-medium-term to continue to fund work on their mining assets and will therefore need to raise capital, which would be dilutive and would therefore be expected to negatively impact the Metalicity share price

Metalicity has cash of \$2.0m as at 31 December 2021. At their current rate of spending, Metalicity estimates that \$2.0m will last for approximately seven months⁵. Subsequent to that Metalicity will need to raise additional capital.

However, this estimate does not take into account that, in order to avoid dilution of their current 31.5% interest in Nex Metals, Metalicity would require approximately \$1.0m to participate in Nex Metals' \$3.115m rights issue (announced 29 September 2021). Participation by Metalicity in the Nex Metals rights issue would create a circumstance whereby Metalicity is required to raise addition capital in the very near term.

Should Metalicity raise additional capital through the issue of additional shares in Metalicity, any such capital raise may not only be dilutive to Metalicity shareholders, but may also result in a decrease of the Metalicity share price.

5. The Offer Consideration is fundamentally unattractive

Should the Metalicity Offer be successful, Nex Metals shareholders will receive shares in Metalicity as consideration. Metalicity will need to issue up to 1.28 billion shares Metalicity

⁵ Source: Metalicity Quarterly Cash Flow Report as at 31 December 2021

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shares to Nex Metals shareholders as consideration for the Offer. This represents a material increase of approximately 59.9% in Metalicity's current issued share capital.

As there is no capacity for Nex Metals Shareholders to elect to receive cash for their Nex Metals Shares under the Offer, there is a risk that some Nex Metals Shareholders who accept the Offer may not intend to hold Metalicity Shares in the long term and may seek to sell them on market. If there is a large number of former Nex Metals Shareholders who seek to sell their Metalicity Shares received under the Offer within a short period after the Offer closes, this may place significant downward pressure on the market price of Metalicity Shares. There is a material risk that the implied value of the Offer will not reflect the realisable value shareholders could receive after they are issued with new Metalicity Shares.

Furthermore, the liquidity of Metalicity Shares is considered to be extremely low, with an average daily volume of only 4.9m shares traded in the month prior to announcement of the Offer. At this average daily volume, it would take Nex Metals Shareholders approximately 260 trading days to sell their Metalicity Shares on the market (assuming no other Metalicity Shareholders wanted to sell their Shares). Therefore, there is the real possibility that Nex Metals Shareholders accepting into the Offer may be stranded and not able to divest their Metalicity Shares for an extended period of time.

6. The Offer may create a capital gains tax liability for Nex Metals Shareholders

Nex Metals Shareholders who accept the Offer may be able to defer capital gains tax via scrip-for-scrip rollover relief. However, Metalicity must acquire at least 80% of the voting shares in Nex Metals for Nex Metals Shareholders to qualify. There is a substantial risk that Metalicity will not be able to achieve this level of acceptance.

If scrip-for-scrip rollover relief is not available, this may result in a capital gains tax liability for Nex Metals Shareholders who accept the Offer. See Section 6 of this Target's Statement for further details of the tax consequences of the Offer.

In summary, your Directors are highly optimistic about Nex Metals' future and its prospects as a standalone enterprise.

Having formed the view that the Metalicity Offer materially undervalues Nex Metals Shares, there is a substantial risk that Metalicity's Offer will erode value for Nex Metals Shareholders.

Your Directors unanimously believe Nex Metals' standalone prospects will deliver superior value to Nex Shareholders relative to the Metalicity Offer.

IMPORTANT NOTICES

To **REJECT** the Offer, you should **TAKE NO ACTION** in relation to all correspondence sent to you by Metalicity Limited.

Nature of this document

This document is a Replacement Target's Statement issued by Nex Metals Explorations Ltd (ACN 124 706 449) under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover bid made by Metalicity Limited (ACN 086 839 992) for all the ordinary shares in Nex Metals.

This Replacement Target's Statement replaces the Original Target's Statement dated 29 October 2021.

The Replacement Target's Statement is an important document and you should read it in its entirety.

ASIC lodgement

This Replacement Target's Statement is dated 20 January 2022 and was lodged with the ASIC and given to ASX on that date. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Replacement Target's Statement.

Defined terms

A number of defined terms are used in this Replacement Target's Statement. These terms are explained in section 9 of this Replacement Target's Statement. In addition, unless the contrary intention appears, or the context requires otherwise, words and phrases used in this Replacement Target's Statement and defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Replacement Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

This Replacement Target's Statement contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are beyond the control of Nex Metals. Those risks and uncertainties include factors and risks specific to Nex Metals as well as general economic conditions and

conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of Nex Metals and its directors.

Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. None of Nex Metals, any of its officer, any person named in this Replacement Target's Statement with their consent, or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements in this Replacement Target's Statement reflect views held only as at the date of this Replacement Target's Statement. Nex Metals has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required under Division 4 of Part 6.5 of the Corporations Act to update or correct this Replacement Target's Statement (i.e. for certain matters that are material from the point of view of a Shareholder) or under its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

Disclaimer as to information

The information on Metalicity and the Metalicity Group contained in this Replacement Target's Statement has been prepared by Nex Metals using publicly available information, including the Bidder's Statement and has not been independently verified by Nex Metals. Accordingly, Nex Metals does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Replacement Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Replacement Target's Statement has been prepared in accordance with Australian law and the information contained in this Replacement Target's Statement may not be the same as that which would have been disclosed if this Replacement Target's Statement had been prepared in accordance with the laws and regulations outside of Australia.

Charts, maps and diagrams

Any diagrams, charts, maps, graphs or tables appearing in this Replacement Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps graphs and tables is based on information available at the date immediately prior to the date of this Replacement Target's Statement.

Privacy

Nex Metals has collected your information from the Nex Metals register of Nex Metals

Shareholders for the purpose of providing you with this Replacement Target's Statement. The type of information Nex Metals has collected about you includes your name, contact details and information on your shareholding in Nex Metals. Without this information, Nex Metals would be hindered in its ability to issue this Replacement Target's Statement. The Corporations Act requires the name and address of Nex Metals Shareholders to be held in a public register. Your name may be disclosed on a confidential basis to external service providers (such a print and mail service providers) and may be required to be disclosed to regulators such as ASIC and the ASX. If you would like to obtain details of the information held about you by Nex Metals, please contact Nex Metals on +61436 121 809.

Shareholder enquiry

Nex Metals encourages Shareholders to email Nex Metals on admin@nexmetals.com if you have any queries in relation to the Offer. For queries regarding your Nex shareholding please contact Nex Metals share registry, Advanced Share Registry on (08) 9389 8033 or email at admin@advancedshare.com.au between 8.30am to 5.00pm (AWST). Online: www.advancedshare.com.au

Rounding

Fractional entitlements of Nex Metals Shareholders who accept the offer will be rounded to the nearest whole Metalicity Share. Figures, amounts, percentages, prices, estimates, calculations of a value and fractions in this Replacement Target's Statement may be subject to the effect of round. Accordingly, the actual figures may vary from those included in this Replacement Target's statement.

