



THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

BIDDER'S STATEMENT

BY

**METALICITY LIMITED
(ACN 086 839 992)
(MCT)**

**TO ACQUIRE ALL OF YOUR ORDINARY SHARES IN
NEX METALS EXPLORATIONS LIMITED
(ACN 124 706 449)
(NME)**

For every 1 NME Share you own, you will receive 4.81 new MCT Shares.

The Offers are dated [*leave blank in lodged version*] 2021 and will close at [insert] on [*leave blank in lodged version*], unless extended or withdrawn.

Financial Advisor

I HARBURY

Legal Advisor

STEINPREIS PAGANIN 
Lawyers & Consultants

Financial Advisor

cg/Canaccord
Genuity

IMPORTANT NOTICES

Bidder's Statement

This document is a bidder's statement (**Bidder's Statement**), dated 24 September 2021, issued by Metalicity Limited (ACN 086 839 992) under Part 6.5 of the Corporations Act (as modified by ASIC Class Order [CO 13/528]) in relation to an off-market offer by MCT to acquire NME Shares and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 24 September 2021. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Bidder's Statement or the merits of the Offer.

Investment Risks

There are a number of risks that may have a material impact on the value of the Offer, the future performance of the Combined Group and the value of MCT Shares.

These are described in Section 9 of this Bidder's Statement.

Foreign Jurisdictions

The distribution of this Bidder's Statement and the making of the Offer may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement must observe these restrictions.

In particular, this Bidder's Statement may not be released to US wire services or distributed in the United States except to US Shareholders. See "Notice to US Listed Securityholders" below.

The Offer are not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

No action has been taken to register or qualify MCT or to otherwise permit the offering of MCT Shares outside Australia, its external territories, New Zealand, Thailand and Malaysia.

The entitlements of NME Shareholders who are located in jurisdictions outside Australia (and its external territories), Thailand, Malaysia and New Zealand are set out in Section 11.7.

This Bidder's Statement has been prepared having regard to Australian legal disclosure requirements. These disclosure requirements may differ from those of other countries.

New Zealand

This Bidder's Statement is not a New Zealand product disclosure document or other similar offering or disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other relevant New Zealand law. In making the Offer available to NME Shareholders with registered addresses in New Zealand, MCT is relying on the Financial Markets Conduct (Incidental Offer) Exemption Notice 2016 (New Zealand) and, accordingly, this Bidder's Statement may not contain all the information that a product disclosure document or other similar offering or disclosure document under the New Zealand law is required to contain.

Malaysia

This Bidder's Statement concerns a takeover offer for NME, an Australian corporation, pursuant to the laws of Australia. No approval from, or recognition by, the Securities Commission of Malaysia has been, or will be, obtained in relation to any offer of the MCT Shares. The MCT Shares may not be issued or transferred in Malaysia except to persons who are shareholders of NME in compliance with the Offer.

Thailand

This Bidder's Statement is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Bidder's Statement has not been registered as a prospectus with the Office of the

Securities and Exchange Commission of Thailand. Accordingly, this Bidder's Statement and any other document relating to the offer, sale or invitation for subscription or purchase, of the MCT Shares may not be circulated or distributed, nor may the MCT Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This Bidder's Statement may be distributed, and the MCT Shares issued, only to shareholders of NME.

Disclaimer Regarding Forward Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on MCT's current expectations and predictions about future events including MCT's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of MCT, NME and the Combined Group to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 9.

None of MCT, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward-looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

Value of MCT Shares

Any reference to the implied value of the Consideration should not be taken as an indication that NME Shareholders will receive cash.

As you are being offered MCT Shares as consideration for your NME Shares, the implied value of the Offer will vary with the market price of MCT's Shares.

Further information on the implied value of the Offer is contained in this Bidder's Statement. Before accepting the Offer, NME Shareholders should obtain current quotes for MCT Shares as well as NME Shares from their stockbroker, financial adviser, or otherwise.

This also applies to Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders, whose Consideration will be remitted to the Sale Nominee to sell. The proceeds received by Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will depend on the market price of MCT Shares at the time of sale by the Sale Nominee.

All references to the implied value of the Offer set out within this Bidder's Statement are subject to the effects of rounding.

No Investment Advice

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each NME Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Privacy

MCT has collected your information from the registers of NME for the purposes of making the Offer and administering your acceptance of the Offer. MCT and its share registry may use your personal information in the course of making and implementing the Offer. MCT and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about MCT Shares and your holding if you accept the Offer, please contact MCT at the address set out in the Corporate Directory.

Responsibility for Information

The information on NME and NME's securities contained in this Bidder's Statement should not be considered comprehensive and has been prepared using publicly available information and information made available to MCT by NME. The information on NME and the assets and liabilities, financial position and performance, profits and losses, and securities of NME has not been independently verified by MCT. Accordingly, MCT does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information on the Combined Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on NME, has also been prepared using publicly available information.

Accordingly, information in relation to the Combined Group is subject to the foregoing disclaimer to that extent.

Further information relating to NME's business may be included in NME's Target's Statement.

The information regarding the general Australian taxation implications of the Offer contained in Section 8 is general in nature only. MCT and its respective advisers do not assume any responsibility for the accuracy or completeness of the information set out in Section 8.

Photographs and Diagrams

Photographs used in this Bidder's Statement which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by MCT. Diagrams used in this Bidder's Statement are illustrative only and may not be drawn to scale.

Definitions and Time

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 12.

Unless the contrary intention appears or the context otherwise requires, words and phrases

contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in Section 12.

All references to time in this Bidder's Statement are references to Australian Western Standard Time.

Internet Sites

MCT maintains an internet site. The URL location for MCT is www.metalcity.com.au.

Information contained in or otherwise accessible the website is not part of this Bidder's Statement. All references to websites in this Bidder's Statement are for information purposes only.

Estimates and Assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by MCT's management. Management estimates reflect, and are based on, views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates, assumptions or views.

Effect of Rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "\$", "A\$" or "cents" are to the lawful currency of Australia

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts

shown in the historic or future financial statements of MCT or NME in respect of which different exchange rates may have been, or may be, used.

Enquiries

If you are in any doubt as to how to deal with any of the matters

raised in this Bidder's Statement, you should consult with your broker or legal, financial or other professional adviser without delay.

Should you have any questions about the Offer or are unsure about how to deal with this Bidder's Statement, please

contact the MCT Offer Information Line on 08 6500 0202 (within Australia) or +61 8 6500 0202 (for international callers) or your legal, financial or professional advisor.

WHY YOU SHOULD ACCEPT THE OFFER

Metalicity believes you should **ACCEPT** the Offer for the following reasons:

- 1. It is an opportunity for NME shareholders to realise a control premium now, and improve their investment in the Kookynie and Yundamindra Gold Projects via ownership of a single entity**
- 2. The Offer represents an attractive premium to pre-announcement prices and recent trading history**
- 3. It will create a compelling combination with improved access to capital, removal of JV structure, cost savings and enhanced balance sheet position, leading to accelerated project development**
- 4. It will provide simplified (100%) ownership of the Kookynie and Yundamindra Gold Projects and a stronger balance sheet with an enhanced cash position**
- 5. It will enable cost synergy benefits by removing duplicate listed-company costs, provide management efficiencies and streamline administration processes**
- 6. It provides NME shareholders potential access to CGT scrip for scrip rollover relief (in respect of the Offer only)**

CORPORATE DIRECTORY

Directors

Andrew Daley
Non-Executive Chairman

Justin Barton
CEO & Finance Director

Jason Livingstone
Executive Director

Company Secretary

Nick Day

ASX Code

MCT

Registered Office

Unit B2, 20 Tarrton Crescent
PERTH AIRPORT WA 6105

Telephone: +61 8 6500 0202

Email: info@metalicity.com.au
Website: www.metalicity.com.au

Offer Information Line

Within Australia: 08 6500 0202
Outside Australia: +61 8 6500 0202

Legal Advisor

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Corporate Advisors

Canaccord Genuity (Australia) Limited
Level 23, 2 The Esplanade
PERTH WA 6000

Harbury Advisors Pty Ltd
Level 3, 175 Collins Street
MELBOURNE VIC 3000

Share Registry*

Link Market Services
QV1 Building
Level 12, 250 St Georges Terrace
PERTH WA 6000

Telephone: 1300 554 474

Facsimile: +61 2 9287 0303

Auditor

Pitcher Partners
Level 11, 12-14 The Esplanade,
PERTH WA 6000

*These entities have not been involved in the preparation of this Bidder's Statement and have not consented to being named in this Bidder's Statement. Their names are included for information purposes only.

CHIEF EXECUTIVE'S LETTER

Dear Nex Metals Explorations Shareholders

On behalf of the Directors of Metalicity (**MCT**), I am pleased to enclose our offer for all of your shares in Nex Metals Explorations Limited (**NME**) (the **Offer**). By accepting the Offer, subject to its terms and conditions you will receive 4.81 new MCT Shares for every 1 of your NME Shares.

The purpose of the offer is to consolidate the ownership of the Kookynie and Yundamindra Gold Projects (the **Projects**) into an enlarged single entity, that will be significantly better positioned to accelerate and fund their development for the benefit of all shareholders.

MCT has been in dialogue for over 12 months with NME regarding a combination of the two companies. We have presented a compelling proposal to the board of NME on multiple occasions and believe this Offer should be placed directly to NME shareholders.

Should MCT acquire 100% of the NME Shares, and assuming no convertible securities of MCT are converted or exercised, NME Shareholders will together hold approximately 37.5% of the ordinary shares in the Combined Group.¹ The Combined Group would include 100% of the Projects plus MCT's strong balance sheet, in contrast to NME which currently owes more in loans and fees due to directors than it has in cash.

The Offer values your NME Shares at 4.8 cents each,² delivering an attractive premium to the current NME share price and recent trading history, representing:

- (a) 30% premium to the closing price of NME Shares on ASX of 3.7 cents on 13 September 2021, the last trading day prior to the Announcement Date;
- (b) 29% premium to NME's 15-day VWAP;^{1,3} and
- (c) 27% premium to NME's 30-day VWAP.^{1,2}

The Offer represents, in MCT's view, the best opportunity for NME's shareholders to crystallise meaningful value from their investment in NME in the foreseeable future. Most importantly, it provides an opportunity to optimise and accelerate the development of the Projects, which will be the real long term value driver for all shareholders.

MCT has earned a 51% controlling interest in the Projects after successfully completing a \$5.0m exploration program in just two years, and the Projects are now under its direct operational control. MCT has therefore clearly demonstrated its capabilities and its commitment to the successful and timely development of the projects. The consolidation of the ownership is a logical next step to continue this development.

We have summarised below why MCT believes a combination with NME makes sense and will generate value for securityholders of both companies. The key benefits of the transaction include (subject to the Offer becoming unconditional):

¹ Based on a MCT share price of \$0.01. On a fully diluted basis, NME Shareholders will together hold approximately 35.6% of the ordinary shares in the Combined Group.

² Based on the closing price of MCT shares on ASX of 1.0 cent on 13 September 2021, the last trading day prior to the Announcement Date. The implied value of the Offer will change with fluctuations in the MCT share price.

³ VWAP of NME shares is calculated for the period up to and including 13 September 2021, the last trading day prior to the Announcement Date.

- (a) NME shareholders retain maximum upside through scrip in a combined entity with direct operational control of 100% of the Projects and the best opportunity to successfully develop and efficiently commercialise them;
- (a) Provide the benefits of a stronger balance sheet with enhanced cash position and greater certainty regarding its ability to meet its current liabilities, including resolution of significant related-party loans;
- (b) Create size and scale benefits with increased market capitalisation, enhanced share trading liquidity, and potential for stock re-rate, improving the ability to raise capital in the future;
- (c) Enable cost synergy benefits by removing duplicate listed-company costs, provide management efficiencies and streamline administration processes;
- (d) An opportunity to receive an attractive control premium for NME Shares relative to the pre-announcement prices and recent trading history; and
- (e) NME Shareholders potentially have CGT scrip for scrip rollover relief (in respect of the Offer only).

As at the date of this Bidder's Statement, MCT is not aware of any Superior Proposal having been received by NME and NME has not made MCT aware of any party having an intention to make such a proposal.

I encourage you to read this important document carefully. The Offer is open for your acceptance until [insert]pm (Perth Time) on [insert], unless extended.

To accept the Offer, please follow the instructions on the accompanying Acceptance Form enclosed.

If you have any questions about the Offer, please contact the MCT Offer Information Line on 08 6500 0202 (within Australia) or +61 8 6500 0202 (for international callers), or your professional financial adviser.

MCT's Directors look forward to having NME Shareholders join MCT following the successful completion of this transaction.

Yours sincerely



Justin Barton
Chief Executive Officer
METALICITY LIMITED

KEY DATES

| | |
|--|--|
| Date of Bidder's Statement | 24 September 2021 |
| Date the Bidder's Statement was lodged with ASIC | 24 September 2021 |
| Date of Offer | [leave blank in lodged version] |
| Offer close (unless otherwise extended) | [leave blank in lodged version] |

TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1. | SUMMARY OF THE OFFER | 1 |
| 2. | WHY YOU SHOULD ACCEPT THE OFFER | 8 |
| 3. | PROFILE OF METALICITY LIMITED | 12 |
| 4. | INFORMATION ABOUT MCT SECURITIES..... | 14 |
| 5. | PROFILE OF NME..... | 19 |
| 6. | RATIONALE FOR THE OFFERS AND INTENTIONS OF MCT | 25 |
| 7. | EFFECT OF THE OFFERS ON MCT AND PROFILE OF THE COMBINED GROUP | 30 |
| 8. | AUSTRALIAN TAX CONSIDERATIONS | 35 |
| 9. | RISK FACTORS | 44 |
| 10. | ADDITIONAL INFORMATION | 59 |
| 11. | TERMS OF THE OFFER | 68 |
| 12. | DEFINITIONS AND INTERPRETATION | 87 |
| 13. | BOARD AUTHORISATION..... | 94 |

1. SUMMARY OF THE OFFER

The information in this Section 1 is a summary of the Offer only and is qualified by the information set out elsewhere in this Bidder's Statement.

You should read this Bidder's Statement in its entirety and the separate Target's Statement which will be sent to you directly by NME before deciding how to deal with your NME Shares.

The detailed terms of the Offer are set out in Section 11.

If you have any questions about the Offer, please contact the MCT Offer Information Line on 08 6500 0202 (within Australia) or +61 8 6500 0202 (for international callers) or your professional financial adviser. Calls to these numbers may be recorded.

| Item | Summary | Further Information |
|-------------------------------------|---|---|
| What is MCT offering to buy? | <p>MCT is offering to buy all NME Shares on the terms set out in this Bidder's Statement.</p> <p>You may only accept the Offer in respect of all the NME Shares held by you (as applicable).</p> | |
| What choices do I have? | <p>You have the choice to:</p> <ul style="list-style-type: none">(a) ACCEPT the Offer for all of your NME Shares in accordance with the Acceptance Form;(b) sell your NME Shares, which may be at a higher or lower price than the Offer Consideration; or(c) do nothing if you wish to reject the Offer. | |
| Who is MCT? | <p>MCT is an Australian public company with operational control of the Kookynie and Yundamindra Gold Projects in Western Australia.</p> <p>MCT continues to actively develop the Projects, located in the Goldfields district of Western Australia. The Kookynie Project, which is located approximately 60 km south of Leonora is host to seven historic, large-producing historical mines: Champion, McTavish, Leipold, Altona, Diamantina, Cosmopolitan and Cumberland.</p> <p>MCT has now successfully completed over 33,000 metres of drilling within 365 drill holes at the Kookynie Project to date, which have intersected significant gold mineralisation beyond the boundaries of the historic activities.</p> <p>The Yundamindra Project consists of nine granted mining leases, which the Company will hold the rights to explore. The Yundamindra Gold Project is currently under plaintiff and no activities will be undertaken on this project until this has been resolved.</p> | <p>Please refer to Sections 3 and 4 for further information on MCT.</p> |

| Item | Summary | Further Information |
|--|---|--|
| | <p>On 20 May 2021, MCT announced (ASX Announcement titled “Metalicity Achieves Earn-In on the Kookynie & Yundamindra Gold Projects” that the farm-in spend was achieved and is now a joint venture, whereby MCT now has rights to 51% of the Kookynie and Yundamindra Gold Projects.</p> <p>Following MCT’s successful satisfaction of the required farm-in spend, NME retains a minority, 49% interest in the Kookynie and Yundamindra Gold Projects.</p> | |
| <p>What will you receive if you accept the Offer?</p> | <p>Subject to satisfaction of the conditions of the Offer (Conditions), if you accept the Offer, you will receive 4.81 MCT Shares for every 1 NME Share that you hold.</p> <p>If you accept the Offer and you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be entitled to receive MCT Shares as consideration for your NME Shares. In these circumstances, the MCT Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those MCT Shares and remit the net proceeds of such sale to you by cheque in Australian dollars. As at the date of this Bidder’s Statement, MCT proposes to appoint Canaccord Genuity (Australia) Limited (AFSL: 234666) as the Sale Nominee, subject to ASIC approval.</p> | <p>Please refer to Section 11.7 for further details.</p> |
| <p>What is the value of the Offer?</p> | <p>The Offer delivers an attractive premium and values the NME Shares at 4.8 cents each,⁴ representing:</p> <ul style="list-style-type: none"> (a) 30% premium to the closing price of NME Shares on ASX on 13 September 2021 of 0.037 cents, the last trading day prior to the Announcement Date; (b) 29% premium to NME’s 15-day VWAP;⁵ (c) 27% premium to NME’s 30-day VWAP;⁷ and (d) 20% premium to the closing price of NME Shares on 23 September 2021, being the Last Practicable Trading Day. | <p>Please refer to “Detailed Reasons Why You Should Accept the Offer” for further details.</p> |

⁴ Based on the closing price of MCT shares on ASX of 1.0 cent on 13 September 2021, the last trading day prior to the Announcement Date. The implied value of the Offer will change with fluctuations in the MCT share price.

⁵ VWAP of NME shares is calculated for the period up to and including 13 September 2021, the last trading day prior to the Announcement Date.

| Item | Summary | Further Information |
|--|---|--|
| When will you receive your consideration? | <p>Generally, if you accept the Offer, MCT will issue your MCT Shares as consideration for your NME Shares on or before the earlier of:</p> <ul style="list-style-type: none"> (a) one month after you have validly accepted the Offer or the contract resulting from its acceptance becomes unconditional (whichever is later); and (b) 21 days after the end of the Offer Period, provided that the Offer have become unconditional. <p>Full details of when consideration will be provided are set out in Section 11.6.</p> <p>Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.</p> | See 11.6 and 11.7 for further details. |
| How long will the Offer remain open? | The Offer opens on [leave blank in lodged version]. Unless withdrawn or extended in accordance with the Corporations Act, the Offer are scheduled to close at 5:00pm (Perth Time) on [leave blank in lodged version]. | |
| Can the Offer Period be extended? | The Offer Period can be extended at MCT's election, up to a maximum Offer Period of 12 months. NME Shareholders will be sent written notice of any extension, and the extension will be announced to ASX. | |
| What risks are associated with the Offer? | You should carefully consider the risk factors that could affect the performance of MCT and the Combined Group before deciding whether to accept the Offer. A summary of the key risk factors is set out in Section 9. | |
| Are there conditions to the Offer? | <p>The Offer are subject to a number of conditions including:</p> <ul style="list-style-type: none"> (a) a 90% minimum acceptance condition; (b) no prescribed occurrence occurs; (c) no termination or other adverse rights arise from a "change in control" of NME occurring; (d) no material acquisitions, disposals or commitments and maintenance of the status quo during the bid period; (e) no material changes to the quantum or term of the loans stated as "Loans – other (iv)" in note 5 on page 19 of the Interim Financial Report for Nex Metals | Refer to Section 11.8 for the full list of the Conditions and Section 10.14 for a summary of the status of the Conditions. |

| Item | Summary | Further Information |
|--|---|---|
| | <p>for the period ended 31 December 2020 (Nex Half Year Report);</p> <p>(f) no material changes to the amount stated as "Accrued director fees" in the Nex Half Year Report;</p> <p>(g) no material changes to the quantum or term of the loans stated as "Loans – related party" in the Nex Half Year Report;</p> <p>(h) no material changes to the amount stated as "Provisions" in the Nex Half Year Report;</p> <p>(i) mining rights and renewals and all tenements are kept in good standing during the bid period; and</p> <p>(j) other customary conditions, including no Material Adverse Changes occurring to NME and no adverse action by applicable regulatory authorities (excluding the Takeovers Panel or ASIC in relation to the bid).</p> <p>As at the date of this Bidder's Statement, MCT is not aware of any act, omission, event or fact that would result in any of the Conditions of the Offer being triggered (or not being satisfied, as appropriate).</p> | |
| <p>Can MCT waive the Conditions to the Offer?</p> | <p>Yes, MCT is generally free to decide to waive any of the Conditions.</p> <p>If the Offer closes and the Conditions are not satisfied or waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your NME Shares (unless you otherwise sell them). MCT will announce whether the conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p> | <p>Further details in respect of the extent to which these Conditions are waived is set out in Section 10.14.</p> |
| <p>Will my MCT Shares be listed on ASX?</p> | <p>MCT will apply to the ASX for quotation of the new MCT Shares on the ASX. Quotation of the new MCT Shares depends on ASX exercising its discretion to admit them to quotation on ASX. MCT is already admitted to the Official List of ASX and MCT Shares in the same class at the new MCT Shares being offered are already quoted.</p> | <p>Section 11.12.</p> |
| <p>How do I accept the Offer?</p> | <p>Below is a summary of the ways in which you can accept the Offer. Full details of how to accept the Offer are set out in Section 11.3 respectively.</p> <p>You may only accept the Offer in respect of all of the NME Shares held by you.</p> | |

| Item | Summary | Further Information |
|---|--|---------------------|
| | <p>Issuer Sponsored Holding</p> <p>If your NME Shares are held on NME's issuer sponsored subregister (such holding will be evidenced by an "I" appearing next to your SRN on the attached Acceptance Form), to accept the Offer made to you, you must complete the attached Acceptance Form accompanying this Bidder's Statement in relation to the Offer made to you and return it, together with any other documents required, to the address indicated on the form so that it is received before the date the Offer close (unless it is extended).</p> <p>CHES Holding</p> <p>If your NME Shares are held in a CHES Holding (such holdings will be evidenced by an "X" appearing next to your HIN on the attached Acceptance Form), you may accept the Offer by either:</p> <p>(a) completing and signing attached Acceptance Form accompanying this Bidder's Statement and returning it, together with any other documents required, to the address indicated on the form; or</p> <p>(b) instructing your Controlling Participant (normally your broker) to accept the Offer made to you on your behalf,</p> <p>so that your acceptance is received before the Offer closes (unless extended).</p> <p>Participants</p> <p>If you are a Participant, acceptance of the Offer must be in accordance with the ASX Settlement Operating Rules before the Offer close.</p> | |
| <p>Can I accept the Offer for part of my holdings?</p> | <p>No. You can only accept the Offer for ALL of your NME Shares.</p> | |
| <p>Can I withdraw my acceptance of the Offer?</p> | <p>No. You will not be able to withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.</p> <p>A withdrawal right will arise if, after you accept the Offer, the Offer remain subject to Conditions and MCT varies the Offer in a way that postpones the time that MCT has to meet its obligations under the Offer for more than one month (for example, if MCT extends the Offer for more than one month while the Offer made to you remain subject to Conditions).</p> | |

| Item | Summary | Further Information |
|---|---|---------------------|
| <p>Will I need to pay any transaction costs if I accept the Offer?</p> | <p>If your NME Shares are registered in a CHES Holding, or if you are the beneficial owner whose NME Shares are registered in the name of a bank, custodian, broker or other nominee, you will not be obliged to pay stamp duty by accepting the Offer but should ask your Controlling Participant (usually your broker) or nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.</p> <p>If your NME Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to MCT, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.</p> <p>If you are an Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder, the proceeds you will receive from the sale of the MCT Shares which would otherwise have been issued to you will be net of any costs including brokerage charges.</p> | |
| <p>What happens if MCT improves the Consideration?</p> | <p>If MCT improves the Consideration, all NME Shareholders who accept the Offer (whether or not they have accepted the Offer before or after the improved terms were made) will be entitled to the benefit of the improved Consideration, should the Offer become or be declared unconditional.</p> | |
| <p>What are the tax implications of accepting the Offer?</p> | <p>A general summary of the Australian tax consequences for NME Shareholders who accept the Offer is set out in Section 8. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. NME Shareholders should seek their own taxation advice in relation to the Offer.</p> | |
| <p>What happens if I do not accept the Offer?</p> | <p>If you do not accept the Offer, you will remain an NME Shareholder and will not receive the Consideration.</p> <p>If MCT becomes entitled to compulsorily acquire your NME Shares, it intends to do so. If your NME Shares are compulsorily acquired by MCT, it will be on the same terms as the Offer. However, you will receive your MCT Shares at a later time than the NME Shareholders who choose to accept the Offer.</p> <p>If MCT does not acquire a Relevant Interest in at least 90% of the NME Shares, it may choose to waive the 90% condition of its Offer. If MCT</p> | |

| Item | Summary | Further Information |
|---|---|---------------------|
| | <p>acquires more than 50.1% but less than 90% of the NME Shares, MCT will hold a controlling interest in NME. The remaining NME Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in NME Shares than exists today, which could result in a lower price for those NME Shares should they wish to sell them in future.</p> | |
| <p>Where can I find further information?</p> | <p>If you have any questions about this Bidder's Statement or the Offer, you should contact the MCT Offer Information Line on 08 6500 0202 (within Australia) or +61 8 6500 0202 (for international callers) or your legal, financial or professional advisor.</p> | |

2. WHY YOU SHOULD ACCEPT THE OFFER

Metalicity Limited believes you should **ACCEPT** the Offer for the following reasons:

- 1. It is an opportunity for NME shareholders to realise a control premium now, and improve their investment in the Kookynie and Yundamindra Gold Projects via ownership of a single entity**
- 2. The Offer represents an attractive premium to pre-announcement prices and recent trading history**
- 3. It will create a compelling combination with improved access to capital, removal of JV structure, cost savings and enhanced balance sheet position, leading to accelerated project development**
- 4. It will provide simplified (100%) ownership of the Kookynie and Yundamindra Gold Projects and a stronger balance sheet with an enhanced cash position**
- 5. It will enable cost synergy benefits by removing duplicate listed-company costs, provide management efficiencies and streamline administration processes**
- 6. It provides NME shareholders potential access to CGT scrip for scrip rollover relief (in respect of the Offer only)**

MCT has recently obtained a 51% controlling interest in the Kookynie and Yundamindra Gold Projects through MCT's joint venture agreement with NME. Therefore, should the Offer not succeed, NME shareholders will be invested in a company that:

- (a) has a minority interest in the Kookynie and Yundamindra Gold Projects;
- (b) will compete for capital with MCT (which has a superior investment proposition) and any difficulties in raising capital could cause delays in the development of the Kookynie and Yundamindra Gold Projects; and
- (c) has significant debts and unpaid related party loans.

This is a summary of the reasons why you should accept the Offer. Each of the reasons is explained in further detail below.

If you wish to accept the Offer, you must return the signed accompanying Acceptance Form by **[insert]pm (Perth Time)** on **[leave blank in lodged version]**, unless extended in accordance with the Corporations Act.

2.1 Detailed Reasons Why You Should ACCEPT the Offer

2.1.1 It is an opportunity for NME shareholders to receive a control premium now, and improve their investment in the Kookynie and Yundamindra Gold Projects.

NME Shareholders have an opportunity to receive a control premium now for NME Shares, while retaining maximum upside through scrip in a combined entity with direct operational control of the Kookynie and Yundamindra Gold Projects and the best opportunity to successfully develop and efficiently commercialise those projects, as opposed to the current joint venture structure. The removal of the joint venture committee structure and the associated proceedings will significantly reduce operational impediments currently facing the Projects, allowing MCT to develop the Projects more efficiently.

Should MCT acquire 100% of the NME Shares, assuming no convertible securities of MCT or NME are converted or exercised, NME Shareholders will together hold approximately 37.5% of the ordinary shares in Combined Group⁶.

2.1.2 The Offer represents an attractive premium to pre-announcement prices and recent trading history

Under the Offer, NME Shareholders will receive 4.81 new MCT Shares for every one of their NME Shares.

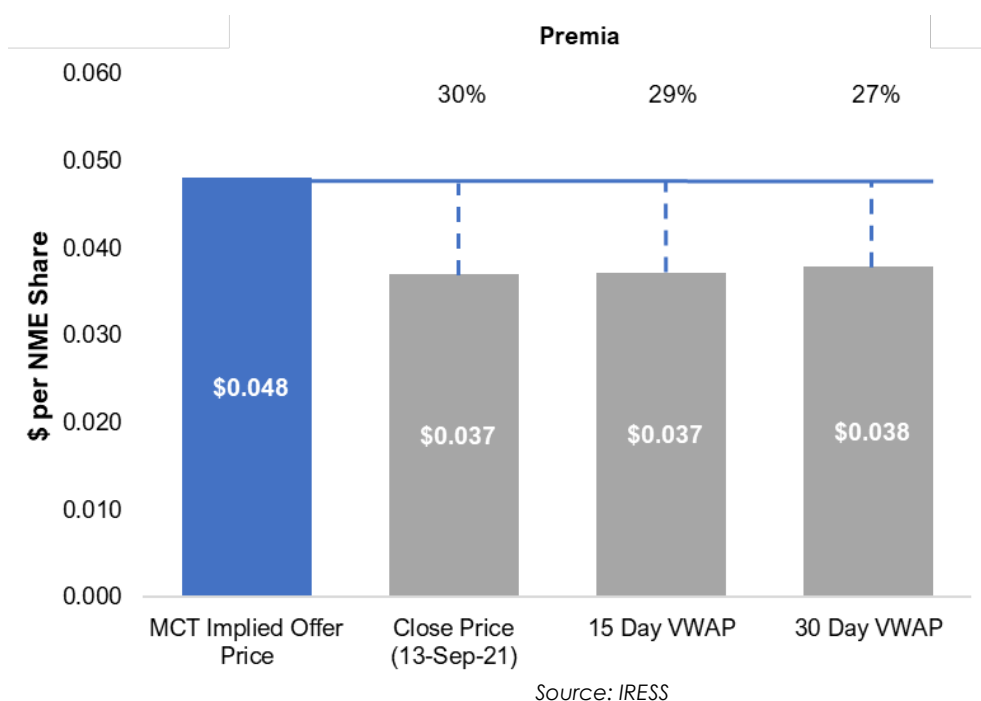
Based on the closing price of MCT Shares on ASX of 1.0 cent on 13 September 2021, the last trading day prior to the announcement of the Offer, the Offer values NME's equity at approximately \$12.8 million, or 4.8 cents per NME Share, representing a:

- (a) 30% premium to the closing price of NME Shares on ASX on 13 September 2021 of 0.037 cents, the last trading day prior to the Announcement Date;
- (b) 29% premium to NME's 15-day VWAP⁷; and
- (c) 27% premium to NME's 30-day VWAP.

As at 23 September 2021, the Last Practicable Trading Day, the Offer valued each NME Share at \$0.048 (4.8 cents) (based on the closing price of MCT Shares on the Last Practicable Trading Day of \$0.01 (1.0 cents)). The implied value of the Offer will continue to fluctuate with movements in the MCT Share price.

⁶ Based on a MCT share price of \$0.01. On a fully diluted basis, NME Shareholders will together hold approximately 35.6% of the ordinary shares in the Combined Group.

⁷ VWAP of NME shares is calculated for the period up to and including 13 September 2021, the last trading day prior to the Announcement Date.



2.1.3 It will create size and scale benefits with increased market capitalisation, enhanced share trading liquidity and potential for stock re-rate, improving the ability to raise capital

If the Offer is successful, both NME and MCT will no longer be competing for development capital for the Kookynie and Yundamindra Gold Projects. Through a larger combined market capitalisation, the Combined Group is expected to have higher investor visibility and liquidity than NME has on a stand-alone basis. The Combined Group is expected to have a broader investor base and a more attractive investment proposition and asset portfolio, providing greater financial capacity and ability to progress project outcomes.

By accepting the Offer, NME Shareholders eligible to receive the Consideration will have exposure to a company with a larger market capitalisation and greater share trading liquidity across ASX than NME on a standalone basis (assuming the Offer becomes unconditional):

- (a) Based on the closing price of MCT Shares on ASX of 1.0 cents on 13 September 2021, MCT had a market capitalisation of \$19.3 million compared to NME's market capitalisation of \$9.3 million.
- (b) The average daily trading value of MCT Shares for the 12 months prior to the announcement of the Offer, was in excess of \$125,000 compared to the average daily trading value of NME Shares over the same period, which was less than approximately \$39,000.

2.1.4 It will provide other benefits including simplified (100%) ownership of the Kookynie and Yundamindra Gold Projects and a stronger balance sheet with an enhanced cash position

Under MCT's Offer NME Shareholders will receive scrip in a combined entity with a strong balance sheet:

- (a) NME reported a **negative** net asset position of \$1.46 million in its 31 December 2020 accounts, with Total Payables and Debt of approximately \$3.4 million, which included loans and payables to

Directors of \$2.44 million and payables exceeding normal trading terms of \$352,943.

- (b) In contrast, MCT reported a **positive** net asset position of \$6.08 million in its 31 December 2020 accounts and has subsequently raised \$3 million.
- (c) A combined entity would have a significantly stronger balance sheet than NME on a stand-alone basis, with a strong cash position and greater certainty regarding its ability to meet its current liabilities and commitments (including resolution of significant related party loans to NME Directors).

2.1.5 **It will enable cost synergy benefits by removing duplicate listed-company costs, provide management efficiencies and streamlining administration processes**

If the Offer is successful, the Combined Group will not incur many costs currently being incurred by NME, allowing the funds to be reallocated to development of the Kookynie and Yundamindra Gold Projects.

MCT has identified potential duplicate and or redundant annual costs from the NME 30 June 2020 audited annual report which MCT expects the Combined Group can save and/or rationalise, which aggregate to approximately \$780,000.

The combination of NME and MCT will also streamline the current JV process removing additional ancillary costs associated with the Joint Venture that NME and MCT currently both incur.

2.1.6 **It provides NME Shareholders potential access to CGT scrip for scrip rollover relief**

NME Shareholders may benefit from CGT scrip for scrip rollover relief if they accept the Offer. However, this benefit will not be available if MCT does not acquire 80% or more of NME's shares outstanding. Please refer to Section 8 for more information.

2.1.7 **Should the Offer not succeed**

MCT has recently obtained a 51% controlling interest in the Kookynie and Yundamindra Gold Projects through the Joint Venture Agreement. Should the Offer not succeed, NME shareholders will be invested in a company that:

- (a) has a minority interest in the Kookynie and Yundamindra Gold Projects, and will likely be diluted further if NME cannot co-contribute with MCT;
- (b) will compete for capital with MCT (which has a superior investment proposition); and
- (c) has significant unpaid debts and related party loans.

3. PROFILE OF METALICITY LIMITED

3.1 Overview of MCT

MCT is an ASX-listed company and is focussed on exploration and development of the Kookynie and Yundamindra Gold Projects. MCT is currently NME's Joint Venture partner in that project, which is under Metalicity's direct operational control.

Kookynie and Yundamindra Gold Projects

On 6 May 2019 MCT announced it had entered into a farm-in agreement with Nex Metals (ASX: NEX) for the Kookynie and Yundamindra Gold Projects. Pursuant to that agreement, MCT was required to spend no less than \$5,000,000 on those projects to earn a 51% interest in the projects.

MCT recently completed this farm-in to the projects by spending a total of \$5 million through exploration programmes as well as the purchase of (i) additional prospecting tenements adjacent to the Champion Lease, (ii) two farm-in agreements and (iii) tenement applications within the area.

The Kookynie and Yundamindra Gold Projects are located approximately 180km north of the town of Kalgoorlie and present an opportunity to develop a high-grade gold resource based off historic exploration within the area.

The Kookynie project hosts the historical mining centres of Diamantina-Cosmopolitan-Cumberland, known as the DCC trend, as well as McTavish, Leipold, Champion and Altona.

Each of the historic mining operations were highly successful, with the Cosmopolitan gold mine producing 360,000 ounces of gold from discovery from 1895 to 1922. During the early part of last century, the Cosmopolitan mine ranked as one of the largest and most profitable gold mines in Western Australia.

Cautionary Statement Relating to the Cosmopolitan Production Data

The production details for the Cosmopolitan Mine are referenced from publicly available data sources. The source and date of the production data for the Cosmopolitan Gold Mine has been reported in the Geological Survey of Western Australia records showing the development of the Cosmopolitan Gold Mine in 1905. DMIRS digital records include open file Annual Reports and data pertaining to the exploration and development efforts of previous operators. Two documents with WAMEX reference numbers A069774 and A067918 are of particular interest. The previous operator in the early 2000's, Point Exploration Ltd, digitised these historical maps, including the channel sampling. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of MCT's development plan.

A JORC 2012 compliant Exploration Target was announced on 12 March 2020 based off previous production and exploration work, and is set out below.

| Kookynie Gold Project "Exploration Target" Summation | | | | | | |
|--|--------------|--------------|---------------|--------------|-------------------|-------------------|
| Prospect | Grade Range | | Tonnage Range | | Ounces | |
| | Lower g/t Au | Upper g/t Au | Lower tonnes | Upper Tonnes | Lower ounce range | Upper Ounce Range |
| Diamantina-Cosmopolitan-Cumberland (DCC) Trend | 10.0 | 15.0 | 300,000 | 600,000 | 100,000 | 290,000 |
| previously excluded area of underground development | 6.0 | 10.0 | 600,000 | 1,000,000 | 115,000 | 320,000 |
| Overall Ounce Range | | | | | 215,000 | 610,000 |
| The Champion Prospect | 3.6 | 6.0 | 200,000 | 400,000 | 25,000 | 80,000 |
| previously excluded area of underground development | 2.0 | 4.0 | 60,000 | 150,000 | 4,000 | 20,000 |
| Overall Ounce Range | | | | | 29,000 | 100,000 |
| The McTavish Prospect | 1.8 | 5.0 | 250,000 | 500,000 | 15,000 | 80,000 |
| previously excluded area of underground development | 1.5 | 5.0 | 100,000 | 200,000 | 5,000 | 32,000 |
| Overall Ounce Range | | | | | 20,000 | 112,000 |
| The Leipold Prospect | 1.5 | 5.0 | 500,000 | 800,000 | 25,000 | 120,000 |
| previously excluded area of underground development | 1.5 | 4.0 | 100,000 | 200,000 | 5,000 | 25,000 |
| Overall Ounce Range | | | | | 30,000 | 145,000 |

Please note the "Exploration Target" cautionary statement: **The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.**

Based on the above, the Kookynie Gold Project has a total "Exploration Target" of between 294,000 ounces and 967,000 ounces and includes historically stated mineral resource estimates and previously excluded areas of underground development. Work to date by MCT in drilling, mapping and sampling has supported historical work and provided confidence to including it in the "Exploration Target".

Metalicity has continued to actively develop the Kookynie and Yundamindra Gold Projects, located in the Goldfields district of Western Australia, please refer to Figure 1 below. The Kookynie Project, which is located approximately 60 km south of Leonora is host to seven large-producing historical mines: Champion, McTavish, Leipold, Altona, Diamantina, Cosmopolitan and Cumberland

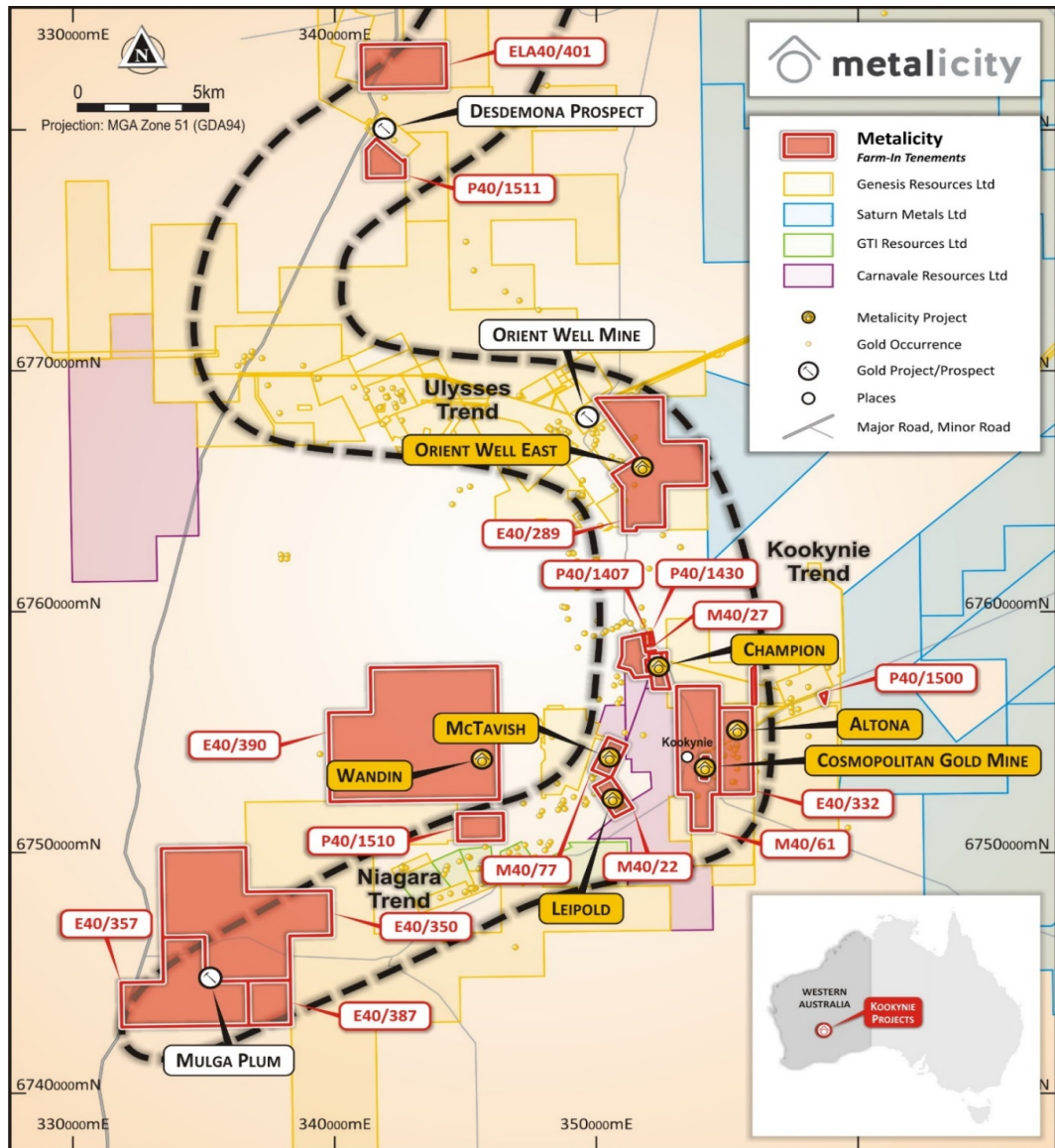


Figure 1 – The Kookynie Project Tenement Map

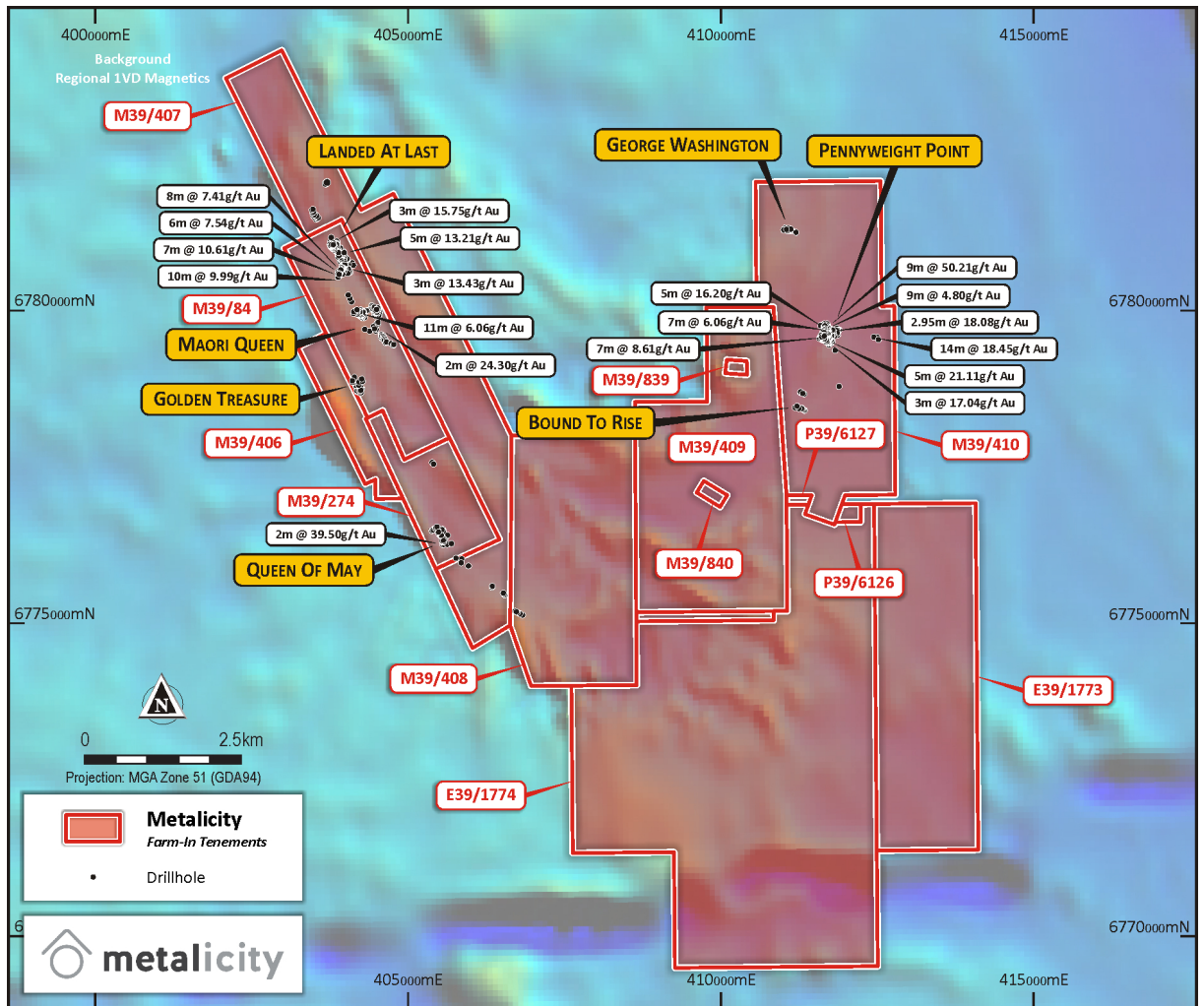


Figure 2 – The Yundamindra Tenement Map

The Yundamindra Project consists of nine granted mining leases, which the Company will hold the rights to explore. Nex is well advanced in dealing with the plaintiffs affecting these tenements and the Company looks forward to commencing exploration on this Project.