Key Dates

| | |
|---|-------------------|
| Bidder's Statement lodged with ASIC and ASX | 24 September 2021 |
| Offer Period opens | 14 October 2021 |
| Target's Statement lodged and released | 29 October 2021 |
| Announcement of Extension of Offer Period | 5 November 2021 |
| Announcement of Further Extension of Offer Period | 26 November 2021 |
| Announcement of Offer is now Unconditional | 3 December 2021 |
| Announcement of Further Extension of Offer Period | 15 December 2021 |
| Date of this Replacement Target's Statement | 25 February 2022 |
| Offer Period closes (unless Offer is extended or withdrawn) | 24 March 2022 |

17 March 2022

Dear Nex Metals Shareholders

REJECT METALICITY'S OFFER FOR YOUR NEX METALS SHARES BY TAKING NO ACTION

On 24 September 2021, Metalicity announced an unsolicited off-market takeover bid for all of the Nex Metals Shares it does not already own or control of 4.81 Metalicity Shares for every 1 Nex Metals Share held (**Offer**).

Your Directors have carefully considered the Offer and, for the reasons set out below:

- unanimously recommend that you **REJECT the Offer and DO NOTHING**

The principal reasons for your Directors' recommendation are:

1. The Offer by Metalicity materially undervalues your shares in Nex Metals.
2. The price offered to Nex Metals Shareholders and implied acquisition premium are highly unattractive, opportunistic and significantly less than market standard acquisition premiums for comparable transactions
3. Nex Metals has a number of highly attractive near-term opportunities that are anticipated to create material valuation upside for Nex Metals Shareholders.
4. Metalicity will require additional cash in the near-to-medium-term to continue to fund work on their mining assets and will therefore need to raise capital, which would be dilutive and would therefore be expected to negatively impact the Metalicity share price.
5. The Offer Consideration is fundamentally unattractive
6. The Offer may create a capital gains tax liability for Nex Metals Shareholders

These reasons for recommending that you **REJECT** the Offer are discussed in more detail in section 1 of this Replacement Target's Statement.

Until there is a better offer, each Director presently intends to reject the Offer in respect of the Nex Metals Shares they own, or control. As at the date immediately before the date of this Replacement Target's Statement, the Directors have voting power of approximately 11.25% of Nex Metals issued share capital.

As at 2 March 2022, Metalicity has voting power of approximately 32.76% of Nex Metals' issued share capital.

Further information

In considering whether to reject the Offer, the Directors encourage you to:

- read the whole of this Replacement Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the choices available to you as outlined in section 4 of this Replacement Target's Statement;
- carefully consider the risks set out in section 9 of this Replacement Target's Statement; and
- obtain personal advice from your broker, financial adviser, accountant, lawyer or other professional adviser on the effect of accepting the Offer.
- read the independent expert's reports (as per orders by the Takeover Panel, see media release dated 17 December 2021 and 11 February 2022) which is prepared and will be published on the ASX platform when completed.

Your Directors presently recommend that you reject this Offer.

To **REJECT** the Offer you should simply **DO NOTHING** and take **NO ACTION** in relation to all documents sent to you by Metalicity.

Nex Metals will keep Nex Metals Shareholders informed of any material developments in relation to the Offer through releases to the ASX (which will also be published on Nex Metals' website www.nexmetals.com)

I encourage you to read this document carefully and in its entirety. If you need any more information, I recommend that you seek professional advice or call Nex Metals Shareholder Information Line between 9:00am and 5:00pm (Perth time) Monday to Friday.

Yours sincerely



Thomas Percy QC
Chairman
For and on behalf of
Nex Metals Explorations Ltd

1 Why You Should Reject The Offer

Your Directors' key reasons to **REJECT** the Offer are detailed above on Page 2 to Page 7, and summarised below:

1. The Offer by Metalicity materially undervalues your shares in Nex Metals.
2. The price offered to Nex Metals Shareholders and implied acquisition premium are highly unattractive, opportunistic and significantly less than market standard acquisition premiums for comparable transactions
3. Nex Metals has a number of highly attractive near-term opportunities that are anticipated to create material valuation upside for Nex Metals Shareholders, making the Metalicity Offer relatively inferior.
4. Metalicity will require additional cash in the near-to-medium-term to continue to fund work on their mining assets and will therefore need to raise capital, which would be expected to negatively impact the Metalicity share price.
5. The Offer Consideration of Metalicity Shares is fundamentally unattractive, given their low liquidity and the risk that the share price could fall.
6. The Offer may create a capital gains tax liability for Nex Metals Shareholders.

Shareholders may consider that it is in their own best interest to accept the offer by Metalicity Ltd after considering all the matters in this document.

Some other factors to take into consideration (but not limited to) like:

- 1 Shareholders own financial imperative to accept the offer after considering all matters.
- 2 Shareholders may form their own view that the proposed rights issue may not have a significant benefit to the Company.
- 3 Shareholders may form a view that the rights issue in their view is dilutionary to the Company
- 4 Shareholders may form a view that in their view efficiencies would be gained by a combined entity.

2 Nex Metals Directors' Recommendation and Intentions

After taking into account each of the matters in this Replacement Target's Statement and in Bidder's Statement, each of the Directors recommend that you **REJECT** the Offer and **TAKE NO ACTION**.

The Directors' reasons for their above recommendation are set out in section 1 of this Replacement Target's Statement.

Each Director has advised that they intend to **REJECT** the Offer in respect of any Nex Metals Shares that they own or control.

In considering whether to **REJECT** or accept the Offer, the Directors encourage you to:

- (a) read the whole of this Replacement Target's Statement and Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (c) consider the choices available to you as outlined in section 4 of this Replacement Target's Statement;
- (d) carefully consider the Directors' key reasons detailed above on Page 2 to Page 6 of this Replacement Target's Statement; and
- (e) obtain financial advice from your broker or financial adviser upon the Offer and obtain taxation advice on the effect of accepting the Offer
- (f) read the independent expert's reports (as per orders by the Takeover Panel, see media release dated 17 December 2021 and 11 February 2022) which is prepared and will be published on the ASX platform when completed.