Similar to the Kookynie Project, the Yundamindra Project has only experienced shallow drilling and offers an opportunity for MCT to confirm and extend the known mineralisation occurrences within this area. The Company has identified immediate drill targets at Penny Weight Point, Washington, Polish Queen and Maori Queen prospects. Field work has identified the presence of inverted paleochannels obscuring mineralised trends at the Yundamindra West line of lode.

Admiral Bay

In September 2015, MCT completed the acquisition of the Admiral Bay Zinc Project (**Admiral Bay**) from the administrators of Kagara Ltd. The project is located in the Central Canning Basin on the southern edge of the Kimberley region of Western Australia.

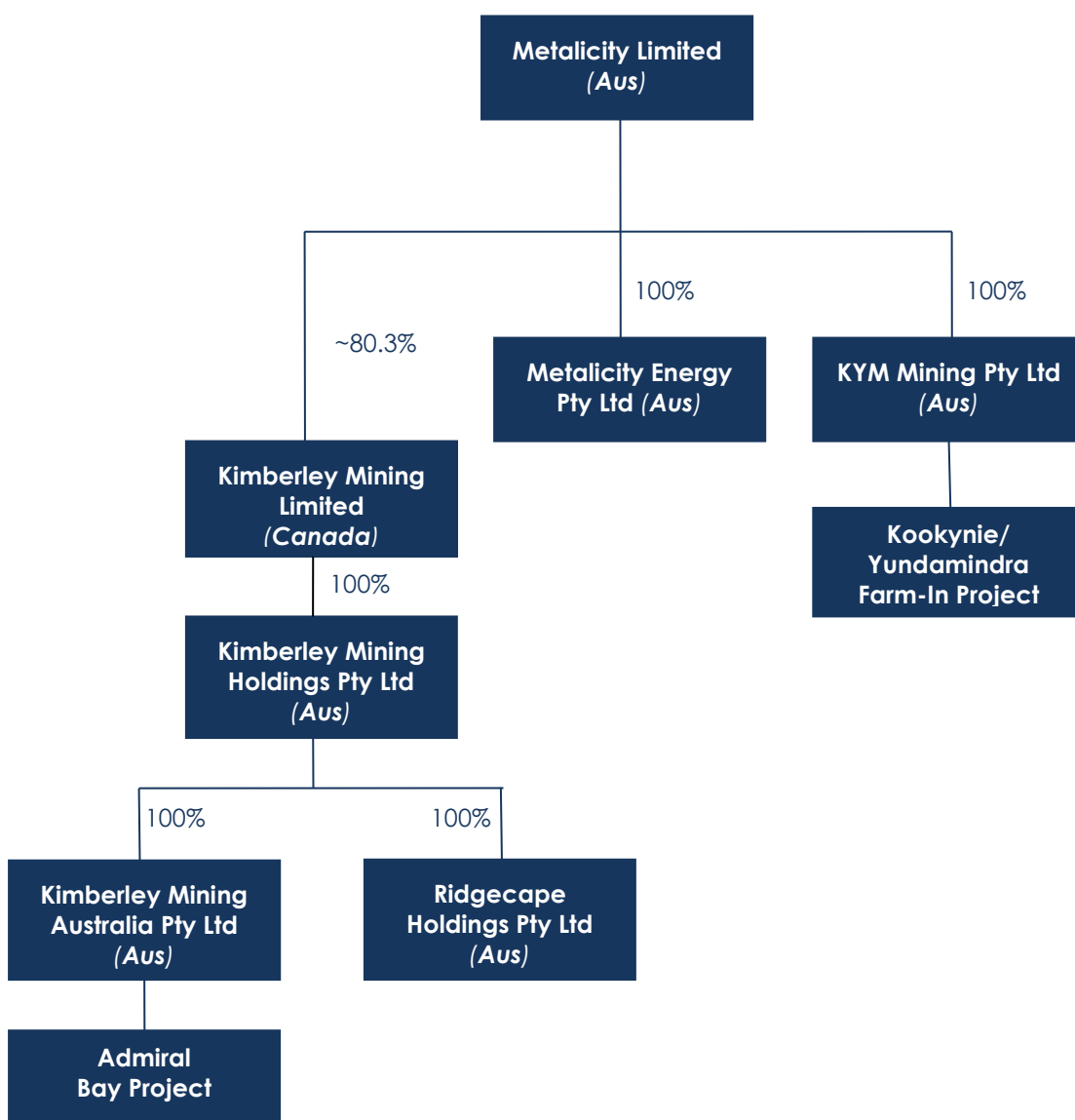
Admiral Bay has an inferred resource of 172 Mt at 3.1% ZN, 2.9% Pb, 18g/t Ag and 11.6% Ba.⁸

MCT undertook various technical scoping studies on the Project and in 2018 began a process to IPO Admiral Bay on the Canadian TSX Venture Exchange. Due to deteriorating market conditions in 2019 the IPO process was ceased and the Admiral Bay Project was put on care and maintenance.

MCT continues to hold a majority interest in the Admiral Bay Project, via its ~80.3% interest in Kimberley Mining Limited, a Canadian unlisted public company. This is a non-core asset of MCT and efforts are ongoing regarding disposal.

3.2 Corporate Information

The corporate structure of MCT is shown in the diagram above.



MCT's current Constitution was adopted by its shareholders on 26 November 2020.

⁸ ASX Announcement: "Admiral Bay Zinc Project Mineral Resource Update" dated 16 February 2018.

3.3 Overview of MCT's Activities

This Section 3.3 contains a summary of MCT's activities. Further information on MCT can be obtained from MCT's website www.metalicity.com.au.

The Group's principal activity is mineral exploration and development of the Kookynie and Yundamindra Gold Projects that MCT has earned a 51% interest from Nex Metals Explorations Ltd.

In 2019, MCT began an extensive Drilling Programme which was designed to step out and continue to confirm the mineralisation, and to evaluate regional targets. The principle aim of step out and confirmatory drilling is to ensure results and data are of a standard supporting a new estimate and reporting classification in accordance with JORC 2012. The main issue to be addressed with historical drilling is that identified mineralisation needs to be verified by drill holes with down hole surveys to lend accuracy to its location below the ground. The second aspect of regional target evaluation is ongoing. MCT, during the earn in period, completed 33,723.73 metres of drilling over 362 drill holes.

The list below summarises and highlights significant intercepts returned from the drilling programmes by Metalicity to date.

Leipold:

- (a) LPRC0093 – 2 metres @ 22.96 g/t Au from 140 metres,
- (b) inc. 1 metre @ 28.82 g/t Au from 140 metres,
- (c) LPRC0085 – 5 metres @ 5.42 g/t Au from 94 metres,
- (d) inc. 2 metres @ 10.84 g/t Au from 94 metres,
- (e) LPRC0082 – 7 metres @ 4.76 g/t Au from 69 metres,
- (f) LPRC0080 – 4 metres @ 4.69 g/t Au from 51 metres,

Please refer to ASX Announcement "*Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project*" dated 1 October 2020 for all other results of this drilling programme.

McTavish:

- (a) McTRC0025 - 8 metres @ 3.57 g/t Au from 47 metres,
- (b) McTRC0018 - 4 metres @ 4.1 g/t Au from 47 metres,
- (c) McTRC0026 - 3 metres @ 5.25 g/t Au from 69 metres, &
- (d) McTRC0029 - 4 metres @ 4.3 g/t Au from 62 metres

Please refer to ASX Announcement "*Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project*" dated 22 October 2020 for all other results of this drilling programme.

The Leipold Prospect

MCT has completed one hundred and thirty-one (131) Reverse Circulation (RC) drill holes at Leipold for 10,728 metres and twenty-nine (29) drillholes at Leipold North for 2,253 metres. The list above illustrates the significant recent drill hole intercepts returned to date for the Leipold Prospect and Figure 3 below illustrates the known mineralisation area and the targeted area for a drilling programme to expand the mineralisation to just over 700 metres in strike length.

MCT is observing consistent widths and relatively consistent grades at the Leipold Prospect in relation to the structural framework that hosts the mineralisation. The Leipold Prospect is host to a JORC 2004 compliant Mineral Resource Estimate. With this infill and step out drilling, and a defined strike extent based on the results so far, MCT is addressing the aspects required for a JORC 2012 Resource within previously drilled areas to eventually illustrate the size, with regards to tonnage and grade, of this Prospect.

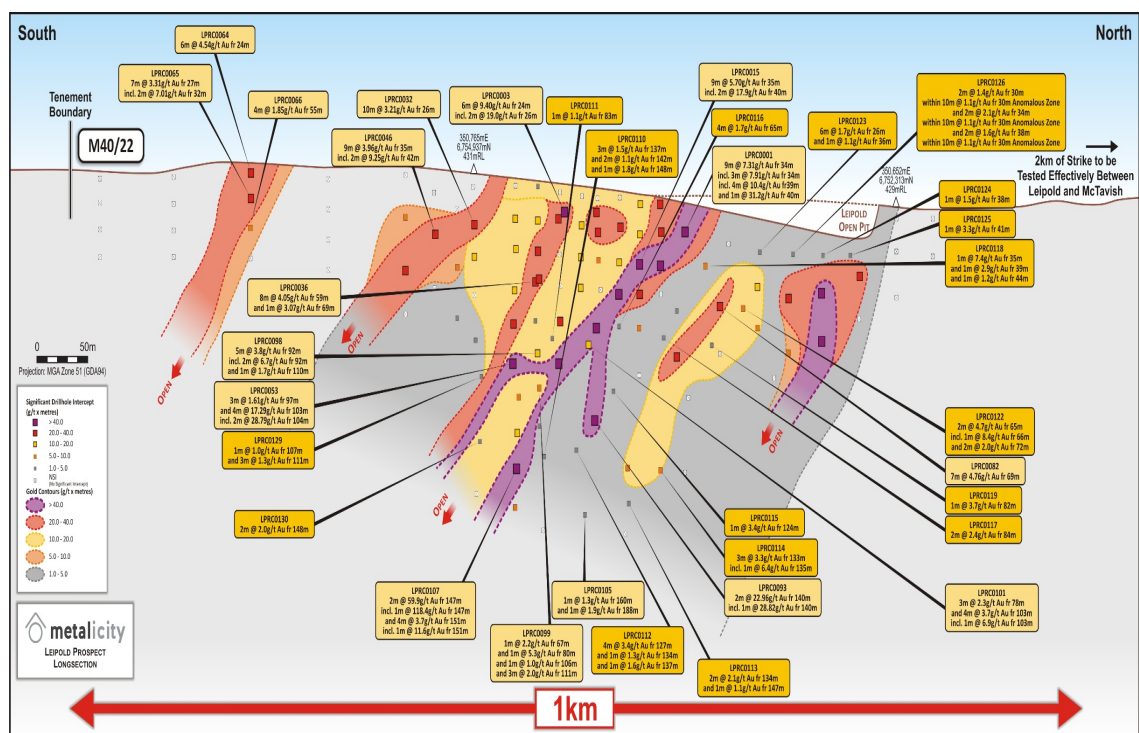


Figure 3 – Leipold Long Section with recent drilling*.

* Please refer to ASX Announcement "New Gold Assays Extend Mineralisation to 1km at Leipold" dated 2 July 2021 for all other drilling results at this prospect.

The McTavish Prospect

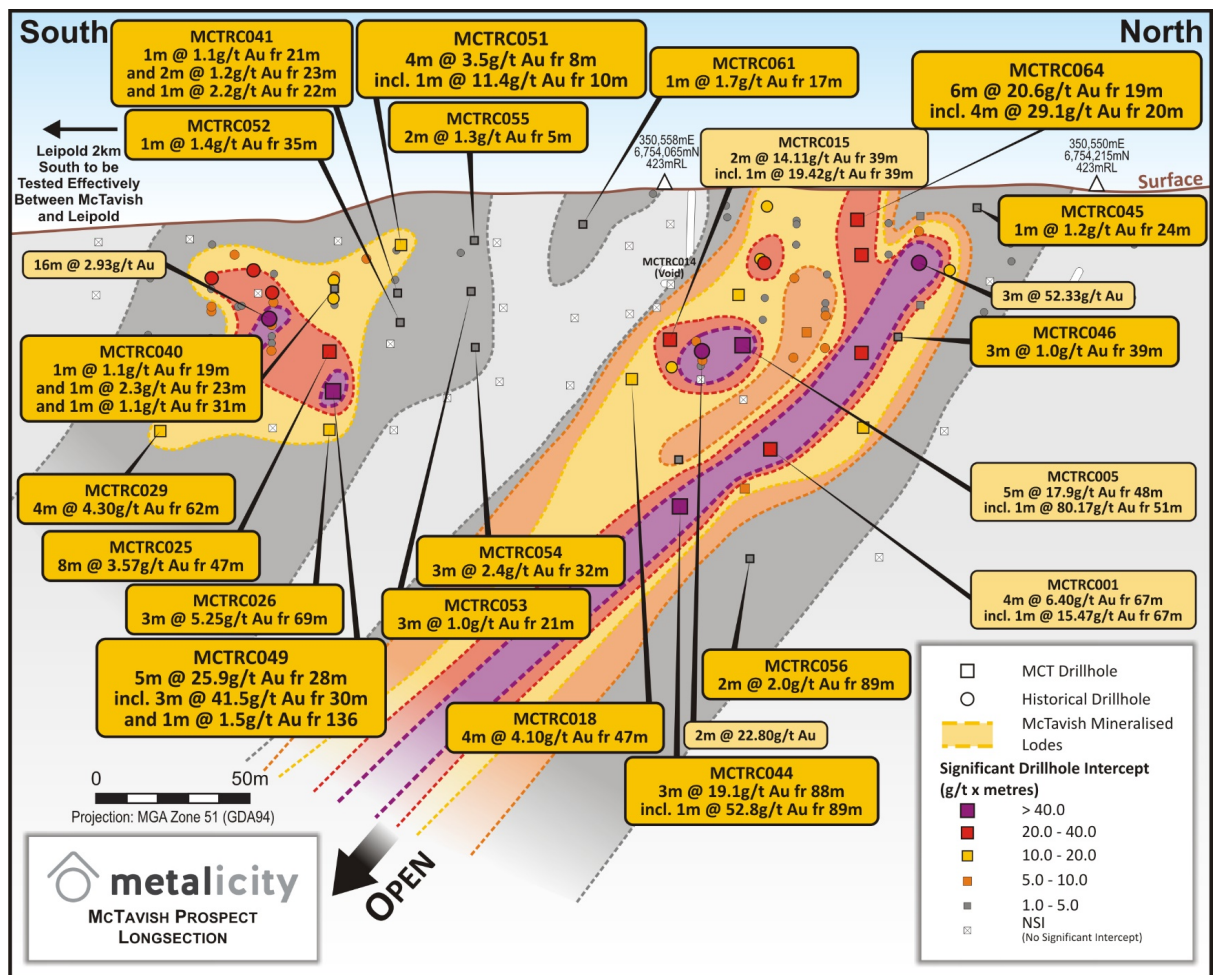


Figure 4 – McTavish Plane of Vein Section with recent drilling.*

*** Please refer to ASX Announcement “McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au” dated 8 July 2021 for all other drilling results at this prospect.**

The McTavish Prospect has had sixty-six (66) holes completed for 4,393 metres. MCT intended to confirm and step out from known mineralisation to assist in evaluating and converting the McTavish JORC 2004 compliant Mineral Resource Estimate to a JORC 2012 Resource.

As illustrated by figure 4, McTavish has previously returned high grade intercepts such as 2 metres @ 14.11 g/t Au from 39 metres, including 1 metre @ 19.42 g/t Au from 39 metres. This drill hole represents a 20-metre step out south from MCTRC0005 which returned 5 metres @ 17.9 g/t Au from 48 metres including 1 metre @ 80.17 g/t Au from 51 metres. Please refer to Figure 4 above and to MCT's announcement “McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au” dated 8 July 2021 for all other drilling results at this prospect.

At the McTavish Prospect, MCT is observing widths, and grades above the JORC 2004 Mineral Resource Estimate. This bodes well for when a Mineral Resource Estimate is conducted with much more geological and grade data to be compiled for a potential significantly larger mineralised inventory. Therefore, as with Leipold, MCT has expanded its drilling programmes to delineate high grade mineralisation over a 400-500 metre strike length.

The Champion Prospect

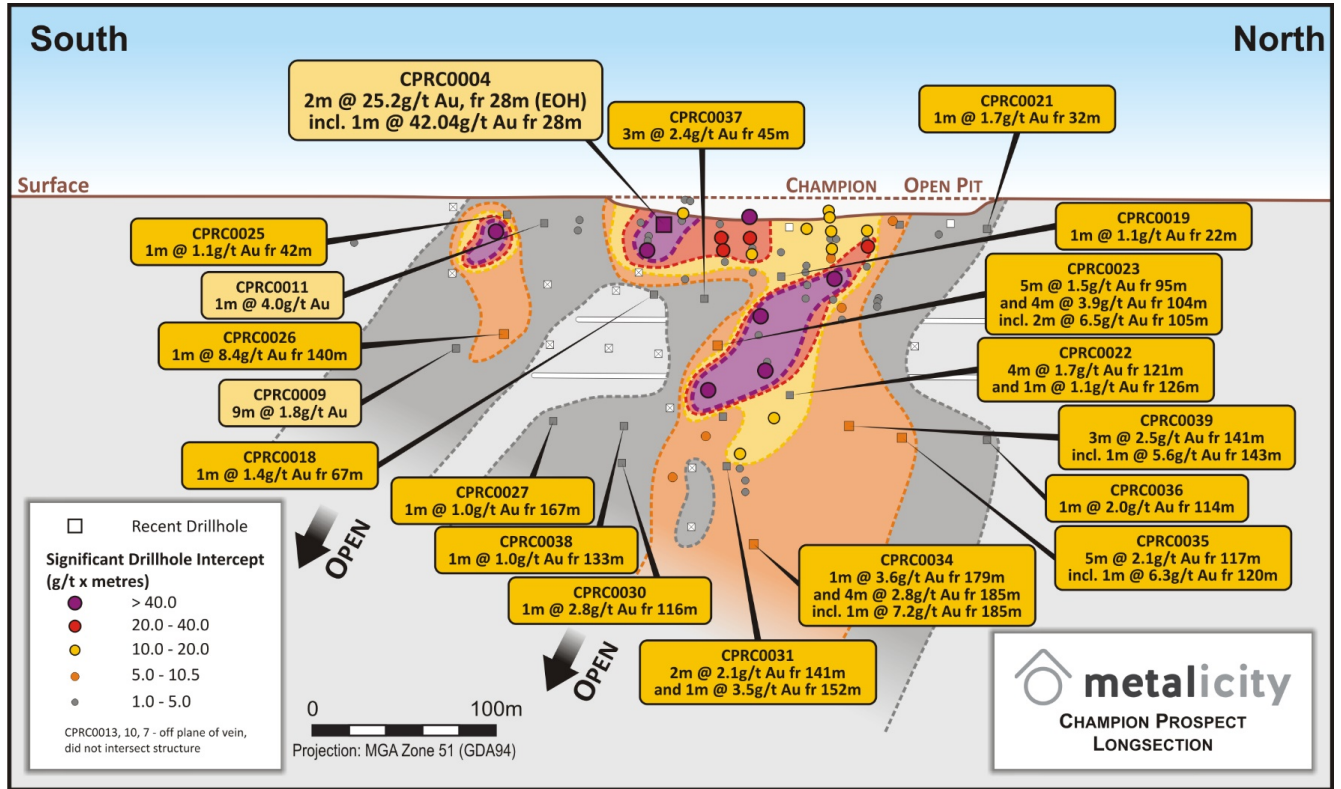


Figure 5 – Champion Plane of Vein Section with recent drilling.*

* Please refer to ASX Announcement “Champion Delivers Consistent Grades at Significant Widths” dated 15 July 2021 for all other drilling results at this prospect.

The Champion Prospect has had thirty-nine (39) holes completed for 4,036 metres. The premise again was to confirm and step out from known mineralisation to assist MCT in evaluating and converting the Champion JORC 2004 compliant Mineral Resource Estimate to a JORC 2012 Resource.