3 Overview of the Offer and frequently asked questions

This section contains an overview of key information regarding the Offer. It is not intended to address all relevant issues for Nex Metals Shareholders and is intended as a summary only. This Section should be read in conjunction with the more detailed information contained in this Target's Statement and the Bidder's statement

| Question | Answer |
|--|--|
| What is this Replacement Target Statement? | This Replacement Target Statement is Nex Metals' response to Metalicity's unsolicited off-market takeover bid and includes important information to consider before deciding whether to accept Metalicity's Offer. |
| Who is Metalicity? | Metalicity describes itself as an Australian public company with its shares listed on the ASX |
| What is Metalicity offering for my Nex Metals Shares? | <p>If you accept the Offer, subject to fulfilment or waiver of the Conditions you will be entitled to receive 4.81 Metalicity Shares for every one Nex Metals Share you own.</p> <p>If you are an ineligible Foreign Shareholder (being a Nex Metals Shareholder whose address as shown on the register of members of Nex Metals is in a jurisdiction other than Australia or its external territories, New Zealand, Canada, United Kingdom and Singapore) and elect to participate in the Offer you will not receive Metalicity Shares.</p> |

| | |
|---|--|
| | <p>Instead, you will be paid by the Nominee the net sale proceeds of the sale of the Metalicity Shares you would have otherwise been entitled to.</p> |
| <p>What are Metalicity’s Relevant Interests as at the Announcement Date in Nex Metals?</p> | <p>4,073,941 shares or 1.53% of shares on issue</p> |
| <p>What options do I have as a Nex Metals Shareholder?</p> | <p>As a Nex Metals Shareholder you have the following options in respect of your Nex Metals Shares:</p> <p>REJECT the Offer and remain a Nex Metals Shareholder. To reject the Offer you simply do nothing.</p> <p>Sell your Nex Metals Shares on the ASX unless you have previously accepted the Offer.</p> <p>Accept the Offer by following the instructions in the Bidder’s Statement.</p> |
| <p>What do your Directors recommend?</p> | <p>Your Directors unanimously recommend you REJECT the Offer and simply DO NOTHING.</p> <p>The reasons why your Directors recommend that you REJECT the Offer and DO NOTHING is set out in Section 3.1 of this Replacement Target’s Statement.</p> |
| <p>What do your Directors intend to do with their own Shares?</p> | <p>All of your Directors intend to REJECT the Offer in respect of the Nex Metals shares they own or control until there is a better offer.</p> |
| <p>When do I have to decide?</p> | <p>If you wish to follow your Directors recommendation to REJECT the Offer, you do not need to do anything. You should take no action in relation all documents received from Metalicity.</p> <p>If you wish to accept the Offer, you must do so before its scheduled closing date. Metalicity has stated its Offer remains open until 5.00pm on 24 March 2022. Metalicity has reserved the right to extend the Offer Period in accordance with the Corporations Act. In addition, the Offer Period may be extended automatically in certain circumstances.</p> |
| <p>Will Nex Metals remain listed on the ASX?</p> | <p>That depends on the outcome of the Offer.</p> <p>Assuming the Offer is successful and Metalicity acquires 90% or more of Nex Metals Shares, Metalicity has said it will proceed to compulsory</p> |

| | |
|--|---|
| | <p>acquisition, which will result in Nex Metals being delisted.</p> <p>On 3 December 2021, Metalicity amended its Offer to unconditional.</p> <p>Assuming Metalicity acquires less than 90% of Nex Metals Shares, Metalicity has said it intends to maintain Nex Metals' listing on the ASX, while continuing to meet its ASX listing requirement. However, Metalicity said it may reconsider this position and seek to delist Nex Metals from the ASX in the future should it be desirable to do so.</p> |
| Is the Offer only in respect of Nex Metals Shares? | The Offer extends to all Nex Metals Shares on issue at the date of the Announcement. |
| Will Metalicity increase its Offer? | Metalicity has not declared its Offer to be final. It remains open for Metalicity to increase or amend its Offer if it chooses. Nex Metals cannot say if Metalicity will increase its Offer as that is a matter for Metalicity. |
| What happens if Metalicity increases its Offer or another offer emerges? | <p>If Metalicity increases its Offer or another offer emerges, your Directors will carefully consider the revised offer and advise Shareholders accordingly.</p> <p>If the Offer Consideration is subsequently increased by Metalicity after you have accepted the Offer, you will be entitled to the improved Offer Consideration.</p> |
| What happens if I accept the Offer and a superior offer is subsequently made by a third party for my Nex Metals Shares? | <p>If you accept the Offer you will be bound to sell your Nex Metals Shares and will not be able to withdraw your acceptance as Metalicity's Offer is unconditional.</p> <p>Accordingly, if you accept the Offer you will be unable to accept any other superior offer that may emerge. As at the date of this Replacement Target's Statement your directors are not aware of any possibility that an alternative superior offer will be made in the foreseeable future or at all.</p> |
| What happens if I do nothing? | <p>You will remain a Nex Metals Shareholder.</p> <p>If Metalicity acquires between 50.1% and 90% of Nex Metals Shares under the Offer, you will be a minority shareholder of Nex Metals.</p> <p>If Metalicity acquires 90% or more of Nex Metals Shares, Metalicity states that it intends to compulsorily acquire your Nex Metals Shares.</p> |

| | |
|---|--|
| <p>If I accept the Offer now can I withdraw my acceptance later?</p> | <p>No, the Offer from Metalicity is unconditional. Once you have accepted the Offer you are not able to withdraw.</p> |
| <p>Can Metalicity extend the closing date of its Offer?</p> | <p>Yes. Metalicity has stated that its Offer remains open until 24 March 2022, unless it is withdrawn or extended under the Corporations Act. Metalicity has reserved the right to extend the Offer Period in accordance with the Corporations Act.</p> <p>In addition, the Offer Period may be extended automatically in certain circumstances</p> |
| <p>Can I be forced to sell my Nex Metals Shares?</p> | <p>You cannot be forced to sell your Nex Metals Shares unless Metalicity is legally entitled to proceed to compulsory acquisition.</p> <p>If Metalicity does compulsorily acquire the outstanding Nex Metals Shares following its acquisition of at least 90% of Nex Metals Shares under the Offer, you will receive the same Offer Consideration for your Nex Metals Share that you would have received under the offer, but it will take longer for you to receive the Offer Consideration.</p> |
| <p>Can I accept the Offer for only some of my Nex Metals Shares?</p> | <p>No. The terms of the Offer allow you to accept the Offer only for all of your Nex Metals Shares.</p> |
| <p>Will I need to pay brokerage or stamp duty if I accept the Offer?</p> | <p>Brokerage or stamp duty is not payable by you in respect of your acceptance. If your Nex Metals Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Nex Metals Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p> |
| <p>Are there any taxation implications of accepting the Offer?</p> | <p>A general outline of the tax implications for certain Australian-resident Nex Metals Shareholders of accepting the Offer is set out in Section 7 of this Replacement Target's Statement. As that outline is general in nature and does not take into account your individual circumstances, you should not rely on that outline as advice for your particular circumstances.</p> |

4 Your Choice As A Nex Metals Shareholders

Your Directors unanimously recommend that you **REJECT** the Offer.

However, as a Nex Metals Shareholder you have the following choices currently available to you:

(a) **REJECT the Offer**

Nex Metals Shareholders who do not wish to accept the Offer should **TAKE NO ACTION**. This is the recommendation of the Directors.

If you choose to **REJECT** the Offer, do not take any action in relation to documents sent to you by Metalicity.

(b) **Sell your Nex Metals Shares on market**

During a takeover, shareholders of a target company who have not already accepted the bidder's offer may still sell these shares on market for cash.

On 25 February 2022 the closing price for Nex Metals Shares price was \$0.037. The latest price for Nex Metals' Shares may be obtained from the ASX website <http://www.asx.com.au/>.

Nex Metals Shareholders who sell their Nex Metals Shares on market may be liable for CGT on the sale and may incur a brokerage charge.

Nex Metals Shareholders who wish to sell their Nex Metals Shares on market should contact their broker for further information on how to effect that sale.

(c) **Accept the Offer**

Nex Metals Shareholders may elect to accept the Offer. Details of the consideration that will be received by Nex Metals Shareholders who accept the Offer are set out in the Bidder's Statement.

You should be aware that if you choose to accept the Offer:

- (i) you will not be able to accept a superior proposal from any other bidder if such an offer is made, or benefit from any higher price in the market;
- (ii) you will lose the opportunity to receive future benefits as a Nex Metals Shareholder; and
- (iii) you may incur a tax liability as a result of the sale.

Nex Metals Shareholders should be aware that if they accept the Offer, they may be liable for CGT on the disposal of their Nex Metals Shares. However, they will not incur a brokerage charge (see section 11.15 of the Bidder's Statement).

Nex Metals Shareholders who wish to accept the Offer should refer to the Bidder's Statement for instructions on how to do so.

5 Important Information About the Offer

5.1 Consideration payable to Nex Metals Shareholders who accept the Offer

The consideration being offered by Metalicity is offering 4.81 new Metalicity Shares for every one Shares you currently hold.

The Nex Metals Board believes that this Offer is inadequate. See Page 2 to Page 6 above of this Replacement Target's Statement for further details.

5.2 Offer Period

Unless Metalicity's Offer is extended or withdrawn, it is open for acceptance until 7:00 pm (Sydney time) on 24 March 2022.

The circumstances in which Metalicity may extend or withdraw its Offer are set out in section 5.5 and section 5.6 respectively of this Replacement Target's Statement.

5.3 Treatment of foreign shareholders and small shareholders

If Metalicity determines that it cannot make the Offer to any Nex Metals Shareholder whose address (as recorded in the register of members of Nex Metals provided by Nex Metals to Metalicity) is in a place outside Australia or its external territories, or a jurisdiction into which Metalicity determines it can legally and practically make the Offer, that Nex Metals Shareholder will not be issued with Metalicity Shares under the Offer.

Instead, the relevant Metalicity Shares (that would otherwise be transferred to such foreign holders) will be issued to a nominee approved by ASIC who will sell the Metalicity Shares and will distribute to each of those foreign holders their proportion of the proceeds, net of expenses.

Please refer to sections 10.12 and 11.7 of the Bidder's Statement for further details.

In the event that a Nex Metals Shareholder accepts the Offer and who holds such number of Nex Metals Shares that comprise an unmarketable parcel (as that term is defined by the ASX, being Nex Metals Shares with a total value of less than \$500 based on the closing price for Nex Metals Shares on the ASX) that Nex Metals Shareholder will also have the relevant Metalicity Shares (that would otherwise be transferred to them) will be issued to a nominee approved by ASIC who will sell the Metalicity Shares and will distribute to each of those Nex Metals Shareholders their proportion of the proceeds, net of expenses.

5.4 Offer Conditions

On 3 December 2021, Metalicity has announced that Metalicity's Offer for Nex Metals Shares are now unconditional and that any Nex Metals Shareholder who accept the Offer will receive Metalicity Share within one month after the date they accepted (or 21 days after the end of the Offer Period).

5.5 Extension of the Offer Period

Since the Offer is now Unconditional, Metalicity may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- (a) Metalicity improves the consideration offered under the Offer; or
- (b) Metalicity's voting power in Nex Metals increases to more than 50%.

If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

5.6 Withdrawal of Offer

Metalicity may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Metalicity may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

5.7 Effect of Acceptance

The effect of acceptance of the Offer is set out in section 11.5 of the Bidder's Statement. Nex Metals Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their Nex Metals Shares and the representations and warranties which they give by accepting of the Offer.

Furthermore, Nex Metals Shareholders should take into consideration that the Offer is now unconditional from 3 December 2021 and its effect on the provisions in section 11.5 of the Bidder's Statement.