The Altona Prospect

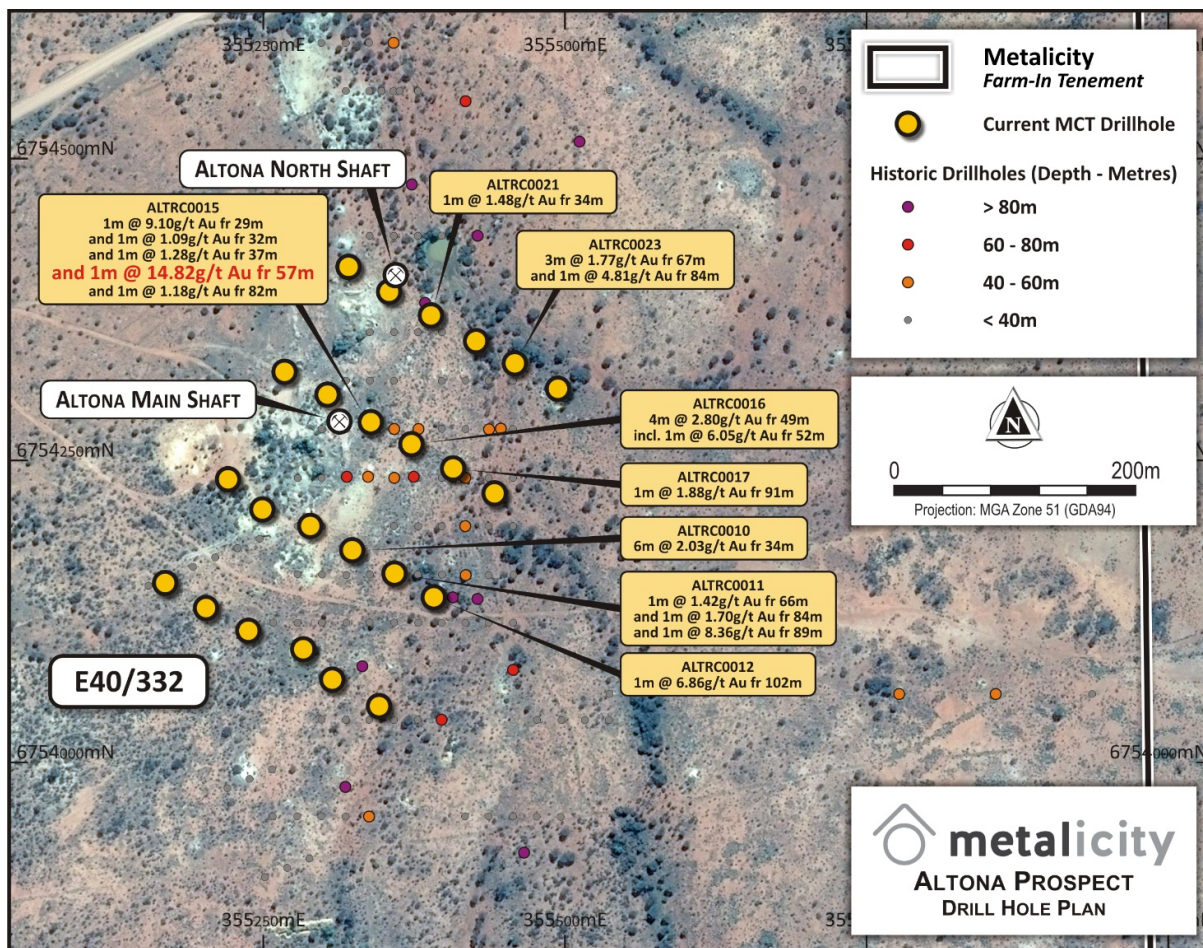


Figure 6 – Altona Collar Plot with recent drilling*.

*Refer to ASX Announcement "Further Impressive Drill Results at Altona, Kookynie Gold Project" dated 18 March 2021 for all other drilling results at this prospect.

The first phase of drilling at the Altona Prospect demonstrated that previously identified mineralisation continues at depth and along strike. Thirty-three (33) holes for 3,251 metres has been completed at Altona. These drill holes continue to validate and confirm the down plunge extensions of previously drilled areas. This is encouraging and MCT is expediting plans to return to Altona to continue that extensional work.

The assay results received from Altona showed grade variability issues. Although the variability noted in repeated analysis of samples is not uncommon in high-grade gold environments, it does pose an issue of qualifying the grade for certain intercepts. Given the reported production from the Altona area historically, the variability in assays is not uncommon and during mineral resource estimations, are dealt with via industry standard geostatistical measures.

The initial Altona target area represents a small part of the overall anomaly, which represents circa 2 kilometres of strike potential north and south of the main Altona workings.

Figure 7 below illustrates the area where the initial drilling programme has been undertaken and the anomaly north and south represents similar geophysical signatures with sporadic and intermittent historical workings dotted along this trend:

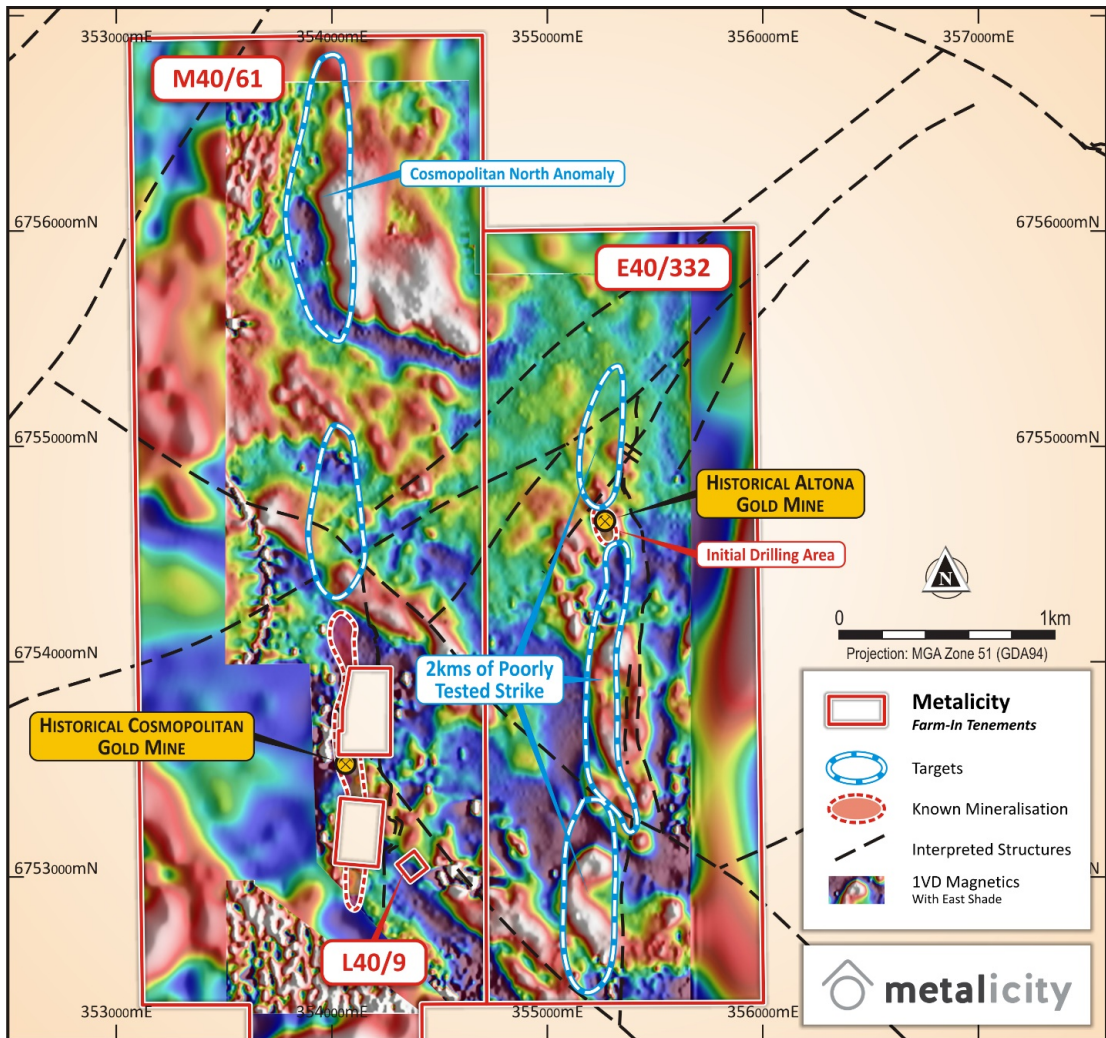


Figure 7 – The DCC & Altona Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

*Please refer to ASX Announcement “Further 21 Targets at High Grade Kookynie Gold Project” dated 2nd September 2020 for all other survey results from this programme.

The Company is evaluating the information on hand to ensure that future drilling within this large area of anomalism is systematically tested to illustrate the high-grade tenure of this locality.

The Cosmopolitan Gold Mine Drilling Results

Seven of the 12 holes (total was 12 holes for 3,042 metres) drilled at the Cosmopolitan Gold Mine have delivered significant intercepts, further highlighting the potential of this prospect. Whilst values returned are not at historical grades, incredibly high variability in re-assaying has been encountered. Nevertheless, the Cosmopolitan Gold Mine was once one of the largest gold mines in Western Australia during its time, it is highly encouraging to intersect the structure that hosted the historical workings continues and is mineralised.

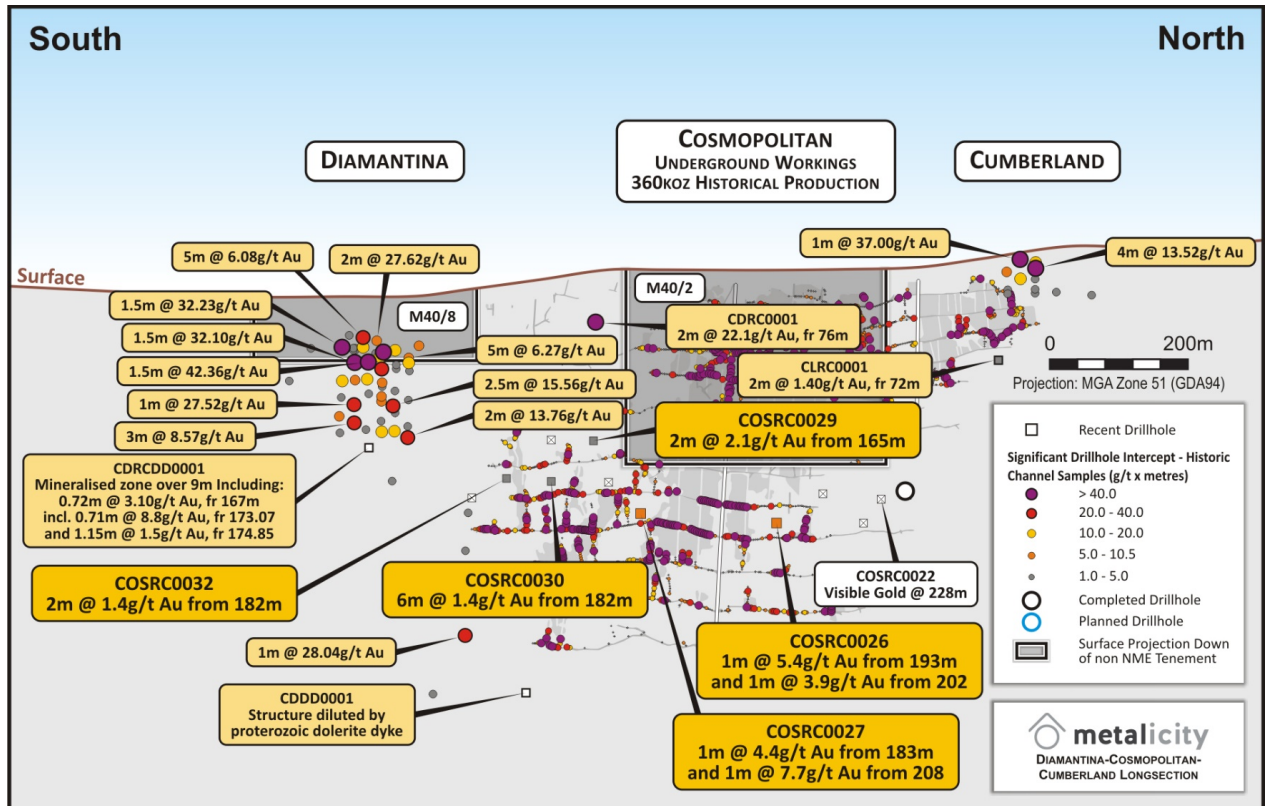


Figure 8 – The DCC & Alfona Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

Visible Gold Anomaly



During the drilling of COSRC0022 the site geologist reported that he had observed a visible gold fleck in an RC chip in the chip tray in the 227 to 228 metre sampling interval, as shown in Photograph 1 below. This led to an expectation that the interval would deliver an assay result which could be anything from 1 to 100 + g/t Au, but in all events at least over 10 g/t Au.

Photograph 1 – Visible gold from interval 227-228 metres in COSRC0022 at the Cosmopolitan Gold Mine.

Please refer to ASX Announcement "First Hole Intersects Visible Gold at the Cosmopolitan Prospect, 100m North of Historic Cosmopolitan Gold Mine" dated 4 February 2021. Please note the wrong hole ID was displayed in the previous announcement.

The location for COSRC0022 was designed to test what was hoped to be the possible location of the southern extent of the Cumberland zone of mineralisation at depth. The targeting was inferred from up dip stopes and an estimate of dip / strike of the mineralised horizon, as well as the up-dip sampling information.

This interval in question is in the expected target zone, which appears to be a typical (shear hosted lode gold) quartz vein of variable thickness (~0.2 to +2 metre) in a shear / vein structure system, which can host good high gold grades based on the reported results of the historic hand sampling in the workings and from historic production figures.

However, when the interval was assayed, the Intertek Laboratory reported a fire assay and screen fire assay result of no gold, and separately, the SGS Laboratory reported a screen fire assay reported of 0.02 g/t gold.

An investigation was launched, and several further assays carried out on residual pulps, with these additional results only confirming the original Intertek and SGS findings.

It was noted however, that during the drilling of the hole and particularly the interval in question, a significant amount of water was encountered in the hole and sample recovery had been compromised. The field geologist stated that sample recovery was an issue during the drilling when the structure was encountered. The samples had been dry, with good recovery up to that point.

An estimate has been made that there may have been only 20% recovery through this interval with fines being preferentially lost.

Following further analysis, we have concluded that as the distribution of gold in this interval is highly variable, it is unlikely to have been adequately representatively sampled due to the poor recovery and loss of material caused by excessive uncontrolled water inflows. The target zone is likely to have contained a thin (probably sub 20 to 30 cm) quartz vein with variable amounts of coarse gold.

The Cosmopolitan North Prospect

The Cosmopolitan North Prospect (please refer to Figure 1 for locality), has received to date twenty-one (21) RC drill holes for 1,908 metres, from which minor anomalism was intersected. Please refer to ASX Announcement "Drone Survey Demonstrates 21 Targets with Incredible Prospectivity for the Kookynie Gold Project" dated 2nd September 2020 and "Reconnaissance Drilling Confirms Regional Prospectivity for the Kookynie Gold Project" dated 17 February 2021 for all other exploration results at this prospect.

The Leipold North Prospect

Based on the ultra-high-resolution drone magnetic survey that highlighted some significant and analogous anomalies, 26 RC holes have been completed for a total of 1,956 metres. These anomalies have very similar signatures to their respective known mineralised counterparts and represent an incredible opportunity for exploration success.

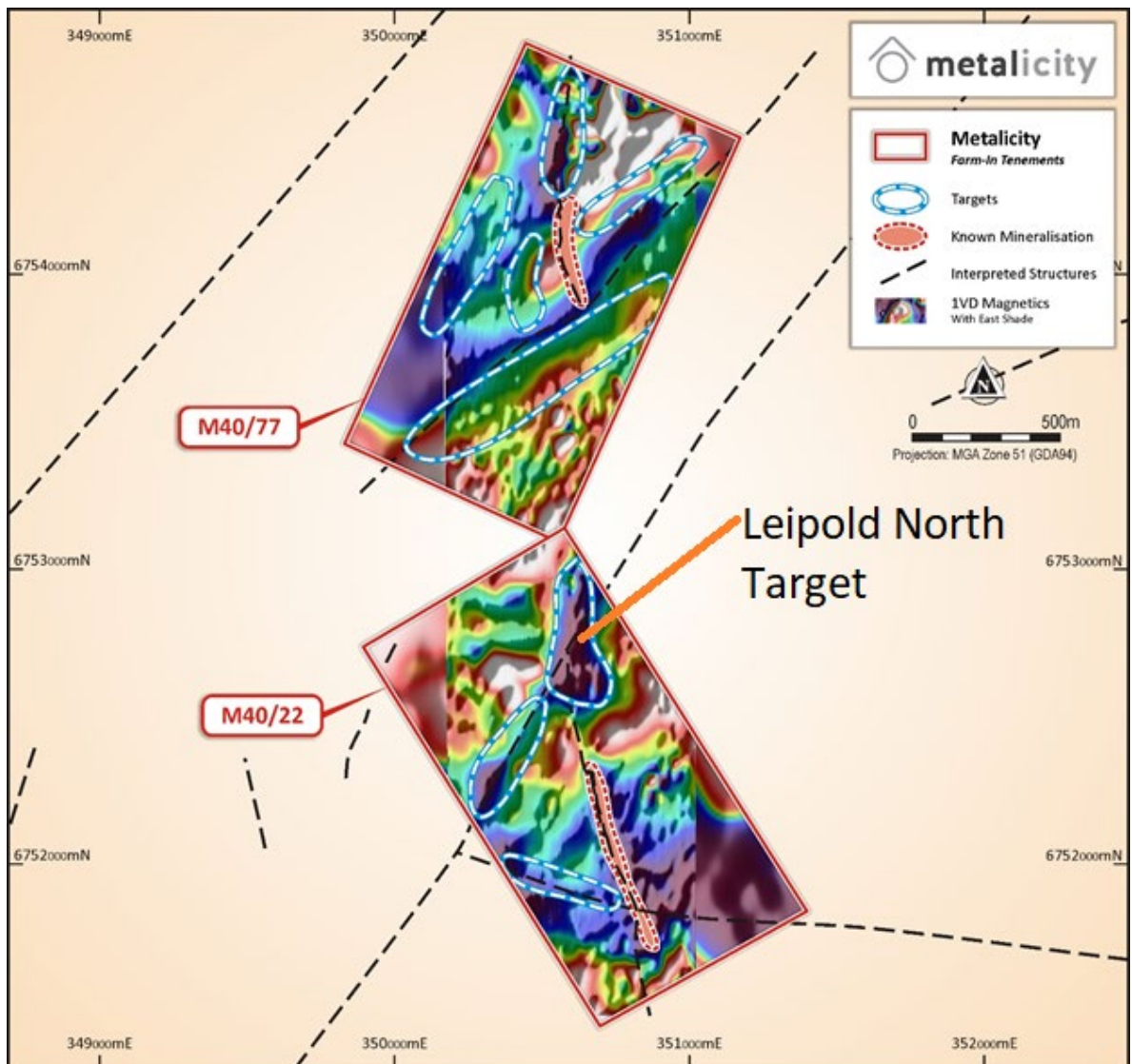


Figure 9 – Leipold – McTavish Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

Drilling to date has intersected iron-stained quartz veining of similar nature to that hosting the observed Leipold mineralisation. The lateral extents of this veining have not been ascertained; however, the veining is coincidental with a similar geophysical signature to the main Leipold Prospect, validating our structural interpretation to the potential of being the offset strike extents of the main Leipold structure.

The Orient Well East Prospect

The Orient Well East Prospect received twenty-one (21) RC drill holes for 1,656 metres, from which minor anomalism was intersected. Please refer to ASX Announcement “Drone Survey Demonstrates 21 Targets with Incredible Prospectivity for the Kookynie Gold Project” dated 2nd September 2020 and “Reconnaissance Drilling Confirms Regional Prospectivity for the Kookynie Gold Project” dated 17 February 2021 for all other exploration results at this prospect.

Tenement Acquisitions/Applications

The Mulga Plum Project

On 23 November 2020, MCT announced it had entered into an Agreement with Ardea Resources and a Prospector to acquire the Mulga Plum Project. The Mulga

Plum Project is located at the western extremity of the historic Niagara and Kookynie Goldfields within the Malcolm greenstone belt. The previous operator completed 25 RC drill holes for 1,518 metres in early 2020. The drilling information was made available to Metalicity and field visits have been conducted during 2020.

As stated by Ardea Resources (ASX announcement 27 February 2020), and validated by Metalicity during field visits and during a full database review, significant intercepts include:

- (a) AJAR0003 – 2 metres @ 1.19 g/t Au from 20 metres & 2 metres @ 2.96 g/t Au from 42 metres,
- (b) AJAR0006 – 2 metres @ 1 g/t Au from 18 metres,
- (c) AJAR0007 – 2 metres @ 1.25 g/t Au from 38 metres,
- (d) AJAR0009 - 2 metres @ 8.84 g/t Au from 14metres, &
- (e) AJAR0011 – 6 metres @ 1.22 g/t Au from 10 metres.

The parameters used to define the intercepts above were a minimum cut off of 0.5 g/t Au over a minimum interval thickness of 1 metre: however, including no more than 2 metres of sub 0.5 g/t material.

Furthermore, rock chip samples completed by Ardea and validated by Metalicity ranged from 0.02 g/t Au to 17.1 g/t Au with an average of 1.8 g/t Au.

Key terms of the transaction were as follows:

- (a) Metalicity acquired the Option Agreement between an individual and Ardea Resources:
- (b) The Option Agreement consideration included a combination of cash and shares for a total value of \$100,000.
- (c) Metalicity reimbursed Ardea for direct drilling costs associated with their January 2020 programme totally approximately \$82,000.
- (d) Metalicity has acquired all data from this drilling programme.
- (e) Metalicity acquired the gold rights and assumes management of the tenements, with Ardea retaining rights to all other commodities.

The Batavia Prospect

Metalicity entered into an outright purchase agreement to acquire P40/1407 and P40/1430. These two tenements are contiguous with the Champion lease and host the historic Batavia mining centre that produced 8,168 tonnes @ 30.974 g/t Au between 1898 and 1940 (MineDex Site - S0012656).

Cautionary Statement on Historical Production Data - "The Production total above is a historical estimate from a public source and is not reported in accordance with the JORC Code. The Competent Person has not done sufficient work to disclose the above results in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Production Results may be reduced when reported under the JORC Code 2012"

Very little to no modern exploration has been conducted over these tenements. The location of the prospects and general mineralised trends bode well for prospectivity of these leases in conjunction with our overall land package in this vicinity.

Key terms of the transaction were as follows:

- (a) Metalicity acquired both tenements for a total consideration of \$20,000 plus GST; and
- (b) No surviving royalties exist.