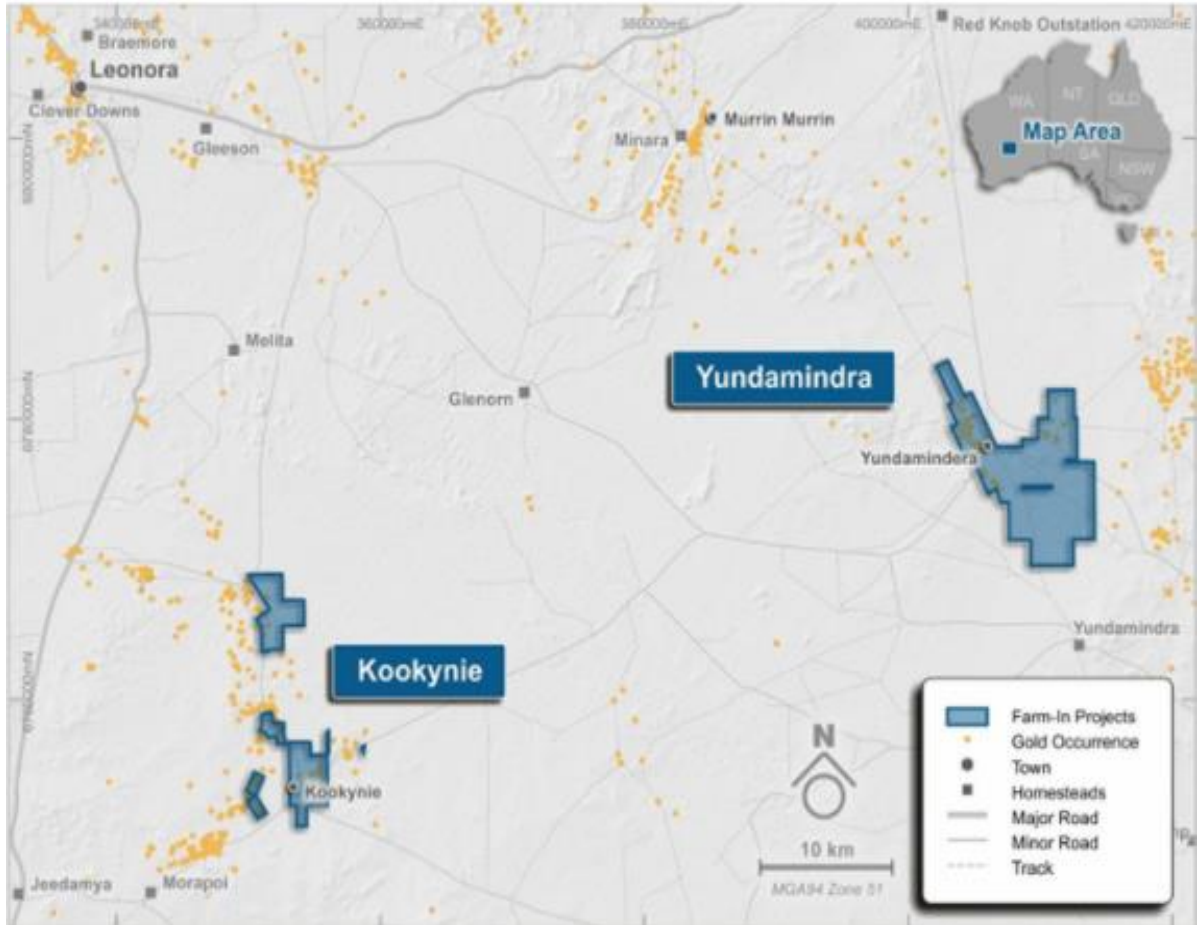
5.8 No Withdrawal of Acceptances

On 3 December 2021, Metalicity has announced that the Offer is now unconditional. If you accept the Offer you will not be able to withdraw your acceptance.

6 Information Regarding Nex Metals

6.1 Overview

Nex Metals is a company unlocking value in the historic Kookynie goldfields of Western Australia. Nex Metals holds a suite of highly prospective tenements in the greater Kookynie and Yundamindra area.



The Kookynie Gold Project

The Kookynie Gold Project lies approximately 180 km north of Kalgoorlie, 50 kms south of Leonora and approximately 25 kms from the bitumen Goldfields Highway linking Kalgoorlie to Leonora in the Eastern Goldfields of Western Australia.

Located within the Keith-Kilkenny Tectonic Zone, the project hosts the historical mining centres of McTavish, Leipold, Champion, Altona, and the prolific Diamantina-Cosmopolitan-Cumberland (DCC) trend.

The historic Cosmopolitan Gold mine produced 360,000 ounces of gold from discovery in 1895 to 1922. During the early part of last century, the Cosmopolitan ranked as one of the largest and most profitable gold mines in Western Australia.

The Cosmopolitan Mine is untested by modern exploration, in particular the potentially rich plunge extensions of the main mineralised shoots. Drill testing of the Cumberland and Diamantina depth extensions is very shallow.

The Yundamindra Gold Project

The Yundamindra Gold Project is located 65 kms south east of Leonora and 65 kms east of Kookynie.

The Yundamindra Project consists of nine granted mining leases, which the Company will hold the rights to explore. Nex Metals looks forward to commencing exploration on this Project.

The project hosts significant historical production of 74kt @ 19.3 g/t Au for 45,000 ounces. Similar to the Kookynie Project, the Yundamindra Project has only experienced shallow drilling and offers an opportunity.

6.2 Current Capital Structure

As at the date of this Replacement Target's Statement, Nex Metals has on issue 267,014,768 fully paid ordinary shares.

6.3 Substantial Holders

As at the date of this Replacement Target's Statement, the following persons held an interest in Nex Metals Shares of more than 5% as disclosed in notices provided to the ASX.

| Name | Number of Nex Metals Shares | Percentage of Nex Metals Shares |
|------------------------|-----------------------------|---------------------------------|
| B3 Prospecting Pty Ltd | 17,000,000 | 6.37% |
| Metalicity Limited | 87,4777,000 | 32.76% |

6.4 Directors

| Name | Title |
|-----------------------|------------------------|
| Thomas Francis Percy | Non-Executive Chairman |
| Hock Hoo Chua | Non-Executive Director |
| Kenneth Malcolm Allen | Managing Director |

6.5 Your Directors' interests and dealings in Nex Metals Shares

Interests in Nex Metals Securities

As at the date of this Replacement Target's Statement, the Nex Metals Directors and their respective interests in Nex Metals Shares are set out in the table below:

| Name | Nex Metals Shares held by or on behalf of the Director |
|--|--|
| Thomas Percy QC | 1,016,000 |
| Hock Hoo Chua | 860,000 |
| Kenneth Malcolm Allen | 7,658,303 |
| Raja Mohd Azmi bin Raja Razali (Alternate Director to Hock Hoo Chua) | 7,600,000 |

Trading by Directors in Nex Metals Shares

As at the date of this Replacement Target's Statement, the Nex Metals Directors and their respective interests in Nex Metals Shares are set out in the table below:

| Name | Nex Metals Shares acquired by or on behalf of the Director in the preceding four months | Nex Metals Shares disposed by or on behalf of the Director in the preceding four months |
|-----------------------|---|---|
| Thomas Percy | Nil | Nil |
| Hock Hoo Chua | Nil | Nil |
| Kenneth Malcolm Allen | Nil | Nil |

6.6 Your Directors interests and dealings in Metalicity securities

Interests in Metalicity Shares and other securities

As at the date of this Replacement Target's Statement, no Director has a Relevant Interest in any securities of Metalicity.

Dealings in Metalicity securities

No Nex Metals Director has acquired or disposed of a Relevant Interest in any securities of Metalicity in the four months ending on the date immediately before the date of this Replacement Target's Statement.

6.7 Benefits and agreements with Metalicity

Nex Metals and Kym Mining Pty Ltd (a fully-owned subsidiary of Metalicity) signed Farm-In and Joint Venture Agreement with Metalicity acting as guarantor.

6.8 Financial Information

Historical Financial Information

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to Nex Metals on a stand-alone basis. It is a summary only and the full financial accounts of Nex Metals for the financial period described below, which includes the notes to the accounts, can be found in Metalicity's Annual Report for that period.

(b) Historical Financial Information of Nex Metals

(i) Consolidated Statement of Financial Position

The consolidated statements of financial position of Nex Metals are set out below and have been extracted from the audited consolidated statement of financial position for the financial year ending 30 June 2020 and the financial year ending 30 June 2021.

NEX METALS CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AUDITED 30 June 2021 \$ | AUDITED 30 June 2020 \$ |
|--|--|--|
| Current Assets | | |
| Cash and cash equivalents | 490,926 | 570,377 |
| Receivables | 3,204 | 22,683 |
| Other Assets | 3,877 | 4,506 |
| Total Current Assets | 498,007 | 597,566 |
| Non Current Assets | | |
| Exploration and evaluation expenditure | 913,296 | 269,664 |
| Plant and equipment | 67,852 | 20,356 |
| Total Non Current Assets | 981,148 | 290,020 |
| TOTAL ASSETS | 1,479,155 | 887,586 |
| | | |
| LIABILITIES | | |
| Current Liabilities | | |
| Payables | 2,636,427 | 3,035,390 |
| Borrowings | 343,780 | 2,086,420 |
| Provisions | 264,810 | 264,952 |
| Total Current Liabilities | 3,245,017 | 5,386,762 |
| TOTAL LIABILITIES | 3,245,017 | 5,386,762 |
| | | |
| NET LIABILITIES | (1,765,862) | (4,499,176) |
| | | |
| EQUITY | | |
| Issued capital | 24,058,753 | 19,877,247 |
| Option reserves | 2,260,245 | 2,260,245 |
| Accumulated losses | (28,084,860) | (26,636,668) |
| TOTAL DEFICIT | (1,765,862) | (4,499,176) |

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(ii) **Consolidated Income Statement and Statement of Other Comprehensive Income**

The consolidated statements of income and other comprehensive income of Nex Metals are set out below and have been extracted from the audited consolidated statements of income and other comprehensive income for the financial year ending 30 June 2020 and the financial year ending 30 June 2021.

NEX METALS CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

| | AUDITED 30 June 2021 \$ | AUDITED 30 June 2020 \$ |
|--|--|--|
| Other Income | 64,276 | 523,765 |
| Expenses | (1,512,468) | (704,564) |
| (Loss) before income tax benefit | (1,448,192) | (180,799) |
| Income tax benefit | - | - |
| (Loss) for the year | (1,448,192) | (180,799) |
| | | |
| Total comprehensive loss for the year | (1,448,192) | (180,799) |
| | | |
| Basic loss per share (cents) | (0.57) | (0.09) |

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a net loss of \$1,448,192 and had net cash outflows from operating activities of \$1,430,847 for the year ended 30 June

2021. As of that date, the consolidated entity had net current liabilities of \$2,740,010 and net liabilities of \$1,765,862.

The Directors believe that there are reasonable grounds to believe that consolidated entity will be able to continue as a going concern after consideration of the following factors:

- \$328,000 of share application monies received from a Director, shown as a current liability in the statement of financial position as at 30 June 2021, will be transferred to equity when the shares are issued;
- The possible sale of mining tenements, recognised as exploration and evaluation assets in the statement of financial position as at 30 June 2021;
- The issue of shares for cash from capital raising to be conducted in accordance with the Corporations Act 2001;
- Included in current payables is an amount of \$1,950,976 payable to the Directors of the consolidated entity. The Directors have agreed to not seek cash payments for their unpaid balances until the consolidated entity is in a financial position to pay.
- Included in current payables is an amount of \$306,788 payable to Allens Business Group Pty Ltd, an entity controlled by the Director, Ken Allen. Allens Business Group Pty Ltd have agreed to not seek cash payments for this unpaid balance until the consolidated entity is in a financial position to pay;
- Allens Business Group Pty Ltd, an entity controlled by the Director, Ken Allen, has agreed to cover any short term funding needs up to \$750,000.

6.9 Transaction Expenses

The Offer will result in Nex Metals incurring fees and expenses that would not otherwise have arisen in the financial year ending 30 June 2022. As a result of the Offer the aggregate amount of fees and expenses to be incurred (or expected to be incurred) is currently estimated to be approximately \$500,000.

| Transaction Expenses | Estimation |
|--|------------|
| Legal cost | \$300,000 |
| Corporate advisory cost | \$100,000 |
| Independent Expert Report | \$50,000 |
| Other cost related to the Replacement Target's Statement | \$50,000 |

6.10 Future Development

- 1 Pursuant to the Joint Venture Agreement, Nex Metals maintains the rights to the Kookynie Tailings. Currently due to the restraint on raising capital the trial program of 20,000 tonne is on hold. Once the trial is completed it will enable the Company to make the decision as whether to proceed - as a standalone project, work with other parties on the project or use 3rd party processors. (Refer to Nex Metals ASX announcement dated 9 November 2017, 22 November 2017 and 25 January 2018).
- 2 Pursuant to the Joint Venture Agreement, Nex Metals maintains the first right to processing using Nex Technologies. The Company will continue to progress these with the aim to additionally being a 3rd party processor in its own right.
- 3 Other projects – Nex Metals is distinct from the Kookynie and Yundermindra gold projects and continues to look for additional projects in its own right. This is hampered by the Company's ability to currently raise capital.

6.11 ASX announcements

Nex Metals is a disclosing entity under the Corporations Act and therefore has continuous disclosure obligations under that legislation and also under the ASX Listing Rules.

Nex Metals is required to immediately disclose to the market through ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of Nex Metals Shares.

Nex Metals is in compliance with its continuous disclosure obligations under the corporations act and the ASX Listing Rules. Nex Metals' announcements are available free of charge from the ASX website at www.asx.com.au (ASX code; NME).

7 Risk Factors

In considering this Replacement Target's Statement and the Offer, Nex Metals Shareholders should be aware that there are a number of risks which apply to a continuing investment in Nex Metals. There are also risks associated with the alternative of accepting the Offer.

Non-exhaustive lists of relevant risk factors are provided in this section 7.

7.1 Risks associated with accepting the Offer

(a) Risks as a Metalicity Metals shareholder

Please refer to the detailed Directors' reasons on Page 2 to Page 6 of this Replacement Target's Statement in relation to material potential risks that you may

assume as a Metalicity shareholder if you accept the Offer and receive Metalicity Shares.

(b) **Possibility of a superior proposal emerging**

You may consider that a Third Party may emerge with a superior proposal. If you accept the Offer, other than in limited circumstances provided in the Corporations Act, you will not be able to accept your Nex Metals Shares into any superior proposal such that you will not be able to obtain any potential benefit associated with that superior proposal (if any). However, your Directors are not currently aware of any superior proposal being likely to be tabled.

Accepting the Offer will also preclude you from selling your Nex Metals Shares on-market on the ASX.

(c) **Dilution of interest in equity upside**

If you accept the Offer, your exposure to the risks and rewards associated with Nex Metals' assets will be diluted if the Offer is successful.

(d) **Possibility of future Nex Metals Share price appreciation**

It may be possible in the future to sell your Nex Metals Shares for more valuable consideration than that offered under the Offer. The Directors make no forecast of whether this will occur.

(e) **Taxation consequences of a change in control in Nex Metals**

Accepting the Offer by a Nex Metals Shareholder may create a taxation liability in respect of any gain made through the disposal of Nex Metals Shares.

The taxation position will depend upon the Offer becoming unconditional and upon the individual circumstances of the Nex Metals Shareholder accepting the Offer.

Nex Metals Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.

7.2 Risks associated with rejecting the Offer and continuing an investment in Nex Metals

In considering this Replacement Target's Statement, Nex Metals Shareholders should be aware that there are a number of risks, general and specific, which may affect the future operating and financial performance of Nex Metals and the value of Nex Metals Shares.