3.4 Cautionary statement

MCT has compiled the information in Section 3.3, including all stated exploration results, from its previously released market announcements. MCT confirms that it is not aware of any new information or data that materially affects the information included in this Bidders Statement and, in the case of any estimate of mineral resource or ore reserve, all material assumptions and technical parameters underpinning the estimates in MCT's previous announcements continue to apply and have not materially changed.

3.5 MCT Tenement Schedule

Below is a list of tenements held by MCT as at 15 September 2021.

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|-----------------|--------------------|-------------|----------|--------|-----------|--------------------|----------|
| Kookynie | | | | | | | |
| P40/1331 | KYM Mining Limited | 100/100 | No | Live | 161.2 | Direct Holding | 51% |
| E40/390 | KYM Mining Limited | 100/100 | No | Live | 3,300.0 | Direct Holding | 51% |
| E40/350 | KYM Mining Limited | 100/100 | No | Live | 2,394.0 | Direct Holding | 51% |
| E40/357 | KYM Mining Limited | 100/100 | No | Live | 1,194.0 | Direct Holding | 51% |
| E40/401 | KYM Mining Limited | 100/100 | No | Live | 598.0 | Direct Holding | 51% |
| P40/1407 | KYM Mining Limited | 100/100 | No | Live | 10.0 | Direct Holding | 51% |
| P40/1430 | KYM Mining Limited | 100/100 | No | Live | 9.9 | Direct Holding | 51% |
| P40/1510 | Metalicity Limited | 100/100 | No | Live | 185.0 | Direct Holding | 51% |

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|--------------------------|---------------------------------|---------------|----------|--------|-----------|--------------------|----------|
| Kookynie | | | | | | | |
| P40/1511 | Metalicity Limited | 100/100 | No | Live | 176.7 | Direct Holding | 51% |
| E40/387 | Metalicity Limited | 100/100 | No | Live | 299.0 | Direct Holding | 51% |
| G40/3 | Nex Metals Explorations Limited | 100/100 | No | Live | 7.2 | Earnt In | 51% |
| L40/9 | Nex Metals Explorations Limited | 100/100 | No | Live | 1.0 | Earnt In | 51% |
| E40/332 | Nex Metals Explorations Limited | 100/100 | No | Live | 600.0 | Earnt In | 51% |
| M40/22 | Nex Metals Explorations Limited | 100/100 | No | Live | 121.7 | Earnt In | 51% |
| M40/27 | Nex Metals Explorations Limited | 100/100 | No | Live | 85.5 | Earnt In | 51% |
| M40/61 | Nex Metals Explorations Limited | 100/100 | No | Live | 832.7 | Earnt In | 51% |
| M40/77 | Nex Metals Explorations Limited | 90,405/90,405 | No | Live | 119.2 | Earnt In | 51% |
| P40/1499 | Nex Metals Explorations Limited | 100/100 | No | Live | 8.3 | Earnt In | 51% |
| P40/1500 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.9 | Earnt In | 51% |
| P40/1501 | Nex Metals Explorations Limited | 100/100 | No | Live | 21.1 | Earnt In | 51% |
| E40/289 | Paris Enterprises Pty Ltd | 100/100 | No | Live | 1,222.7 | Earning In | 51% |
| Kookynie Total Area (ha) | | | | | 11,352.9 | | |
| Yundamindra | | | | | | | |
| L39/34 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 1.0 | Earnt In | 51% |

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|-----------------|---------------------------------|-------------|----------|--------|-----------|-------------------------|----------|
| Kookynie | | | | | | | |
| L39/52 | Nex Metals Explorations Limited | 96/96 | Yes | Live | 1.0 | Earnt In | 51% |
| L39/258 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 3.2 | Earnt In | 51% |
| M39/84 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 378.0 | Earnt In | 51% |
| M39/274 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 230.0 | Earnt In | 51% |
| M39/406 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 124.0 | Earnt In | 51% |
| M39/407 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 896.0 | Earnt In | 51% |
| M39/408 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 785.0 | Earnt In | 51% |
| M39/409 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 966.0 | Earnt In | 51% |
| M39/410 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 978.0 | Earnt In | 51% |
| M39/839 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 7.3 | Earnt In | 51% |
| M39/840 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 9.7 | Earnt In | 51% |
| P39/6126 | Nex Metals Explorations Limited | 100/100 | No | Live | 10.4 | Earnt In | 51% |
| P39/6127 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.6 | Earnt In | 51% |
| E39/1773 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 903.0 | Earning In ¹ | 51% |

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|-----------------------------|-----------------------------|-------------|----------|--------|-----------|-------------------------|----------|
| Kookynie | | | | | | | |
| E39/1774 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 2,517.0 | Earning In ¹ | 51% |
| Yundamindra Total Area (ha) | | | | | 7,815.1 | | |

¹ The above tenements are part of a Farm-in Agreement; however, as they have been subject to a plaint from the beginning of the Agreement, the Company has been unable to carry out any expenditure. This may place in doubt the Earn-in on these tenements.

| Tenement | Registered Holder | Status | Area | Nature of Interest | Interest |
|--------------------|------------------------------------|--------|-----------|--------------------|----------|
| Admiral Bay | | | | | |
| E04/1610 | Kimberley Mining Australia Pty Ltd | Live | 42 Blocks | Holding Subsidiary | in 80.3% |
| M04/244 | Kimberley Mining Australia Pty Ltd | Live | 796.4 ha | Holding Subsidiary | in 80.3% |
| M40/249 | Kimberley Mining Australia Pty Ltd | Live | 843.85 ha | Holding Subsidiary | in 80.3% |

3.6 Directors of MCT

As at the date of this Bidder's Statement, the Directors of MCT are:

Andrew Daley – Non-executive Chairman

Mr Daley is a retired Mining Engineer and Investment Banker. He has a Bachelor of Science (Honours) and a Grad Dip in Mineral Economics and is a Fellow of the Australasian Institute of Mining and Metallurgy. He has over 50 years' experience in resources worldwide having initially worked with Anglo American Corp, Rio Tinto, Conoco Minerals and Fluor Australia in mining operations, project evaluation and mining development. Mr Daley then moved into resource project financing with National Australia Bank, Chase Manhattan Bank and from 1999 to 2003 was a Director of the Mining Team at Barclays Capital in London. Moving back to Australia, Mr Daley was a Director of Investor Resources Finance Pty Ltd, a company based in Melbourne which provided financial advisory services to the resources industry globally and for the last 20 years has also been a Director and Chairman of the Board of a number of developing public resource companies both in Australia and the UK.

Justin Barton – Chief Executive Officer and Finance Director

Mr Barton is a Chartered Accountant with over 24 years' experience in accounting, international finance, M&A and the mining industry. He worked for over 13 years in top-tier accounting firms in Australia and Europe and advised many of the world's largest mining, oil & gas companies and financial institutions, including Rio Tinto, Chevron, Macquarie, Merrill Lynch, Morgan Stanley and Deutsche Bank. Justin also worked for 4 years at Paladin Energy Limited as Group

Tax and Finance Manager. More recently, he has worked as the Finance Director and has been a Board Member of a number of junior exploration companies.

MCT notes on 20 May 2020, Justin Barton was appointed interim Director of Great Western Exploration Limited following the sudden passing of one of its Directors. Justin Barton resigned as interim Director on 4 June 2020. MCT's Directors (other than Justin Barton) have considered the above circumstances surrounding Mr Barton's involvement in the above company and are of the view that Mr Barton's involvement in this company in no way adversely impacts on his appointment and contribution as a Director of MCT.

Jason Livingstone – Technical Director

Mr Livingstone is a geologist with over 20 years' experience across exploration through to production environments on four continents. Mr Livingstone holds a Bachelor of Science (Geology) from the West Australian School of Mines, a Masters of Business Administration from the Curtin Graduate School of Business, is a member of the Australian Institute of Geoscientists, and has completed the Company Directors Course at the Australian Institute of Company Directors.

3.7 Historical Financial Information

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to MCT on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of MCT for the financial period described below, which includes the notes to the accounts, can be found in MCT's Annual Report for that period.

(b) Historical Financial Information of MCT

(i) Consolidated Statement of Financial Position

The consolidated statements of financial position of MCT are set out below and have been extracted from the audited consolidated statement of financial position for the financial year ending 30 June 2019 (**FY2019**) and the financial year ending 30 June 2020 (**FY2020**) (being the last two audited financial statements prior to the date of this Bidder's Statement) and from the unaudited consolidated statement of financial position as at 31 December 2020 (which were reviewed by the auditors at half year).

MCT CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | UNAUDITED | AUDITED | AUDITED |
|-----------------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2020 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | 3,126,470 | 1,108,285 | 666,560 |
| Trade and other receivables | 201,990 | 121,200 | 76,723 |
| Other Assets | 249,023 | 270,804 | 499,847 |

| | UNAUDITED 31 Dec. 2020 \$ | AUDITED 30 June 2020 \$ | AUDITED 30 June 2019 \$ |
|---|---------------------------------|-------------------------------|-------------------------------|
| Held for Sale | - | 1,420,616 | 2,734,940 |
| Total Current Assets | 3,577,483 | 2,920,905 | 3,978,070 |
| Non-Current Assets | | | |
| Exploration and evaluation expenditure | 3,426,650 | 1,160,907 | 204,133 |
| Plant and equipment | 27,013 | 1,127 | 1,191 |
| Right of Use Asset | 37,243 | - | - |
| Total Non-Current Assets | 3,490,906 | 1,162,034 | 205,324 |
| TOTAL ASSETS | 7,068,389 | 4,082,939 | 4,183,394 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 860,470 | 730,255 | 334,310 |
| Provisions | 60,969 | 38,299 | 22,070 |
| Lease liability | 19,802 | - | - |
| Shares to be Issued | 33,894 | 35,654 | - |
| Liabilities related to assets held for sale | - | - | 1,034,941 |
| Total Current Liabilities | 975,135 | 804,208 | 1,391,321 |
| Non-Current Liabilities | | | |
| Lease Liability | 17,479 | - | - |
| Total Non-Current Liabilities | 17,479 | - | - |
| TOTAL LIABILITIES | 992,614 | 804,208 | 1,391,321 |
| NET ASSETS | 6,075,775 | 3,278,731 | 2,792,073 |
| EQUITY | | | |
| Issued capital | 53,031,842 | 48,568,493 | 46,955,647 |

| | UNAUDITED 31 Dec. 2020 \$ | AUDITED 30 June 2020 \$ | AUDITED 30 June 2019 \$ |
|--------------------------|---------------------------------|-------------------------------|-------------------------------|
| Other reserves | 5,163,353 | 4,240,556 | 4,060,009 |
| Accumulated losses | (52,052,354) | (49,748,188) | (48,473,519) |
| Parent Entity Interest | 6,142,841 | 3,060,861 | 2,542,137 |
| Non-Controlling Interest | (67,066) | 217,870 | 249,936 |
| TOTAL EQUITY | 6,075,775 | 3,278,731 | 2,792,073 |

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

The consolidated statements of income and other comprehensive income of MCT are set out below and have been extracted from the audited consolidated statements of income and other comprehensive income for FY2019 and FY2020 (being the last two audited financial statements prior to the date of this Bidder's Statement) and from the unaudited consolidated statement of income and other comprehensive income for the 6 months ended 31 December 2020 (**1HY20**) (which were reviewed by the auditors at half year).

MCT CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

| | UNAUDITED 1HY2021 \$ | AUDITED FY2020 \$ | AUDITED FY2019 \$ |
|--|----------------------------|-------------------------|-------------------------|
| Continuing Operations | | | |
| Revenue | 73,634 | 570,882 | 327,544 |
| Expenses | (1,139,857) | (1,911,639) | (4,737,920) |
| Loss from continuing operations before income tax | (1,066,223) | (1,340,757) | (4,410,376) |
| Income tax expense | - | - | - |
| Loss after income tax from continuing operations | (1,066,223) | (1,340,757) | (4,410,376) |
| Net Loss from discontinued operations | (1,521,332) | - | - |
| Net Loss | (2,587,555) | (1,340,757) | (4,410,376) |
| Other comprehensive income / (loss) for the year | | | |

| | UNAUDITED 1HY2021 \$ | AUDITED FY2020 \$ | AUDITED FY2019 \$ |
|--|----------------------------|-------------------------|-------------------------|
| Foreign currency translation | 54,108 | (13,076) | (35,676) |
| | | | |
| Other comprehensive loss for the period, net of tax | 54,108 | (13,076) | (35,676) |
| | | | |
| Total comprehensive loss for the year | (2,533,447) | (1,353,833) | (4,446,052) |
| | | | |
| Loss attributable to: | | | |
| Owners of the parent | (2,304,166) | (1,274,669) | (4,190,963) |
| Non-controlling interest | (283,389) | (66,088) | (219,413) |
| | (2,587,555) | (1,340,757) | (4,410,376) |
| | | | |
| Total comprehensive loss attributable to: | | | |
| Owners of the parent | (2,248,511) | (1,301,384) | (4,219,903) |
| Non-controlling interest | (284,936) | (52,449) | (226,149) |
| | (2,533,447) | (1,353,833) | (4,446,052) |
| | | | |
| Basic loss per share (cents) | | | |
| Continuing operations | (0.07) | (0.17) | (0.70) |
| | (0.07) | (0.17) | (0.70) |
| | | | |
| Diluted loss per share (cents) | | | |
| Continuing operations | (0.07) | (0.17) | (0.70) |
| | (0.07) | (0.17) | (0.70) |

(c) **Management Commentary on Historical Results**

(i) **Revenue:**

Revenue in FY2020 consisted of the sale of Lithium Royalty for \$200,000; a gain on the revaluation of shares to fair value of

\$233,833; sale of non-core tenements for \$64,870 and other miscellaneous income.

(ii) **Expenditure:**

Expenses in FY2020 consisted of project work & generation, employee and personnel costs, and other administrative expenses. The MCT Board determined in 2019 that its majority interest in the Admiral Bay Project (via its interest in KML) was a non-core asset. This caused a significant decrease in expenditure in FY2020, as MCT reduced costs associated with Admiral Bay such as Project Work, Exploration write-offs and impairment charges.

(iii) **Assets:**

Total Assets were \$7.07 million as at 31 December 2020, which was significantly higher than Total Assets as at 30 June 2020 of A\$4.08 million. Total Assets mainly comprise cash, assets held for sale and capitalised exploration and evaluation expenditure.

(iv) **Liabilities:**

Total Liabilities were \$992,614 as at 31 December 2020, which was higher than Total Liabilities as at 30 June 2020 of \$804,208. This was predominantly due to an increase in Trade and other payables arising from an extensive drilling programme as well as the initial recognition of a lease liability, totalling \$37,281.

(d) **Material changes in MCT's financial net asset position since last published accounts**

Net Assets as at 31 December 2020 were \$6.08 million, an increase from Net Assets as at 30 June 2020 of \$3.28 million by \$2.8 million. As at 31 December 2020, Net Assets comprised of \$3.13 million of cash, \$3.43 million of capitalised exploration and evaluation expenditure.

In June 2021, MCT raised \$3 million via a placement and as at 30 June 2021 had cash on hand of \$4.05 million (unaudited).

3.8 Forecast Information

MCT's future financial performance is dependent on a range of factors, many of which are beyond MCT's control. Accordingly, MCT's Directors have concluded that forecast financial information would be misleading to provide as a reasonable basis, and does not exist, for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on MCT's financial performance from its financial reports. Copies of these reports are available from MCT's website www.metalicity.com.au.

4. INFORMATION ABOUT MCT SECURITIES

4.1 Information about MCT Securities

MCT's issued securities consist of the securities set out in the following table:

| Total MCT Securities | Number |
|--|---------------|
| MCT Shares | 2,143,771,532 |
| MCT quoted options exercisable at \$0.004 expiring 22 May 2022 | 225,675,889 |
| MCT Unlisted Options | 121,495,182 |
| MCT Performance Rights | 82,084,110 |

| Options | Number |
|--|------------|
| exercisable at \$0.025 on or before 14 Jan 2022 | 2,000,000 |
| exercisable at \$0.025 on or before 14 Jan 2022 | 2,000,000 |
| exercisable at \$0.025 on or before 14 Jan 2022 | 10,785,715 |
| exercisable at \$0.08 on or before 14 Feb 2023 | 25,709,467 |
| exercisable at \$0.003 on or before 14 Aug 2022 | 25,000,000 |
| exercisable at \$0.003 on or before 13 Oct 2023 | 35,000,000 |
| exercisable at \$0.015 on or before 22 June 2024 | 21,000,000 |

| Performance Rights | Number |
|--|------------|
| vesting at \$0.05 expiring on 30 Jan 2023 ¹ | 15,650,000 |
| vesting at \$0.04 expiring on 18 Dec 2022 ² | 29,679,144 |
| vesting at \$0.06 expiring on 18 Dec 2022 ² | 36,754,966 |

Notes:

1. These Performance Rights were issued and approved at the shareholder meeting held on 25 November 2019.
2. These Performance Rights were issued and approved at the shareholder meeting held on 26 November 2020.
3. The vesting of these MCT Performance Rights is assessed by MCT who shall notify the holder in writing when the relevant vesting condition has been satisfied. In determining the relevant Vesting Price, MCT will have regard to the 20-day volume weighted average price (VWAP) of Shares.
4. Further details in respect of the vesting conditions attaching to the MCT Performance Rights are set out in the notice of general meeting released on 25 October 2019 and 27 October 2020.

4.2 Substantial Shareholders of MCT

Based on publicly available information as at the date of this Bidders Statement, no person (together with their associates) has a relevant interest in 5% or more of the Shares on issue.

4.3 Directors' Interests in MCT Securities

As at the date of this Bidder's Statement, the MCT Directors hold (both directly and indirectly) 53,006,614 MCT Shares, being approximately 2.47% of the total number of MCT Shares on issue.

The Directors hold a further 4,000,000 MCT Options and 73,106,528 MCT Performance Rights being approximately 3.60% of the total number of MCT Shares on issue. Refer to Section 10.7 for further details of all MCT Securities held by each Director, and Section 10.6.3 for details of the fees and benefits received by each Director in the past two financial years.

4.4 Recent Performance of MCT Shares

Set out below is a table showing relevant trading prices of MCT Shares on ASX:

| Comparative trading period ¹ | Price of MCT Shares |
|---|---------------------|
| Highest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC (last recorded on 7 August 2021) | 1.4 cents |
| Lowest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC (last recorded on 21 September 2021) | 0.9 cents |
| Closing sale price on ASX on the last trading day prior to the Announcement Date | 1.0 cent |
| Last available closing price of MCT shares on ASX prior to the date this Bidder's Statement was lodged with the ASIC | 1.0 cent |

4.5 Rights and Liabilities of MCT Shares

The MCT Shares offered to NME Shareholders under the Offer are fully paid ordinary shares in the capital of MCT, and from the date of their issue will rank equally with existing MCT Shares and will have the same rights and liabilities attaching to them.

The following is a summary of the more significant rights and liabilities attaching to MCT Shares being offered pursuant to the Offer. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of MCT Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to MCT Shares are set out in MCT's constitution, a copy of which is available for inspection at MCT's registered office during normal business hours and also on the MCT website.

The rights, privileges and restrictions attaching to MCT Shares can be summarised as follows:

(a) General meetings

MCT Shareholders are entitled to attend and vote at general meetings of MCT, in person, or by proxy, attorney or representative.

For so long as MCT remains a listed entity, MCT Shareholders will be entitled to receive at least 28 days' prior written notice of any proposed general meeting.

MCT Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution of MCT.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of MCT Shareholders or a class of MCT Shareholders:

- (i) on a show of hands, every person present who is an MCT Shareholder or a proxy, attorney or representative of an MCT Shareholder has one vote; and
- (ii) on a poll, every person present who is an MCT Shareholder or a proxy, attorney or representative of an MCT Shareholder shall, in respect of each fully paid MCT Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for the MCT Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the MCT Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference MCT Shareholders and to the rights of the holders of any MCT Shares created or raised under any special arrangement as to dividend, the MCT Board may from time to time declare a dividend to be paid to the MCT Shareholders entitled to the dividend which shall be payable on all MCT Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such MCT Shares. The MCT Board may also from time to time pay to the MCT Shareholders such interim dividends as the MCT Board may determine.

No dividend shall carry interest as against MCT. The MCT Board may set aside out of the profits of MCT any amounts that they may determine as reserves, to be applied at the discretion of the MCT Board, for any purpose for which the profits of MCT may be properly applied.

The Directors may from time to time pay to MCT Shareholders any interim dividends as they may determine. No dividend shall carry interest as against MCT. The Directors may set aside out of MCT profits any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of MCT may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, MCT may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which MCT shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by MCT to the payment of the subscription price of Shares.

(d) **Winding-up**

If MCT is wound up, the liquidator may, with the authority of a special resolution of MCT, divide among the MCT Shareholders in kind the whole or any part of the property of MCT, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the MCT Shareholders or different classes of MCT Shareholders.

The liquidator may, with the authority of a special resolution of MCT, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no MCT Shareholder is compelled to accept any MCT Shares or other securities in respect of which there is any liability.

(e) **MCT Shareholder liability**

As the MCT Shares offered by the Bidder's Statement are fully paid ordinary shares, they are not subject to any calls for money by MCT and will therefore not become liable for forfeiture.

(f) **Transfer of MCT Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

The rights attaching to MCT Shares may only be varied or cancelled by the sanction of a special resolution passed at a meeting of MCT Shareholders or with the written consent of holders of three quarters of all MCT Shares on issue. A special resolution is passed only where approved by at least 75% of all votes cast (and entitled to be cast) on the resolution at the meeting.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not MCT is being wound up, may be varied or abrogated with the consent in writing of the holders of three- quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

4.6 Dividend History

MCT has not previously and does not currently pay dividends. Any future determination as to the payment of dividends by MCT will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of MCT, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by MCT.

4.7 Corporate Governance

The MCT Board has previously sought, where appropriate, to provide accountability levels that met or exceeded the third edition of the ASX Corporate Governance Council's Principles and Recommendations in the prior financial year and will be looking to do so again under the fourth edition of the of the ASX Corporate Governance Council's Principles and Recommendations in the current financial year.

Details on MCT's corporate governance procedures, policies and practices can be obtained from page 29 of MCT's Annual Report for year ended 30 June 2020 and at www.metalicity.com.au.

4.8 Further Information

MCT is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. MCT is subject to the ASX Listing Rules which require continuous disclosure of any information MCT has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. MCT's file is available for inspection at ASX during normal business hours.

MCT is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by MCT may be obtained from, or inspected at, an ASIC office.

On request to MCT and free of charge, NME Shareholders may obtain a copy of:

- (a) the Annual Report of MCT for the year ended 30 June 2020 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- (b) any other continuous disclosure notice given to ASX by MCT since the lodgement with ASIC of the Annual Report referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements MCT has lodged with ASX since the lodgement of its annual report on 1 October 2020 is set out in Annexure A to this Bidder's Statement.

A substantial amount of information about MCT is available in electronic form at www.metalicity.com.au and on the ASX website.

5. PROFILE OF NME

5.1 Disclaimer

This overview of NME and all financial information concerning NME contained in this Bidder's Statement has been prepared by MCT using publicly available information.

The information in this Bidder's Statement concerning NME has not been independently verified by MCT. Accordingly, MCT does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on NME set out in this Bidder's Statement is not considered to be comprehensive.

5.2 Overview of NME

This Section 5.2 contains a summary of NME's activities. Further information regarding NME can be obtained from its ASX announcements (<https://www2.asx.com.au/markets/company/nme>). As at the date of this Bidder's Statement, NME did not have an active website.

NME is an Australian-based mining exploration company with a focus gold, copper and Nickel. Their main assets currently include the Kookynie Gold Project, Kookynie Tailings Research Project and Yundamindra assets.

NME listed on the ASX on Thursday 6 December 2007.

5.3 Project Assets

Kookynie and Yundamindra Gold Projects

On 6 May 2019, NME announced it had entered into a farm-in agreement with MCT for the Kookynie and Yundamindra Projects* in the Eastern Goldfields, Western Australia.

The deal structure for the NME – MCT farm-in agreement is as follows:

- (a) Initial placements:
 - (i) An initial placement amount of NME's shares, taken by MCT for \$50,000 upon execution of the agreement at a 20-day VWAP per NME share preceding the date of execution, plus a premium of 20%
 - (ii) A second initial placement of NME shares to MCT, 6 months post the execution date of the agreement for a further \$50,000 based on a 20-day VWAP preceding the 6-month anniversary
- (b) 51% Earn in and Formalisation of Joint Venture:
 - (i) An initial spend of minimum \$500,000 to drill test the projects within and up to 12 months from date of the agreement execution. This has now been achieved
 - (ii) A total of \$5 million spend within and up to 5 years to earn 51% of the Projects inclusive of the initial spend and duration. This has now been achieved and the two parties are now in a Joint Venture majority controlled by MCT.

*includes tenements: Yundamindra L39/34,52,258 – M39/84, 274, 406, 407, 408, 409, 410, 839, 840. Kookynie E40/332-333, G40/3, L40/9, M40/22, 27, 61, 77

Kookynie Tailings Research Program

In late October 2017 Nex Metals drilled a total of 81 aircore holes for 497 metres over the tailings stockpiles. There are six distinct tail stockpiles located on Cosmopolitan tenement M40/61. Drilling was designed to test the full depth profile of these stock piles which were up to seven metres high. Drilling confirmed the grades previously identified by the NME soil sampling program. The overall average grade of the Cosmopolitan tails is 0.69 g/t Au. However, examination of the individual tails stockpiles indicate that certain stockpiles are higher grade than others with stockpile 5 showing a mean grade of 1.33g/t Au.

During Q2 of financial year 2021 NME commissioned the tailings processing plant (with minor improvements to follow as part of the ongoing development process).

Consolidated Tenement Schedule

A summary of NME's tenements are provided below:

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|----------|---------------------------------|---------------|----------|--------|-----------|--------------------|----------|
| P40/1331 | KYM Mining Limited | 100/100 | No | Live | 161.2 | Earmt in | 49% |
| E40/390 | KYM Mining Limited | 100/100 | No | Live | 3,300.0 | Earmt in | 49% |
| E40/350 | KYM Mining Limited | 100/100 | No | Live | 2,394.0 | Earmt in | 49% |
| E40/357 | KYM Mining Limited | 100/100 | No | Live | 1,194.0 | Earmt in | 49% |
| E40/401 | KYM Mining Limited | 100/100 | No | Live | 598.0 | Earmt in | 49% |
| P40/1407 | KYM Mining Limited | 100/100 | No | Live | 10.0 | Earmt in | 49% |
| P40/1430 | KYM Mining Limited | 100/100 | No | Live | 9.9 | Earmt in | 49% |
| P40/1510 | Metalicity Limited | 100/100 | No | Live | 185.0 | Earmt in | 49% |
| P40/1511 | Metalicity Limited | 100/100 | No | Live | 176.7 | Earmt in | 49% |
| E40/387 | Metalicity Limited | 100/100 | No | Live | 299.0 | Earmt in | 49% |
| G40/3 | Nex Metals Explorations Limited | 100/100 | No | Live | 7.2 | Direct Holding | 49% |
| L40/9 | Nex Metals Explorations Limited | 100/100 | No | Live | 1.0 | Direct Holding | 49% |
| E40/332 | Nex Metals Explorations Limited | 100/100 | No | Live | 600.0 | Direct Holding | 49% |
| M40/22 | Nex Metals Explorations Limited | 100/100 | No | Live | 121.7 | Direct Holding | 49% |
| M40/27 | Nex Metals Explorations Limited | 100/100 | No | Live | 85.5 | Direct Holding | 49% |
| M40/61 | Nex Metals Explorations Limited | 100/100 | No | Live | 832.7 | Direct Holding | 49% |
| M40/77 | Nex Metals Explorations Limited | 90,405/90,405 | No | Live | 119.2 | Direct Holding | 49% |
| P40/1499 | Nex Metals Explorations Limited | 100/100 | No | Live | 8.3 | Direct Holding | 49% |
| P40/1500 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.9 | Direct Holding | 49% |
| P40/1501 | Nex Metals Explorations Limited | 100/100 | No | Live | 21.1 | Direct Holding | 49% |
| E40/289 | Paris Enterprises Pty Ltd | 100/100 | No | Live | 1,222.7 | Earning In | 49% |

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|-----------------------------|---------------------------------|-------------|----------|--------|-----------|-------------------------|----------|
| Kookynie Total Area (ha) | | | | | 11,352.9 | | |
| L39/34 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 1.0 | Direct Holding | 49% |
| L39/52 | Nex Metals Explorations Limited | 96/96 | Yes | Live | 1.0 | Direct Holding | 49% |
| L39/258 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 3.2 | Direct Holding | 49% |
| M39/84 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 378.0 | Direct Holding | 49% |
| M39/274 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 230.0 | Direct Holding | 49% |
| M39/406 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 124.0 | Direct Holding | 49% |
| M39/407 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 896.0 | Direct Holding | 49% |
| M39/408 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 785.0 | Direct Holding | 49% |
| M39/409 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 966.0 | Direct Holding | 49% |
| M39/410 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 978.0 | Direct Holding | 49% |
| M39/839 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 7.3 | Direct Holding | 49% |
| M39/840 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 9.7 | Direct Holding | 49% |
| P39/6126 | Nex Metals Explorations Limited | 100/100 | No | Live | 10.4 | Direct Holding | 49% |
| P39/6127 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.6 | Direct Holding | 49% |
| E39/1773 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 903.0 | Earning In ¹ | 49% |
| E39/1774 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 2,517.0 | Earning In ¹ | 49% |
| Yundamindra Total Area (ha) | | | | | 7,815.1 | | |

¹ The above tenements are part of a Farm-in Agreement; however, as they have been subject to a plaint from the beginning of the Agreement, Metalicity has been unable to carry out any expenditure. This may place in doubt the Earn-in on these tenements.

All Kookynie and Yundamindra Tenements are 51% MCT interest and 49% interest for NME as per ASX Announcement “Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects” dated 20 May 2021 with Nex Metals Explorations Ltd ASX:NME.

5.4 NME Board of Directors

According to documents provided by NME to the ASX, at the date of this Bidder's Statement, the directors of NME are:

- (a) Thomas Percy - Chairman;
- (b) Kenneth Allen – Managing Director and Company Secretary;
- (c) Hock Hoo Chua – Non-Executive Director; and
- (d) Raja Mohd Azmi bin Raja Razali - Alternative to Hock Hoo Chua.

5.5 Information about NME Securities

According to documents provided by NME to the ASX, at the date of this Bidder's Statement, NME's issued securities consist solely of fully paid ordinary shares as set out below:

| Total NME Securities | Number |
|----------------------|-------------|
| NME Shares | 267,023,624 |

5.6 Substantial Shareholders of NME

Based on material lodged with ASX as at the date of this Bidder's Statement, the following person had disclosed the following substantial shareholdings in the issued ordinary share capital of NME:

| NME Shareholder | Number of NME Shares | % of NME Shares |
|------------------------|----------------------|--------------------|
| B3 PROSPECTING PTY LTD | 17,000,000 | 6.37% ² |

Notes:

1. Based on the number of NME Shares held as stated in the relevant notices lodged with ASX. Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.
2. Calculated using the number of NME Shares on issue as at the date of this Bidder's Statement, being 267,023,624 NME Shares.

Whilst MCT does not currently have a substantial shareholding in the issued ordinary share capital of NME, MCT confirms that it currently has an indirect relevant interest in 4,073,941 NME Shares. This equates to a current relevant interest in 1.52% of the issued share capital of NME.

5.7 Historical Financial Information

The historical financial information below relates to NME. It is a summary only and the full financial accounts of NME for the financial period described below, which includes the notes to the accounts, can be found in NME's Annual Report.

The historical statements of financial position of NME set out below have been derived from the audited consolidated statements of financial position of NME as at 30 June 2019 and 30 June 2020, as well as the audit reviewed statements of financial position of NME a at 31 December 2020.

STATEMENT OF FINANCIAL POSITION

Nex Metals Explorations Limited

| | UNAUDITED HY2020 \$ | AUDITED FY2020 \$ | AUDITED FY2019 \$ |
|---------------------------|---------------------------|-------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 1,432,278 | 570,377 | 14,231 |
| Receivables | 3,546 | 22,683 | 21,268 |
| Other assets | 15,507 | 4,506 | 4,628 |

| | UNAUDITED HY2020 \$ | AUDITED FY2020 \$ | AUDITED FY2019 \$ |
|--|---------------------------|-------------------------|-------------------------|
| Total Current Assets | 1,451,331 | 597,566 | 40,127 |
| | | | |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 66,585 | 20,356 | 28,178 |
| Capitalised exploration and evaluation expenditure | 703,453 | 269,664 | 269,664 |
| Total Non-Current Assets | 770,038 | 290,020 | 297,842 |
| | | | |
| Total Assets | 2,221,369 | 887,586 | 337,969 |
| | | | |
| CURRENT LIABILITIES | | | |
| Payables | 3,398,520 | 3,621,810 | 2,921,313 |
| Interest bearing liabilities | - | 1,500,000 | 1,500,000 |
| Provisions | 282,099 | 264,952 | 235,033 |
| Total Current Liabilities | 3,680,619 | 5,386,762 | 4,656,346 |
| Total Liabilities | 3,680,619 | 5,386,762 | 4,656,346 |
| | | | |
| Net Assets | (1,459,250) | (4,499,176) | (4,318,377) |
| | | | |
| EQUITY | | | |
| Issued capital | 24,058,753 | 19,877,247 | 19,877,247 |
| Reserves | 2,260,245 | 2,260,245 | 2,260,245 |
| Accumulated losses | (27,778,248) | (26,636,668) | (26,455,869) |
| Total Equity | (1,459,250) | (4,499,176) | (4,318,377) |

Material changes in NME's financial net asset position since last published accounts

As at 31 December 2020, NME had negative Net Assets of \$1.46 million, an increase from 30 June 2020 where NME had negative Net Assets of \$4.50 million.

According to its Quarterly Report for the Period Ended 30 June 2021, released to the ASX on 2 August 2021, NME had cash on hand of \$488,000.

5.8 Further Information

NME is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. NME is subject to the ASX Listing Rules which require continuous disclosure of any information NME

has concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. NME's file is available for inspection at ASX during normal business hours.

NME is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by NME may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about NME is available in electronic form on the ASX website.

6. RATIONALE FOR THE OFFERS AND INTENTIONS OF MCT

6.1 Introduction

The intentions of MCT in relation to NME are set out in this Section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning NME, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by MCT in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

6.2 Disclaimer Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on MCT's current expectations and predictions about future events including MCT's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of MCT, NME and the Combined Group to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 9 of this Bidder's Statement.

None of MCT, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

6.3 Rationale for the Offer

MCT believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of NME by MCT. These include:

- (a) an opportunity to receive a control premium now for NME Shares, while retaining maximum upside through scrip in a combined entity with direct operational control of the Kookynie and Yundamindra Gold Projects and the best opportunity to successfully develop and efficiently commercialise the project;
- (b) an attractive premium to NME pre-announcement prices and recent trading history;
- (c) Create size and scale benefits with increased market capitalisation, enhanced share trading liquidity, and potential for stock re-rate, improving the ability to raise capital;
- (d) Provide other benefits including a simplified (100%) ownership of the Kookynie and Yundamindra Gold Projects and a stronger balance sheet with enhanced cash position;
- (e) Enable cost synergy benefits by removing duplicate listed-company costs, provide management efficiencies and streamline administration processes; and

- (f) NME Shareholders potentially have CGT scrip for scrip rollover relief (in respect of the Offer only).

6.4 MCT's Intentions Regarding NME as a Wholly Controlled Entity

This Section 6.4 describes MCT's intentions if MCT acquires a Relevant Interest in 90% or more of the NME Shares so as to become entitled to proceed to compulsory acquisition of the outstanding NME Shares in accordance with Part 6A.1 of the Corporations Act. MCT intends (based on the information currently available to it) to implement its strategy for the Combined Group as set out below.

(a) Strategic review

Subject to what is disclosed elsewhere in this Section 6, MCT intends to undertake a detailed review of NME's activities, assets and liabilities to evaluate their prospects, strategic relevance, funding requirements and financial performance. This may lead to modification of some of NME's existing projects and activities. This strategic review will provide the main platform for MCT to identify and assess the specific areas that may provide benefits to MCT and the expected costs and time frames.

(b) Corporate matters

MCT intends to:

- (i) if entitled to do so, proceed with the compulsory acquisition of any NME Shares not acquired under the Offer and any other NME Shares on issue which it is entitled to compulsorily acquire in accordance with Part 6A.1 of the Corporations Act;
- (ii) arrange for NME to be removed from the Official List of the ASX; and
- (iii) amend NME's constitution to reflect NME's status as a wholly owned subsidiary of MCT and seek to convert NME's from a public company to a proprietary company.

(c) Composition of the NME Board

MCT intends to replace some or all of the members of the board of directors of NME with a board structure and directors appropriate for a wholly-owned subsidiary. As soon as practicable after the Offer becomes or is declared unconditional, NME must take all actions necessary to ensure the resignation and appointment of directors of NME such that a majority of the directors of NME are directors nominated by MCT in writing, but provided that a proper board is constituted at all times and that MCT procures its appointees to the NME Board do not participate in decisions of NME in relation to the takeover bid until after the End Date and a quorum remains for that purpose. The MCT nominees have not yet been identified and their identity will depend on the circumstances at the relevant time.

(d) Corporate office and employees

Subject to the strategic review, MCT intends to consolidate the corporate head office of NME by incorporating it into the administrative structure of

MCT. It is proposed that functions such as company secretarial, financial management and accounting will be consolidated. As a result, some or all of NME's employees/personnel and directors may have their positions reduced or terminated, however, the incident, extent and timing of such reductions or terminations cannot be predicted in advance. MCT intends to discuss employment arrangements with the existing personnel of NME.

It is intended that the centralised corporate office will be in Perth, Western Australia.

(e) **General business integration**

As part of the strategic review, MCT intends to undertake a specific review of:

- (i) NME's assets and liabilities; and
- (ii) the possible synergies and benefits between MCT and NME.

MCT intends to prepare a business integration plan and implement that plan.

(f) **Accounting policy**

MCT intends to conduct a review of NME's accounting policies. It is expected that this review will result in the adoption of MCT's accounting policies.

6.5 MCT's Intentions Regarding NME as a Part Owned Entity

MCT reserves the right to declare the Offer free from the 90% minimum acceptance condition (or any other condition). However, MCT has not decided whether it will free the Offer from the 90% minimum acceptance condition (or any other condition).

This Section 6.5 describes MCT's intentions if, on completion of the Offer, MCT holds a sufficient number of NME Shares to exercise control over the management and operations of NME but is not entitled to compulsorily acquire all outstanding NME Shares.

MCT may continue acquiring NME Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act following completion of the Offer.

NME Shareholders should be aware that, in this circumstance, the liquidity of NME Shares may be materially decreased.

It is possible that, even if MCT is not entitled to proceed to compulsory acquisition of outstanding NME Shares under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. If so, it intends to exercise those rights.

(a) **General**

MCT will implement the intentions described in Section 6.4 above to the extent that it is economically feasible and subject to the requirements of the Corporations Act and any other applicable laws or regulations. These intentions specifically include those in respect of strategic review,

corporate matters, corporate office and employees and general business integration.

(b) **Composition of the NME Board**

MCT intends, subject to the Corporations Act and the constitution of NME, to seek to replace some or all of the members of the board of directors of NME. As soon as practicable after MCT has a Relevant Interest in more than 50% of the NME Shares and the Offer becomes or is declared unconditional, NME must take all actions necessary to ensure the resignation and appointment of directors of NME such that a majority of the directors of NME are directors nominated by MCT in writing, but provided that a proper board is constituted at all times and that MCT procures that its appointees to the NME Board do not participate in decisions of NME in relation to the takeover bid until after the End Date and a quorum remains for that purpose. At this time, MCT has not determined which NME Board members will be replaced.

(c) **Listing on the Official List of the ASX**

Subject to receipt of all relevant approvals, MCT intends to maintain NME's listing on the Official List of the ASX, while it continues to meet its ASX listing requirements. Shareholders of NME are alerted that in this circumstance, the liquidity of NME Shares may be materially decreased.

However, MCT may reconsider this position and seek to delist NME from ASX in the future should it be desirable to do so.

(d) **Elimination of duplication**

To the extent that activities and functions, including management, presently carried out by MCT and NME will be duplicated, such duplication will be eliminated where it is economically efficient to do so.

(e) **Remaining NME Shareholders**

If MCT acquires less than 90% but more than 50% of the NME Shares on issue, then NME Shareholders should be aware that if they do not accept the Offer, they may become a "locked-in" minority after the end of the Offer Period (i.e. if MCT holds a majority of NME Shares but is not entitled to compulsorily acquire the remaining NME Shares).

(f) **Dividends and Funding**

NME does not currently pay dividends. The payment of dividends by NME is at the discretion of the NME Board, the majority of which will comprise MCT's nominees. MCT has not formed an intention about retaining or varying the current dividend policy of NME (through its nominee's on the board of NME), and will do so when the strategic review in Section 6.4(a) is completed.

(g) **Limitations in Giving Effect to Intentions**

There may be limitations to MCT's intentions as outlined in this Section 6.5 due to the legal obligations of the directors of NME to have regard to the best interests of NME and its shareholders, including the rights of minority shareholders, and the requirements of the Corporations Act, other applicable laws, and ASX Listing Rules relating to transactions between

related parties. MCT may require legal and/or financial advice before deciding what action to take in connection with the intentions outlined in this Section 6.5.

6.6 Other Intentions

Subject to the matters described above in this Section 6, it is the present intention of MCT (based on the information presently available to it) not to make any major changes to the business or assets of NME and not redeploy any of the fixed assets of NME.

7. EFFECT OF THE OFFERS ON MCT AND PROFILE OF THE COMBINED GROUP

7.1 Approach

This Section 7 provides an overview of MCT and its subsidiaries following the acquisition by MCT of all of the NME Shares on issue, and the effect of the Offer on MCT and NME if the Offer is successful.

If MCT does not acquire at least 90% of the NME Shares during the Offer Period and therefore does not become entitled to compulsorily acquire the remainder of the NME Shares, some of the benefits that would otherwise accrue to MCT if NME were to become a wholly-owned subsidiary of MCT may not be fully realised.

7.2 Disclaimer Regarding NME and the Combined Group Information

In preparing the information relating to NME and the Combined Group contained in this Bidder's Statement, MCT has relied on publicly available information relating to NME which has not been independently verified by MCT or its Directors. Risks may exist in relation to NME (which may affect the Combined Group) of which MCT is unaware. If any material risks are known to the directors of NME, they must be disclosed in the Target's Statement to be issued by NME.

Accordingly, subject to any applicable laws, MCT makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

7.3 Profile of the Combined Group

If the Offer is successful, NME Shareholders will receive MCT Shares in exchange for their NME Shares. If MCT is successful in obtaining effective control of NME, all MCT Shareholders (including NME Shareholders who have received MCT Shares pursuant to the Offer) will be shareholders in the Combined Group.

As set out in Section 2.14 and 2.1.5, MCT believes that there are a number of key strategic and financial benefits that will arise from the combination of NME and MCT. These include:

- (a) management efficiencies, a streamlining of administration process and the elimination of ancillary costs; and
- (b) cost synergy benefits from removing duplicate ASX and other listed company costs such as audit, tax, investor relations, legal, ASX listing fees and share registry costs.

7.4 Effect of Completion of the Offer on MCT's Capital Structure

There are a range of factors that may impact the number of MCT Shares that will be on issue following completion of the Offer, including the number of acceptances of the Offer, the number of unlisted securities exercised during the Offer Period (if any), and the number of MCT Shares otherwise issued by MCT during the Offer Period (if any).

Assuming that:

- (a) the Offer is accepted in respect of all NME Shares on issue as at the date of this Bidder's Statement; and

- (b) no MCT Shares are issued prior to the Consideration being provided to all NME Shareholders who have accepted the Offer,

approximately 1,284,383,631 new MCT Shares will be issued to NME Shareholders, resulting in the number of MCT Shares on issue increasing to approximately 3,428,112,556. These new MCT Shares would represent approximately 37.5% of the total number of MCT Shares on issue at that time.

A summary of the capital structure of the Combined Group based on these assumptions is set out below.

7.5 Information about MCT Securities showing the effect of the Offer

MCT's issued securities consist of the securities set out in the following table:

| Total MCT Securities | Number |
|--|---------------|
| MCT Shares | 3,428,112,556 |
| MCT quoted options exercisable at \$0.004 expiring 22 May 2022 | 225,675,889 |
| MCT Unlisted Options | 121,495,182 |
| MCT Performance Rights | 82,084,110 |

| Options | Number |
|--|------------|
| exercisable at \$0.025 on or before 14 Jan 2022 | 2,000,000 |
| exercisable at \$0.035 on or before 14 Jan 2022 | 2,000,000 |
| exercisable at \$0.02 on or before 31 May 2022 | 10,785,715 |
| exercisable at \$0.08 on or before 14 Feb 2023 | 25,709,467 |
| exercisable at \$0.003 on or before 14 Aug 2022 | 25,000,000 |
| exercisable at \$0.003 on or before 13 Oct 2023 | 35,000,000 |
| exercisable at \$0.015 on or before 22 June 2024 | 21,000,000 |

| Performance Rights | Number |
|--|------------|
| Performance Rights currently on issue: | |
| Vesting at a 20-day VWAP of \$0.06 expiring on 18 Dec 2022 | 36,754,966 |
| vesting at a 20-day VWAP of \$0.04 expiring on 18 Dec 2022 | 29,679,144 |
| vesting at a 20-day VWAP of \$0.05 expiring on 30 Jan 2023 | 15,650,000 |

The above scenario is an example only and is not the only scenario that may eventuate.