Many of these risks are relevant to Nex Metals Shareholders today and will be relevant to Nex Metals Shareholders who remain as Nex Metals Shareholders following the completion of the Offer.

Some of the risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of Nex Metals and its Directors and cannot be mitigated.

One or more or a combination of these risks could materially and adversely impact Nex Metals' business, including its operating and financial performance, industry standing and the price and value of Nex Metals Shares. If you do not accept the Offer and continue to hold Nex Metals Shares, your investment in Nex Metals will be subject to these and other risks.

A non-exhaustive list of key risks applicable to maintaining your investment in Nex Metals in the present circumstances, is set out below.

Additional risks and uncertainties not currently known to Nex Metals may have a material adverse effect on Nex Metals's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect Nex Metals.

(a) **Company specific risks**

(i) **Additional requirements for capital**

Nex Metals's capital requirements depend on numerous factors including Nex Metals's ability to generate income from its mineral assets and the funding sources available to develop those assets to an income generating stage. It is likely that Nex Metals will require further financing which will likely involve sourcing additional equity investment by way of share issues, diluting current shareholdings.

To the extent that it may be available to Nex Metals, any debt financing should be expected to involve restrictions on financing and operating activities. Furthermore, if Nex Metals is unable to obtain additional financing as required to advance its activities, it will be necessary for Nex Metals to reduce the scope of its activities including scaling back its joint venture and exploration programmes.

(ii) **Possibility of future Nex Metals Share price depreciation**

While there are many factors that influence the market price of Nex Metals Shares, following the close of the Offer, the market price of Nex Metals Shares may fall if Metalicity's Offer fails (and there is no alternative to the Offer) or if the Offer is otherwise unsuccessful.

Depending on the size of Metalicity's interest in Nex Metals, there may also be a reduced likelihood that another party will make an offer to acquire all of the Nex Metals Shares in the future.

Depending on the number of acceptances to the Offer, the number of Nex Metals Shares held by investors for trading purposes may be reduced, thereby potentially diminishing the future liquidity of ASX market trading of Nex Metals Shares.

(iii) **Other alternatives to the Offer**

If you reject the Offer there can be no guarantee that a competing proposal will emerge.

As at the date of printing of this Replacement Target's Statement, the Nex Metals Board is not in a position to provide Nex Metals Shareholders with information in relation to the probability of an alternative transaction arising but will keep Nex Metals Shareholders informed of any material developments.

(iv) **Resource estimates**

The mineral resource estimates for Nex Metals' assets are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Nex Metals' operations. Please refer to Nex Metals' ASX announcement dated 12 March 2020 (Kookynie Gold Project – Development Strategy & Exploration Target Update)

(b) **Industry Specific Risks**

(i) **Exploration, geological and development risks**

Mineral exploration and development are speculative and high-risk activities that requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond Nex Metals' control. Nex Metals ability to succeed in these practices involves (amongst other things):

- (A) discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve;
- (B) access to adequate capital throughout the acquisition/discovery and project development phases of a mineral exploration project;
- (C) securing and maintaining title to such mineral exploration projects;
- (D) obtaining required development consents and approvals

necessary for the acquisition, exploration, development and production phases of the project; and

- (E) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that forthcoming exploration programmes, or subsequent exploration programmes, will result in the realisation of Nex Metals' objectives such as the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. Further, conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation or geological, geochemical, geophysical, drilling and other data.

(ii) **Commodity price volatility and exchange rate risks**

If Nex Metals achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Nex Metals to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of Nex Metals. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of Nex Metals will be taken into account in Australian currency, exposing Nex Metals to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(iii) **Environmental risk**

Nex Metals' operations will be subject to various regulations regarding environmental matters. Development of each of Nex Metals' projects will be dependent on the relevant licences meeting environmental guidelines and gaining approvals by government authorities. Whilst Nex Metals intends to conduct its activities in an environmentally responsible manner, risks arise in relation to compliance with these regulations and approvals.

(iv) **Competition risk**

The industry in which Nex Metals is involved is subject to domestic and global competition. While Nex Metals will undertake reasonable due diligence in its business decisions and operations, Nex Metals will have no influence or control over the activities or actions of its competitors, whose activities or actions may,

positively or negatively, affect the operating and financial performance of Nex Metals' projects and businesses.

(c) **General risks**

(i) **The Impact of COVID-19 and future pandemics**

The potential for significant disruption to Nex Metals caused by a global pandemic has been illustrated by the current COVID-19 outbreak. While the potential impact on workplace health and safety, customer demand, continuity of supply and availability of capital has been anticipated and well managed by Nex Metals, the potential for future disruption from COVID-19 or a future new pandemic is self-evident.

(ii) **Government licences and approvals**

Nex Metals through its direct and indirect participation in corporations, partnerships or joint ventures holds interests in properties in Australia. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of Nex Metals. Nex Metals has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Australia the Directors may reassess investment decisions and commitments to assets.

(iii) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Nex Metals' activities, as well as on its ability to fund those activities.

(iv) **Market Conditions**

Share market conditions may affect the traded prices of Nex Metals' quoted securities regardless of Nex Metals' operating performance. Share market conditions are affected by many factors such as:

- (A) general economic outlook;
- (B) introduction of tax reform or other new legislation;
- (C) interest rates and inflation rates;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither Nex Metals nor the Directors warrant the future performance of Nex Metals or any return on an investment in Nex Metals.

(v) **Governmental policy changes and legal risk**

Government action or policy change in relation to access to lands and infrastructure, compliance with environmental regulations, export restrictions, taxation, royalties and subsidies may adversely affect Nex Metals' operations and financial performance.

Nex Metals' projects are governed by a series of laws and regulations. Breaches of non-compliance with these laws and regulations can result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of Nex Metals.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for Nex Metals. The legal and political conditions and any changes thereto are outside the control of Nex Metals.

The introduction of new legislation or amendments to existing legislation by government, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern Nex Metals' operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of Nex Metals and the value of Nex Metals Shares.

8 Additional Information

8.1 Information included in this Replacement Target's Statement

This Replacement Target Statement is required to include all the information that Nex Metals Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Replacement Target's Statement; and
- only if the information is known to any Director of Nex Metals.

The Directors of Nex Metals are of the opinion that the information that Nex Metals Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept Metalicity's Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Replacement Target's Statement) and
- the information contained in this Replacement Target's Statement.

The Directors of Nex Metals have assumed, for the purposes of preparing this Replacement Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in his Replacement Target's statement). However, the Directors of Nex Metals do not take any responsibility for the content of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

- In deciding what information should be included in this Replacement Target's Statement, the Directors of Nex Metals have had regard to:
- the nature of the Nex Metals Shares;
- the matters that Nex Metals Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Nex Metals Shareholders' professional advisers; and
- the time available to Nex Metals to prepare this Replacement Target's Statement.