The Offer extends to any person who becomes registered as a holder of NME Shares during the period from the Record Date until the end of the Offer Period.

7.6 Basis for Preparation of the Pro Forma Financial Information

The pro forma balance sheet set out below (**Pro Forma Balance Sheet**) has been prepared for illustrative purposes only and on the assumption that the acquisition of the ownership interest in NME occurred on one day, that is, there are no staged acquisitions.

The Pro Forma Balance Sheet has been prepared assuming MCT acquires 100% of NME.

The Pro Forma Balance Sheet has been prepared in accordance with the measurement and recognition principles of International Financial Reporting Standards.

The Pro Forma Balance Sheet has not been audited and may be subject to changes arising from an audit process if an audit was performed on them. The audited consolidated balance sheet of NME as at 30 June 2020 and audited consolidated balance sheet of MCT as at 30 June 2020 are also presented below.

The Pro Forma Balance Sheet is indicative only. MCT has drawn its own conclusions based on the known facts and other publicly available information.

This Section should be read in conjunction with the underlying financial information from which it was extracted, and the accounting policies of MCT and NME as disclosed in their most recent financial reports.

7.6.1 Unaudited Pro-Forma Combined Group Balance Sheet if MCT acquires 100% of NME

| | MCT 31 Dec. 2020 (UNAUDITED) ¹ \$ | NME 31 Dec. 2020 (UNAUDITED) ² \$ | Appendix 5B Adjustments \$ | Eliminations / Adjustments \$ | Pro Forma Combine d Group \$ |
|--|---|---|----------------------------------|--|---------------------------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | 3,126,470 | 1,432,278 | (20,000) ³ | (450,000) ¹⁰ | 4,088,748 |
| Trade and Other Receivables | 201,990 | 3,546 | - | - | 205,536 |
| Other Assets | 249,023 | 15,507 | (288,141) ⁴ | - | 36,389 |
| Total Current Assets | 3,577,483 | 1,451,331 | (248,141) | (450,000) | 4,330,673 |
| Non-Current Assets | | | | | |
| Exploration and evaluation expenditure | 3,426,650 | 703,453 | 1,859,000 ⁵ | 14,969,086 ⁶ | 20,958,189 |
| Plant and Equipment | 27,013 | 66,585 | 107,000 ⁷ | - | 200,598 |
| Right of Use Assets | 37,243 | - | - | - | 37,243 |

| | MCT 31 Dec. 2020 (UNAUDITED)¹ \$ | NME 31 Dec. 2020 (UNAUDITED)² \$ | Appendix 5B Adjustments \$ | Eliminations / Adjustments \$ | Pro Forma Combine d Group \$ |
|--------------------------------------|--|--|---|--|---|
| Total Non-Current Assets | 3,490,906 | 770,038 | 1,966,000 | 14,969,086 | 21,196,030 |
| Total Assets | 7,068,389 | 2,221,369 | 1,717,589 | 14,519,086 | 25,526,703 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Trade and Other Payables | 860,470 | 3,398,520 | (171,000) | - | 4,087,990 |
| Provision | 60,969 | 282,099 | - | - | 343,068 |
| Lease Liability | 19,802 | - | - | - | 19,802 |
| Shares to be issued | 33,894 | - | - | - | 33,894 |
| Total Current Liabilities | 975,135 | 3,680,619 | (171,000) | - | 4,484,754 |
| Non-Current Liabilities | | | | | |
| Lease Liability | 17,479 | - | - | - | 17,479 |
| Total Non-Current Liabilities | 17,479 | 0 | 0 | - | 17,479 |
| Total Liabilities | 992,614 | 3,680,619 | (171,000) | - | 4,502,233 |
| Net Assets | 6,075,775 | (1,459,250) | 1,888,859 | 14,519,086 | 21,024,470 |
| | | | | | |
| EQUITY | | | | | |
| Issued capital | 53,031,842 | 24,058,753 | 3,077,000 ⁸ | (11,214,917) ⁹ | 68,952,678 |
| Other reserves | 5,163,353 | 2,260,245 | | (2,260,245) ⁹ | 5,163,353 |
| Accumulated losses | (52,052,354) | (27,778,248) | (1,188,141) | 27,994,248 ^{9,10} | (53,024,49) |
| | | | | | |
| Non-Controlling Interest | (67,066) | - | | | (67,066) |
| TOTAL EQUITY | 6,075,775 | (1,459,250) | 1,888,859 | 14,519,086 | 21,024,470 |

Notes:

1. Extracted from the unaudited consolidated statement of financial position of Metalicity Ltd as at 31 December 2020.

2. Extracted from the unaudited consolidated statement of financial position of Nex Metals Explorations Limited as at 31 December 2020.
3. Cash balance has been adjusted to reflect unaudited net cash inflows/(outflows) of \$922,000 and (\$942,000) for Metalicity and Nex Metals respectively in the period from 1 January 2020 to 30 June 2020 as presented in each company's Appendix 5Bs lodged with the ASX.
4. Sale by Metalicity of listed shares held at December, with proceeds of \$454,000 received and a book value of \$228,141 at 31 December 2020.
5. Exploration and evaluation spend attributed to investing cashflows as recorded in Metalicity and Nex Metals' respective Appendix 5Bs in the period 1 January 2020 to 30 June 2021.
6. Fair value adjustment attributed to exploration and evaluation assuming Metalicity acquires 100% of Nex Metals under this Bidders Statement, based on the issue of 4.81 Metalicity shares for each 1 Nex Metals share on issue as at the date of this Bidders Statement (267,023,624 shares)
7. Plant & Equipment spend as recorded in Nex Metals' Appendix 5Bs in the period 1 January 2020 to 30 June 2021.
8. Capital raising, net of transaction costs, totalling \$2,758,000 undertaken by Metalicity in the period subsequent to 31 December 2020 plus the conversion of option into shares, raising \$319,000.
9. Eliminating entries on consolidation of Nex Metals.
10. Expenses of the Offer, totalling \$450,000.

7.7 Outlook for the Combined Group

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to MCT, NME or the Combined Group.

MCT considers that the inclusion of financial forecasts would be speculative and potentially misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either NME Shareholders or MCT shareholders.

8. AUSTRALIAN TAX CONSIDERATIONS

8.1 Disclaimer and general use restriction

This is a general summary of the Australian taxation consequences of the Offer for NME Shareholders that hold their NME Shares on capital account and are Australian tax residents for Australian income tax purposes.

The category of NME Shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies or trusts. This summary does not consider the consequences for NME Shareholders who:

- (a) hold their existing NME Shares in a business of share trading, dealing in securities or otherwise hold their existing NME Shares on revenue account or as trading stock;
- (b) acquired their existing NME Shares under an employee share or option scheme;
- (c) are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to their holding of NME Shares; or
- (d) are tax residents of any jurisdiction other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes).

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Bidder's Statement, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each NME Shareholder.

As the taxation implications associated with accepting the Offer will depend upon each NME Shareholder's particular circumstances, each NME Shareholder should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

NME Shareholders who are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction that are not covered by this summary. Such individuals or entities should seek and rely upon their own professional taxation advice in relation to the taxation implications associated with accepting the Offer in any jurisdictions that are relevant to them.

Neither MCT nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences associated with accepting the Offer.

8.2 Taxation Consequences for NME Shareholders

(a) NME Shareholders holding NME Shares on Capital Account – Australian residents

With reference to the disclaimer above, this part applies to NME Shareholders that are residents of Australia for Australian income tax purposes (this part has been prepared on the basis that all Ineligible

Foreign Securityholders are not residents of Australia for Australian income tax purposes).

(b) **Disposal of NME Shares - CGT event**

The disposal of NME Shares by NME Shareholders pursuant to the Offer will constitute a 'CGT event'. The CGT event will happen at the earlier time of acceptance of the Offer, or when the NME Shares are disposed of under the Offer. For completeness, if an NME shareholder does not dispose of their NME shares under the offer and their NME shares are compulsory acquired in accordance with Part 6A.1 of the Corporations Act, those NME shareholders will also be treated as having disposed of their NME shares for CGT purposes. In that case the date of disposal for CGT purposes will be the date when MCT becomes the owner of the NME shares.

However, as discussed further below, CGT 'scrip-for-scrip roll-over' relief may be available for an NME Shareholder to disregard a capital gain which arises from this CGT event.

In the absence of CGT scrip-for-scrip roll-over relief, a capital gain or capital loss may arise as a consequence of this CGT event. An NME Shareholder will make a capital gain if the capital proceeds exceed the NME Shareholder's CGT cost base for the NME Shares. A capital loss will arise if the capital proceeds are less than the NME Shareholder's reduced cost base for the NME Shares.

An NME Shareholder's capital proceeds should generally be equal to the Australian Dollar market value of the MCT Shares received by the NME Shareholder in exchange for their NME Shares.

An NME Shareholder's cost base (and reduced cost base) in the NME Shares should generally include the historical amount paid by the NME Shareholder to acquire the NME Shares plus any incidental costs of acquisition and disposal (e.g. brokerage fees and stamp duty) that are not deductible to the shareholder.

(c) **CGT scrip-for-scrip roll-over relief**

An NME Shareholder who makes a capital gain from the disposal of their NME Shares may be able to obtain CGT scrip-for-scrip roll-over relief.

Broadly, roll-over relief may be available to NME Shareholders who exchange their shares in one company for shares in another company (or an 'interest' in one company for a 'like' interest in another company), provided that certain conditions are satisfied.

The key conditions for roll-over relief are that MCT must make an offer (i.e. the Offer), as part of a takeover bid, that allows all NME Shareholders to participate in the arrangement on substantially the same terms, and that MCT must become the owner of at least 80% of the voting shares in NME as a consequence of the Offer.

If the qualifying conditions are satisfied (including those not specifically mentioned above) and an NME Shareholder chooses for roll-over relief to apply, roll-over relief should be available.

Roll-over relief enables an NME Shareholder to choose to disregard the capital gain they make from disposing of their NME Shares in exchange for MCT Shares. If a capital loss arises, no CGT scrip-for-scrip roll-over relief is available.

The CGT roll-over choice must be made before you lodge your income tax return for the income year in which the CGT event happens. An NME Shareholder does not need to notify the ATO or document their choice to claim CGT scrip-for-scrip roll-over relief other than to complete their income tax return in a manner consistent with their choice.

The general consequences to an NME Shareholder of choosing to obtain CGT scrip-for-scrip roll-over relief, as well as the consequences if CGT scrip-for-scrip roll-over relief is not chosen (or is not available) are outlined below.

Further, MCT will not make a choice pursuant to section 124-795(4) of the *Income Tax Assessment Act 1997* such that NME Shareholders are unable to obtain CGT scrip-for-scrip roll-over relief.

(d) **Consequences if CGT scrip-for-scrip roll-over relief is available and is chosen**

If an NME Shareholder chooses CGT scrip-for-scrip roll-over relief, the following general treatment should apply.

(i) **Capital gain is disregarded**

If an NME Shareholder chooses CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their NME Shares in exchange for MCT Shares should be disregarded.

(ii) **Cost base and reduced cost base of MCT Shares**

If an NME Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the first element of the cost base of the MCT Shares is worked out by attributing, on a reasonable basis, the existing cost base of the NME Shares that were exchanged for the MCT Shares, to the MCT Shares. The first element of the reduced cost base is worked out similarly.

(iii) **Acquisition date of MCT Shares**

If an NME Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the acquisition date of the MCT Shares for CGT purposes is taken to be the date when the NME Shareholder originally acquired the corresponding NME Shares that were exchanged for the MCT Shares.

This acquisition date will be relevant for the purposes of determining whether any entitlement to the CGT discount is available in respect of any future disposal of the MCT Shares (as discussed below).

(e) **Consequences if CGT scrip-for-scrip roll-over relief is not chosen or is not available**

If an NME Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or an NME Shareholder chooses not to apply the roll-over relief, the following general treatment should apply.

(i) **Discount CGT treatment**

If an NME Shareholder has held, or is taken to have held, its NME Shares for at least 12 months at the time of the disposal of its NME Shares, the discount CGT provisions may apply. The discount is 50 per cent for individuals and trusts, and 33 1/3 per cent for complying superannuation entities. Companies are not entitled to a CGT discount.

If an NME Shareholder makes a discount capital gain, any available capital losses must be applied to reduce the undiscounted capital gain before the discount is applied. The resulting amount is then included in the NME Shareholder's net capital gain for the income year.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. Such NME Shareholders should seek separate independent professional advice.

(ii) **Capital loss**

If an NME Shareholder makes a capital loss from the disposal of their NME Shares, this may be used to offset capital gains they derive in the same or subsequent years of income (subject to satisfying certain conditions), but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years.

(iii) **Cost base and reduced cost base of MCT Shares**

The first element of the cost base (and reduced cost base) of the MCT Shares received by an NME Shareholder should be equal to the Australian Dollar market value of the NME Shares it exchanges for the MCT Shares.

(iv) **Acquisition date of MCT Shares**

The acquisition date of the MCT Shares for NME Shareholders for CGT discount purposes should be the earlier of when the Offer is accepted or the date of implementation of the Offer.

This means an NME Shareholder who is an individual, complying superannuation entity or trust will need to hold the MCT Shares for at least 12 months after that date before the CGT discount (described above) may apply on a subsequent disposal of the MCT Shares.

(f) **Ongoing ownership of MCT Shares**

The MCT Shares should constitute CGT assets for CGT purposes.

Dividends or other distributions paid to MCT Shareholders in relation to their MCT Shares should generally be subject to the same income tax treatment as dividends and other distributions paid in respect of their former NME Shares when held in the same circumstances.

Any future sale of the MCT Shares will generally result in Australian CGT implications as described above. These will differ depending upon whether or not, and the extent to which, scrip-for-scrip roll-over relief was chosen on disposal of the NME Shares pursuant to the Offer.

Australian tax residents who hold their MCT Shares on revenue account, as trading stock or are subject to the rules in Division 230 concerning the taxation of financial arrangements should seek separate independent professional advice.

(g) **Provision of Tax File Number (TFN) or Australian Business Number (ABN)**

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies. Australian tax residents may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld in their income tax returns.

NME Shareholders that wish to accept the Offer should also ensure that they provide their TFN or ABN (if applicable) to MCT in due course to ensure that withholding tax is not deducted from any future distribution payable to them.

An MCT Shareholder is not obliged to provide their TFN, or where relevant, ABN to MCT.

(h) **NME Shareholders holding NME Shares on Capital Account – Australian residents (unmarketable parcels)**

(i) **Disposal of NME Shares**

As noted in Section 10.13, if the total number of MCT Shares which an NME Shareholder is entitled to receive as consideration under the Offer is an Unmarketable Parcel, that NME Shareholder will be an Unmarketable Parcel Securityholder and will not be entitled to receive MCT Shares as consideration for its NME Shares pursuant to the Offer.

The MCT Shares which would otherwise have been issued to Unmarketable Parcel Securityholders will instead be issued to the Sale Nominee who will sell those shares. The net proceeds of the sale of such shares will then be remitted to the relevant Unmarketable Parcel Securityholders. The following general treatment should apply to Unmarketable Parcel Securityholders who are Australian tax residents for Australian income tax purposes and who held their NME Shares on capital account.

(ii) **Disposal of NME Shares - CGT event**

The disposal of NME Shares by NME Shareholders pursuant to the Offer will constitute a 'CGT event'. The CGT event will happen at the earlier time of acceptance of the Offer, or when the NME Shares are disposed of under the Offer. For completeness, if an NME shareholder does not dispose of their NME shares under the offer and their NME shares are compulsory acquired in accordance with Part 6A.1 of the Corporations Act, those NME shareholders will also be treated as having disposed of their NME shares for CGT purposes. In that case the date of disposal for CGT purposes will be the date when MCT becomes the owner of the NME shares.

A capital gain or capital loss may arise as a consequence of this CGT event. An NME Shareholder will make a capital gain if the capital proceeds exceed the NME Shareholder's CGT cost base for the NME Shares. A capital loss will arise if the capital proceeds are less than the NME Shareholder's reduced cost base for the NME Shares.

An NME Shareholder's capital proceeds should generally be equal to the Australian Dollar amount received by them in exchange for their NME Shares.

(iii) **Discount CGT treatment**

If an NME Shareholder has held, or is taken to have held, its NME Shares for at least 12 months at the time of the disposal of its NME Shares, the discount CGT provisions may apply. The discount is 50 per cent for individuals and trusts, and 33 1/3 per cent for complying superannuation entities. Companies are not entitled to a CGT discount.

If an NME Shareholder makes a discount capital gain, any available capital losses will be applied to reduce the undiscounted capital gain before the discount is applied. The resulting amount is then included in the NME Shareholder's net capital gain for the income year.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. Such NME Shareholders should seek separate independent professional advice.

(iv) **Capital loss**

If an NME Shareholder makes a capital loss from the disposal of their NME Shares, this may be used to offset capital gains they derive in the same or subsequent years of income (subject to satisfying certain conditions), but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years.

(i) **NME Shareholders holding NME Shares on Capital Account – Foreign residents**

With reference to the disclaimer above, this part applies to Ineligible Foreign Securityholders.

(i) **Disposal of NME Shares**

As noted in Section 10.12, Ineligible Foreign Securityholders will not be entitled to receive MCT Shares as consideration for their NME Shares pursuant to the Offer. The MCT Shares which would otherwise have been issued to Ineligible Foreign Securityholders will instead be issued to the Sale Nominee who will sell these shares. The net proceeds of the sale of such MCT Shares will then be remitted to the relevant Ineligible Foreign Securityholders.

Ineligible Foreign Securityholders that hold their NME Shares on capital account and do not hold their NME Shares at any time in carrying on a business at or through a permanent establishment in Australia should generally not be subject to CGT on the disposal of their NME Shares, unless the NME Shares are an "indirect Australian real property interest" or an option to acquire a share that is an "indirect Australian real property interest".

Broadly, shares will be considered an indirect Australian real property interest if both of the following criteria are satisfied:

- (A) the Ineligible Foreign Securityholder and its associates (as defined for tax purposes) together, hold or have held an interest of at least 10% in the company at the time of the disposal or where the shares have been held for at least 12 months during the 24-month period prior to the disposal; and
- (B) more than 50% of the market value of the company's assets comprise direct and certain indirect interests in real property in Australia (referred to as "taxable Australian property").

(ii) **Non-resident CGT withholding**

Specific rules can also apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby, a 12.5% non-final withholding tax may be applied.

Under the foreign resident CGT withholding tax rules, an acquirer of shares has an obligation, subject to certain exceptions, to pay an amount equal to 12.5% of the offer consideration to the ATO if the shares acquired from a shareholder, qualify as indirect Australian real property interests (i.e. satisfies the two requirements outlined above and the acquirer either:

- (A) Knows or reasonably believes that the target shareholder is a foreign resident; or
- (B) Does not reasonably believe that the target shareholder is an Australian resident and either:

- (I) The shareholder has an address outside Australia; or
- (II) The acquirer is authorised to make payment of the offer consideration to a place outside Australia (whether to the shareholder or to anyone else).

Despite any other provision of this section or the terms of the Offer to this Bidder's Statement, if MCT reasonably believes that there is, or is reasonably likely to be, a liability to withhold and pay an amount to the ATO in respect of the disposal of NME Shares by an NME Shareholder, MCT will withhold the applicable amount from the payment of the Offer Consideration to the NME Shareholder and pay the amount withheld to the ATO. The NME Shareholder will then only receive the net proceeds after deduction of this withheld amount and the payment of the net proceeds will be taken to be full payment for the purposes of this Offer.

If MCT considers that a withholding will be required, MCT will notify the relevant NME Shareholder at their registered address. A NME Shareholder who believes the disposal of their NME Shares may trigger a foreign resident CGT withholding tax liability should obtain their own independent advice and consider contacting MCT.

MCT may request an NME Shareholder to complete, sign and return a CGT Declaration Form in order to ensure either:

- (A) The NME Shareholder is an Australian resident for tax purposes; or
- (B) The NME Shares held by the NME Shareholder are not indirect Australian real property; and

therefore, the disposal of their NME Shares is not subject to foreign resident CGT withholding tax being deducted from the Offer Consideration.

The foreign resident CGT withholding tax amount deducted from the Offer Consideration is not considered to be a final withholding tax. As a result, the relevant NME Shareholder who has had a foreign resident CGT withholding tax amount deducted from the Offer Consideration should be able to claim a tax credit for any withholding tax amount deducted to reduce their income tax liability arising for the relevant income year.

8.3 Other Australian taxes

Goods and services tax (GST) and stamp duty should generally not be payable in relation to the disposal of NME Shares under the Offer, the issue of MCT Shares under the Offer, or any subsequent disposal of MCT Shares.

NME Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in MCT or NME. This will depend on each NME Shareholder's

particular circumstances and as such, each NME Shareholder should seek their own professional tax advice prior to making any claim.

9. RISK FACTORS

9.1 Overview

If the Offer become unconditional, NME Shareholders who accept the Offer will become MCT Shareholders. In those circumstances, NME Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in NME as a result of their indirect interest in NME through MCT;
- (b) be exposed to the risks which are specific to an investment in MCT; and
- (c) be exposed to additional risks relating to the Offer and the Combined Group.

The risks outlined in this Section 9 are not necessarily exhaustive. NME Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. By accepting the Offer, NME Shareholders will be investing in MCT.

The business activities of MCT are subject to various risks that may impact on the future performance of MCT. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of MCT and cannot be mitigated.

Accordingly, an investment in MCT carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following.