8.2 Consent

Each of the persons listed below has given and has not, before the lodgement of this Replacement Target's Statement with ASIC, withdrawn their consent to the inclusion of the following information in this Replacement Target's Statement in the form and context in

which it is included and to all references in this Replacement Target's Statement to that information in the form and context in which they appear:

- (a) each Director, to being named as a director;
- (b) George Papamihail Barristers & Solicitors, to being named in this Replacement Target's Statement as legal adviser to Nex Metals; and
- (c) Indian Ocean Capital, to being named in this Replacement Target's Statement as corporate adviser to Nex Metals.

Each person named above as having given its consent to being named in this Replacement Target's Statement:

- (a) does not make, or purport to make, any statement in this Replacement Target's Statement or any statement on which a statement in this Replacement Target's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Replacement Target's Statement, other than a reference to its name.

8.3 Takeover response costs

The Offer will result in Nex Metals incurring expenses that would not otherwise have arisen in 2021. These include legal, financial and other expenses from advisers engaged by Nex to assist in responding to the Offer. The total cost of the takeover response depends on the outcome of the Offer, the duration of the Offer and required response activities, as well as the complexity of the issues addressed in the response. Therefore, it is difficult to estimate the likely total cost to Nex Metals. These defence costs will be reflected in Nex Metals' financial results for the financial year ending 30 June 2022 and should the takeover extend beyond June 2022, in the financial year ending 30 June 2023. Please refer to section 6.9 for details.

8.4 Material Litigation

As at the date of this Replacement Target's Statement, Nex Metals is involved in the following litigations or disputes which is material in the context of New Metals as a whole:

Applications for Forfeiture were lodged on tenements held held by Nex Metals at Yundramindra by MCA Nominees Pty Ltd in May 2018. The matter has progressed through the Wardens court with a hearing date set down for 27 to 30 June 2022.

The company has always contended that it can defend against the action in the normal course.

On 15 November Nex Metals filed proceeding in the Supreme Court of Western Australia against KYM Mining Pty Ltd (KYM), which is a wholly-owned subsidiary of Metalicity. Since

about 4 May 2019, KYM and Nex Metals have been in a farm-in/joint venture agreement. Under the farm-in/joint venture agreement, KYM can acquire a 51% interest in the tenements owned by Nex Metals at Kookynie and Yundamindra if KYM spends \$5 million on mineral exploration on those tenements. This is subject to KYM providing 'verification' of the spend to NME. Once that occurs, a joint venture is formed between the parties.

On 20 May 2021, Metalicity issued an ASX release in which it stated that it had achieved the required spend and therefore earned the 51% interest.

Nex Metals has brought this proceeding to seek a declaration from the Supreme Court that KYM has *not* given it verification of the \$5 million spend, in accordance with agreement. Accordingly, Nex Metals also seeks a declaration that KYM has *not* yet acquired a 51% interest in the tenements

On 24 January 2022, the Supreme Court action was dismissed by consent. Nex Metals Shareholders should note that contrary to the Metalicity announcement dated 31 January 2022, the Supreme Court action was not dismissed under orders by Justice Hill but by consent orders by KYM and Nex Metals.

8.5 Documents lodged with ASIC or given to ASX

As permitted by ASIC Class Order 13/521, this Replacement Target's Statement contains statements which are made, or based on statements which are made, on documents lodged with ASIC or given to ASX. In accordance with this class order, the consent of Metalicity or the ASX (respectively) is not required for the inclusion of such statements in this Replacement Target's Statement. Any Nex Metals Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting Nex Metals.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Replacement Target's Statement may include or be accompanied by certain statements:

fairly representing what purports to be a statement by an official person, or

that are correct and fair copies of, or extracts from, what purports to be a public official document, published book, journal or comparable publication, provided the statement was not made, or published in connection with the Offer, or Metalicity or Nex Metals or any business, property or person the subject of the Bidder's statement or this Target's Statement.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Replacement Target's Statement contains share price trading and financial data sourced from without their consent.

Neither ASIC, nor the ASX nor their respective officers take any responsibility for the contents of this Replacement Target's Statement.

9 Authorisation

This Replacement Target's Statement has been approved by a resolution passed by the Directors of Nex Metals. All Directors voted in favour of that resolution.

Signed for and on behalf of Nex Metals Explorations Ltd:



Kenneth Malcolm Allen
Managing Director
Date: 17 March 2022

10 Glossary

| Term | Meaning |
|--------------------|---|
| Acceptance Form | The form with that title that accompanies the Bidder's Statement and which forms part of the Offer |
| AWST | Australian Western Standard Time |
| Announcement Date | 24 September 2021 |
| ASIC | Australian Securities and Investments Commission |
| Associate | Has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time) as it section 12(1) of that Act included a reference to this Replacement Target's Statement and Nex Metals was the designated body |
| ASX | ASX Limited ABN 98 008 624 691 or, where the context otherwise requires, a financial market operated by it known as the Australian Securities Exchange |
| ASX Listing Rules | The Listing Rules of ASX, as amended or replaced |
| AUD or \$ or \$ | Australian dollars |
| Bidder's Statement | The Bidder's Statement by Metalicity dated 24 September 2021 setting out the terms and other information in relation to the Offer |
| CGT | Capital Gains Tax |
| Company | Nex Metals Explorations Ltd |
| Condition | Each defeating condition to which Metalicity's Offer is subject, as set out in section 11.8 of the Bidder's Statement |
| Corporations Act | The Corporations Act 2001 (Cth) |
| Director/s | A director of Nex Metals |
| GST | Goods and Services Tax |
| Offer | The off-market takeover bid by Metalicity for all Nex Metals shares other than those already owned by Metalicity, as described in the Bidder's Statement |

| | |
|------------------------|---|
| Offer Consideration | The consideration due to you as a result of your acceptance of the Offer once it is declared or becomes unconditional |
| Offer Period | The period during which the Offer will remain open for acceptance in accordance with section of the Bidder's Statement |
| Offer Price | Four point eight Metalicity Shares for every one of your Nex Metals Shares offered by Metalicity, on the terms set out in the Bidder's Statement, for the purchase of Nex Metals Shares that exist at the Register Date |
| Metalicity | Metalicity Limited |
| Metalicity Share | A fully paid ordinary share in the capital of Metalicity |
| Nex Metals | Nex Metals Explorations Ltd |
| Nex Metals Share | A fully paid ordinary share in the capital of Nex Metals |
| Nex Metals Shareholder | Any shareholder of Nex Metals Shares |
| Register Date | The time and date set by Metalicity under section 633(2) of the Corporations Act being |
| Relevant Interest | Has the meaning given in sections 608 and 609 of the Corporations Act |
| Target's Statement | This document, being the statement of Nex Metals under Part 6.5 of the Corporations Act in response to the Offer |
| Voting Power | Has the meaning given in section 610 of the Corporations Act |
| VWAP | Volume Weighted Average Price |