9.2 Risks Relating to the Offer

| Risk Category | Risk |
|----------------------------------|--|
| Conditions of the Offer | As described in Section 11.8, the Offer is subject to a number of Conditions. Subject to any statutory withdrawal rights that may be available, NME Shareholders who accept the Offer whilst they remain conditional will no longer be able to trade their NME Shares on the ASX or withdraw their acceptance of the Offer. NME Shareholders should be aware that the market price of NME Shares may exceed the implied price under the Offer during the Offer Period. For those NME Shareholders who accept the Offer and the Conditions remain unsatisfied at the end of the Offer Period and are not otherwise waived by MCT, there is no obligation on MCT to issue MCT Shares to you as consideration for your NME Shares. In those circumstances, any acceptances of the Offer will be void and you would then be free to deal with your NME Shares. |
| Limited withdrawal rights | As described in Section 11.5, NME Shareholders may only withdraw their acceptance of the Offer in limited circumstances. Otherwise, NME Shareholders will be unable to withdraw their acceptances, even if the value of the MCT Shares to be issued to them as consideration varies from the date of their acceptance. |

| Risk Category | Risk |
|--|--|
| <p>Issue of MCT Shares as consideration</p> | <p>NME Shareholders are being offered specific quantities of MCT Shares as consideration under the Offer. As a result, the value of the Consideration will fluctuate depending upon the market value of MCT Shares. Accordingly, the market value of the MCT Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.</p> <p>In addition, the Sale Nominee (and/or a nominee of the Sale Nominee) will be issued MCT Shares attributable to certain Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders and will sell them on market. It is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period. In any event, there is no guarantee regarding the prices that will be realised by the Sale Nominee or the future market price of the MCT Shares. Future market prices may be either above or below current or historical market prices.</p> <p>Furthermore, some NME Shareholders that receive MCT Shares as consideration under the Offer may not intend to continue to hold those MCT Shares and may wish to sell them on ASX. There is a risk that if a significant number of NME Shareholders seek to dispose of their MCT Shares, this may adversely impact the price of MCT Shares.</p> <p>Accordingly, the market value of the MCT Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to Shareholders increasing or decreasing.</p> |
| <p>Transaction and other costs</p> | <p>Transaction and other cash costs incurred (or which are expected to be incurred by MCT) in relation to the successful implementation of the Offer are currently estimated at approximately \$450,000 (exclusive of GST), comprising adviser, legal, accounting, expert fees, planned redundancy costs and various other costs.</p> |
| <p>Rollover Relief</p> | <p>A condition of the Offer is that the level of acceptance must result in MCT obtaining a Relevant Interest in at least 90% of all NME Shares.</p> <p>As noted in Section 8, if MCT does not acquire a Relevant Interest of at least 90% of the NME Shares, it may choose to waive the 90% condition of its Offer. If MCT acquires more than 50.1% but less than 90% of the NME Shares, MCT will hold a controlling interest in NME.</p> <p>On this basis, MCT may not acquire the number of NME Shares sufficient to bring its total interest in NME to at least 80% of NME Shares (on a fully diluted basis). In this case, scrip-for-scrip CGT rollover relief will not be available to holders of NME Shares.</p> |
| <p>Sale of MCT Shares</p> | <p>In accordance with the Offer, MCT may issue a significant number of new MCT Shares. Some holders of MCT Shares may not intend to continue to hold their MCT Shares and</p> |

| Risk Category | Risk |
|--|---|
| | <p>may wish to sell them. There is a risk that this may adversely impact on the price of and demand for MCT Shares.</p> |
| <p>Change in Control Risk</p> | <p>If the Offer result in a change in control of NME, there may be adverse consequences for the Combined Group. For example, the terms of the contracts to which NME is a party may entitle the other party to the contract to terminate the contract or revise its terms in the event of a change of control of NME.</p> |
| <p>Acquisition of less than 50.1% of NME Shares</p> | <p>There are some risks associated with the Offer for NME Shareholders who do not accept the Offer and remain NME Shareholders. If, in connection with or following the Offer, MCT acquires between 90% and 100% of the NME Shares, MCT may be entitled to compulsorily acquire the remaining NME Shares.</p> <p>If MCT does not acquire a Relevant Interest of at least 90% of the NME Shares, it may choose to waive the 90% condition of its Offer. If MCT acquires more than 50.1% but less than 90% of the NME Shares, MCT will hold a controlling interest in NME.</p> <p>The remaining NME Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in NME Shares than exists today, which could result in a lower price for those NME Shares should they wish to sell them in future.</p> <p>Further, if MCT elects to free the Offer from the 90% minimum acceptance condition, it is possible that MCT could acquire less than 50.1% of NME Shares on issue under the Offer. The existence of a minority interest in NME may have an impact on the operations of the Combined Group, although this impact will depend upon the ultimate level of NME ownership acquired by MCT.</p> |
| <p>Integration</p> | <p>The integration of MCT and NME may produce some risks, including the integration of management, information systems and work practices. There is no guarantee that any synergy benefits or costs savings will be achieved on time or at all.</p> |
| <p>Stamp Duty and Government Charges</p> | <p>Stamp duty and other government charges may be payable by MCT in relation to the Offer. The amount of these duties and charges may be material.</p> |
| <p>Forward Looking Information</p> | <p>Certain information in this Bidder's Statement constitutes forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure of the Combined Group to be different from the expectations expressed or implied in this Bidder's Statement.</p> |
| <p>Due Diligence</p> | <p>In preparing the information relating to NME contained in this Bidder's Statement, MCT has relied on publicly</p> |

| Risk Category | Risk |
|---------------|---|
| | available information relating to NME and information provided by NME. Risks may exist in relation to NME (which will affect the Combined Group) of which MCT is unaware. |

9.3 Risks Relating to the Combined Group

| Risk Category | Risk |
|--|---|
| Exploration, development, mining and processing risks | <p>The tenements of the Combined Group are at various stages of exploration, and prospective investors should understand that exploration and developments are high-risk undertakings.</p> <p>There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Combined Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Combined Group.</p> <p>The success of the Combined Group will also depend upon the Combined Group having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Combined Group and possible relinquishment of the tenements.</p> <p>The exploration costs of the Combined Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Combined Group's viability.</p> |
| Tenement applications and license renewal | <p>The Combined Group cannot guarantee additional applications for tenements made by the Combined Group will ultimately be granted, in whole or in part. Further the Combined Group cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Combined Group has yet to receive regulatory and environmental approval to convert its exploration licences</p> |

| Risk Category | Risk |
|--|--|
| | into production concessions. There is a risk that these approvals may not be obtained. |
| Additional Requirements for Capital | <p>The Combined Group may be required to raise additional funds in the future in the event exploration costs exceed its estimates, to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Combined Group may incur.</p> <p>The Combined Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Combined Group's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Combined Group's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Combined Group and might involve substantial dilution to MCT Shareholders.</p> <p>Further, the Combined Group, in the ordinary course of its operations and developments, will be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Combined Group's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position.</p> <p>Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Combined Group may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Combined Group would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Combined Group or default under a finance lease could also result in the loss of assets.</p> |
| Mine development | <p>Possible future development of a mining operation at any of the Combined Group's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and</p> |

| Risk Category | Risk |
|--|---|
| | <p>equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Combined Group commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Combined Group will achieve commercial viability through the development or mining of its projects and treatment of ore.</p> |
| <p>Kimberley Mining Limited</p> | <p>MCT is the largest shareholder in Canadian company Kimberley Mining Limited (KML) (with an approximate 80.3% interest). KML holds the Admiral Bay Zinc Project and incidental zinc assets.</p> <p>KML's strategy had been to list on the TSXV. However, KML decided to not pursue the TSXV initial public offering due to poor market conditions. With MCT's assistance, KML has reduced all its costs and the project is on "care and maintenance".</p> <p>The main Exploration License (E04/1610) was granted a two-year extension in September 2019. MCT has now applied for 'retention status' for part of the area of E04/1610. This will reduce the tenement area and if the application is not granted, MCT may lose this tenement.</p> <p>MCT is also in the process to apply for a certificate of exemption from the expenditure conditions for each of Mining Lease 04/244 and Mining Lease 04/249 for a period of 5 years. If this exemption is not granted, there is a risk that the Department of Mines, Industry Regulation and Safety may not renew the Tenements.</p> <p>As detailed in MCT's 2020 Annual Report, MCT has entered into a mandate with Harbury Advisors to assist with the sale of MCT's interest in KML and the Admiral Bay Project. The Combined Group will keep the market updated of any developments through its efforts to monetise this asset in accordance with its continuous disclosure obligations.</p> <p>The Combined Group would be affected by a poor commercial outcome, divestment of projects held by KML or a decrease in value of KML.</p> |

| Risk Category | Risk |
|---|--|
| Commodity Price Volatility and Exchange Rate Risks | <p>The revenue the Combined Group will derive through the sale of commodities exposes the potential income of the Combined Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Combined Group. Such factors include supply and demand fluctuations for various commodities, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Combined Group are and will be taken into account in Australian currency, exposing the Combined Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> |
| Resource Estimates | <p>Resource estimates are expressions 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 the Combined Group's operations.</p> |
| Tenure and access | <p>Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.</p> <p>Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Combined Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Combined Group.</p> |
| Operating Risks | <p>The operations of the Combined Group may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated</p> |

| Risk Category | Risk |
|--|--|
| | <p>metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; continued availability of port storage and ship loading facilities which may be impacted due to capacity constraints; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Combined Group will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Combined Group is able to realise value from its projects, it is likely to incur ongoing operating losses.</p> |
| <p>Failure to satisfy Expenditure Commitments</p> | <p>Interests in tenements are governed by the mining acts and regulations that are current in those States and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Combined Group could lose title to or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments</p> |
| <p>Government policy changes</p> | <p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Combined Group. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Combined Group's properties without adequate compensation.</p> |
| <p>Regulatory Risks</p> | <p>The Combined Group's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Combined Group requires permits from regulatory authorities to authorise the Combined Group's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that the Combined Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Combined Group from proceeding with the development of a project or the</p> |

| Risk Category | Risk |
|--|---|
| | <p>operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Combined Group's activities or forfeiture of one or more of the Combined Group's tenements.</p> |
| <p>Aboriginal Heritage sites</p> | <p>Tenements are granted subject to a condition requiring observance of the <i>Aboriginal Heritage Act 1972 (WA) (WA Heritage Act)</i>. The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.</p> <p>The existence of Aboriginal heritage sites within the Combined Group's projects may lead to restrictions on the areas that the Combined Group will be able to explore and mine.</p> |
| <p>Native Title</p> | <p>In relation to tenements which the Combined Group has an interest in or may in the future acquire an interest in, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Combined Group to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>The Directors will closely monitor the potential effect of native title claims involving tenements in which the Combined Group has or may acquire an interest.</p> |
| <p>Equipment and availability</p> | <p>The Combined Group's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Combined Group is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Combined Group's financial and/or trading position.</p> |
| <p>Environmental</p> | <p>The operations and proposed activities of the Combined Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Combined Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Combined Group's intention to conduct its activities to</p> |

| Risk Category | Risk |
|---|--|
| | <p>the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Combined Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Combined Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Combined Group's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p> |
| <p>Mineral Resources Estimates</p> | <p>Mineral resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available.</p> <p>The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop mineral resources. Consequently, the actual mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.</p> <p>Should the Combined Group's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Combined Group's operations</p> |
| <p>The unaudited pro forma consolidated financial statements of the Combined Group are</p> | <p>The Combined Group's unaudited pro forma consolidated financial statements contained in this Bidder's Statement are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations</p> |

| Risk Category | Risk |
|---|--|
| <p>presented for illustrative purposes only and may not be an indication of the Combined Group's financial conditions or results of operations following the Offer</p> | <p>of the Combined Group following the Offer for several reasons. For example, the unaudited pro forma condensed consolidated financial statements have been derived from the respective historical financial statements of MCT and NME, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the Offer and the other relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the unaudited pro forma condensed consolidated financial statements do not reflect all costs expected to be incurred by the Combined Group in connection with the Offer. For example, the impact of any incremental costs incurred in integrating MCT and NME is not reflected in unaudited pro forma consolidated financial statements.</p> |
| <p>Liquidity risk</p> | <p>Liquidity risk is the risk that MCT will not be able to meet its financial obligations as they fall due. MCT's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.</p> <p>MCT manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.</p> |
| <p>Integration</p> | <p>The Combined Group may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, proper integration and continued development of the Combined Group's financial and management controls and management information systems, stringent control of costs, the ability to attract and retain qualified management personnel and the training of new personnel. Failure to successfully manage its possible growth and development could have a material adverse effect on the Combined Group's business and the value of the shares of the Combined Group.</p> |
| <p>Insurance</p> | <p>MCT intends to insure its operations in accordance with industry practice. However, in certain circumstances, MCT's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on MCT's business, financial condition and results.</p> <p>Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.</p> |

| Risk Category | Risk |
|--|--|
| <p>Commodity price volatility and exchange rate risks</p> | <p>If MCT achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of MCT to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of MCT. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Combined Group will be taken into account in Australian currency, exposing the Combined Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> |
| <p>Trading Price of MCT Shares</p> | <p>The Combined Group's credit quality, operating results, economic and financial prospects and other factors may affect the trading price of the MCT Shares. In addition, the price of MCT Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar performance on world markets, commodity price fluctuations, fluctuations in the global market for gold companies, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian gold stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the MCT Shares. No assurances can be made that MCT's market performance will not be adversely affected by any such market fluctuations or factors.</p> |
| <p>JV partners and contractors</p> | <p>Exploration and Mining ventures are typically operated under joint venture arrangements. These arrangements include provisions that often require certain decisions relating to the projects to be passed with unanimous or majority approval of all participants. Where a venture partner does not act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Combined Group.</p> <p>MCT is unable to predict the risk of:</p> <ul style="list-style-type: none"> (i) financial failure, non-compliance with obligations or default by a participant in any venture to which the Combined Group is, or may become, a party; (ii) insolvency or other managerial failure by any of the contractors used by the Combined Group in any of its activities; or |

| Risk Category | Risk |
|-----------------------------------|--|
| | <p>(iii) insolvency or other managerial failure by any of the other service providers used by the Combined Group for any activity,</p> <p>all of which could have a material adverse effect on the operations and financial performance of the Combined Group.</p> |
| Potential acquisitions | <p>As part of its business strategy, MCT may make acquisitions of, or significant investments in, companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions. There are a number of uncertainties with the acquisition of interests in oil and gas assets including, the amount of recoverable reserves, development and operating costs and potential environmental and other liabilities. Even with careful due diligence, it may be impossible to ascertain certain environmental or structural problems such as pipeline corrosion or hazardous spills. This risk could have a negative effect on MCT and the Combined Group's future operations and financial position.</p> |
| Climate Change | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Combined Group. For instance:</p> <p>(a) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Combined Group's operations; and</p> <p>(b) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Combined Group's operations and proposed activities, or may result in less favourable pricing for gold, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.</p> |
| Taxation Risk | <p>Future changes in taxation law in Australia, including changes in interpretation or application of the law by courts or taxation authorities in Australia, may affect taxation treatment of an investment in MCT, or the holding or disposal of MCT Shares. Further changes in taxation law, or the way in which the Combined Group operates, may impact the Combined Group's future tax liabilities and may affect the Combined Group's ability to provide returns to shareholders and/or alter the post-tax returns to shareholders.</p> |
| Reliance on Key Management | <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Combined Group depends substantially on its senior management and its key personnel. There can be no assurance given that there</p> |

| Risk Category | Risk |
|-------------------------|--|
| | will be no detrimental impact on the Combined Group if one or more of these employees cease their employment. |
| Competition Risk | The industry in which the Combined Group is involved is subject to domestic and global competition. Although MCT considers that it undertakes all reasonable due diligence in its business decisions and operations, MCT has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Combined Group's projects and business. |
| Economic Risk | <p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Combined Group's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of MCT's quoted securities regardless of the Combined Group's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) interest rates and inflation rates; (c) currency fluctuations; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. |
| Share Market | There are general risks associated with any investment and the share market. The price of MCT Shares on ASX may rise and fall depending on a range of factors beyond MCT's control and which are unrelated to the Combined Group's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism. |
| Regulatory Risk | MCT is based in Australia and is subject to Australian laws and regulations. For example, MCT is required to comply with the Corporations Act. Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in the countries in which the Combined Group operates and may operate, may adversely affect the financial performance of the Combined Group. |
| Force Majeure | The Combined Group's projects now or in the future may be adversely affected by risks outside the control of MCT |

| Risk Category | Risk |
|------------------------------------|---|
| | including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions. |
| Coronavirus (COVID-19) Risk | <p>The outbreak of the coronavirus pandemic (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Combined Group remains unknown. MCT's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Combined Group's operations and are likely to be beyond the control of MCT.</p> <p>The Directors of MCT are monitoring the situation closely and have considered the impact of COVID-19 on MCT's business and financial performance, including the potential impact of COVID-19 on the Combined Group. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, MCT will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Combined Group. If any of these impacts appear material prior to close of the Offer, MCT will notify investors under a supplementary bidder's statement.</p> |
| Reliance on key personnel | The responsibility of overseeing the day-to-day operations and the strategic management of the Combined Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Combined Group if one or more of these employees cease their employment. |
| Litigation Risks | The Combined Group will be exposed to possible litigation risks including environmental claims, occupational health and safety claims and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Combined Group's operations, financial performance and financial position. MCT is not currently engaged in any material litigation. |

10. ADDITIONAL INFORMATION

10.1 Disclosure of Interests of MCT Directors in NME

No Directors of MCT has any interests in NME Shares (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

10.2 Acquisitions of NME Shares by MCT and its Associates

Other than as expressly disclosed in this Bidder's Statement, neither MCT nor any Associate of MCT has provided, or agreed to provide, consideration for NME Shares under any purchase or agreement during the four months before the date of this Bidder's Statement and the period from the date of this Bidder's Statement to the date before the date of the Offer.

10.3 No Escalation Agreements

Neither MCT nor any Associate of MCT has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

10.4 Collateral Benefits

During the period of 4 months before the date of this Bidder's Statement, neither MCT nor any Associate of MCT gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their NME Shares,

and which is not offered to all holders of NME Shareholders under the Offer.

10.5 Disclosure of Information

Due to the fact that MCT is offering MCT Shares as consideration for the acquisition of NME Shares under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of MCT Shares under sections 710 to 713 of the Corporations Act.

As a publicly listed company whose shares are quoted on ASX, MCT is subject to disclosure requirements of the ASX Listing Rules. In particular, MCT is required to disclose information concerning its finances, activities and performance. This disclosure is available on MCT's website as well as on the ASX website.

10.6 Interests and Benefits Relating to the Offer

10.6.1 Interests

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of MCT;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;

(c) promoter of MCT; or

(together, the **Interested Persons**) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

(d) the formation or promotion of MCT;

(e) any property acquired or proposed to be acquired by MCT in connection with its formation or promotion or in connection with the offer of MCT Shares under the Offer; or

(f) the offer of MCT Shares under the Offer.

10.6.2 Implied Value of the Offer

Based on the closing price of MCT Shares on ASX of 1.0 cents on 13 September 2021, the last trading day prior to the announcement of the Announcement Date, the implied value of an NME Share is 4.81 cents per NME Share.

Based on the closing sale price for MCT Shares on ASX on 23 September 2021 (the Last Practicable Trading Day) of 1.0 cents, the implied value of the Offer is 4.81 cents per NME Share.

The implied value of the Offer will change as a consequence of changes in the market price of MCT Shares. The following table may assist NME Shareholders to determine the implied value of the Offer at different MCT Share price levels. The table is not an indication of prices at which MCT Shares may trade – MCT Shares may trade within this range or at higher or lower levels.

| Price of a MCT Share (cents) | Implied offer price for a NME Share (cents) |
|---------------------------------|--|
| 0.6 | 2.89 |
| 0.7 | 3.37 |
| 0.8 | 3.85 |
| 0.9 | 4.33 |
| 1.0 | 4.81 |
| 1.1 | 5.29 |
| 1.2 | 5.77 |
| 1.3 | 6.25 |
| 1.4 | 6.73 |
| 1.5 | 7.22 |
| 1.6 | 7.70 |
| 1.7 | 8.18 |

10.6.3 Disclosure of Fees and Benefits Received by Certain Persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of MCT to induce them to become, or to qualify as, a director of MCT; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of MCT or the offer of MCT Shares under the Offer.

Harbury Advisors Pty Ltd (Harbury) and Canaccord Genuity (Australia) Limited (Canaccord)

In November 2020, MCT executed an agreement with each of Harbury and Canaccord (jointly) to act as joint corporate advisors to MCT in relation to the Offer. The fee for professional services payable to Harbury and Canaccord is a fixed percentage of the transaction value, and is currently estimated to be approximately \$270,000 (plus GST).

Steinepreis Paganin

Steinepreis Paganin has agreed to act as Australian legal advisor to MCT in relation to the Offer and will be entitled to receive professional fees in accordance with its normal time-based charges. At the date of this Bidder's Statement, up to the date of lodgement of this Bidder's Statement, MCT has paid or agreed to pay Steinepreis Paganin approximately \$150,000 for services in respect of the Offer and will pay further amounts in accordance with standard agreements.

Pitcher Partners

Pitcher Partners has agreed to act as Australian auditor to MCT in relation to the Offer, however has not been involved in the preparation of this Bidders Statement. Pitcher Partners will be entitled to receive professional fees in accordance with its normal time-based charges for its services as auditor.

10.7 Disclosure of Interests of MCT Directors

The Directors of MCT have the following interests in MCT Securities and NME Securities (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

| Director | MCT Shares | MCT Options | MCT Performance Shares | NME Shares |
|-------------------|-------------------|------------------|------------------------|------------|
| Jason Livingstone | 23,574,348 | 4,000,000 | 37,531,253 | - |
| Justin Barton | 15,439,284 | - | 29,590,220 | - |
| Andrew Daley | 13,992,982 | - | 5,985,055 | - |
| TOTAL | 53,006,614 | 4,000,000 | 73,106,528 | - |

Notes:

1. Mr Livingstone's relevant interest in securities comprises a direct interest in 22,559,905 Shares, 10,000,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023, 2,000,000 Options exercisable at \$0.025 each on or before 14 January 2022, 12,299,465 Performance

Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.04 expiring on 18 December 2022, 15,231,788 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.06 expiring on 18 December 2022, and 2,000,000 Options exercisable at \$0.035 each on or before 14 January 2022. Mr Livingstone also has an indirect interest of 1,014,443 Shares through Livingstone Super Services Pty Ltd <LIVINGSTONE SF A/C> an entity controlled by Mr. Livingstone.

- Mr Barton's relevant interest in securities comprises an indirect interest (held by Coventina Holdings Pty Ltd ATF <Coventina Family Trust>, an entity associated with Mr Barton) in 15,439,284 Shares, 5,650,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023, 10,695,187 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.04 expiring on 18 December 2022, 13,245,033 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.06 expiring on 18 December 2022.
- Mr Daley's relevant interest in securities comprises an indirect interest (held by Mr Andrew Daley and Mrs Ineke Daley <Motherlode Super Fund Account>, an entity associated with Mr Daley) in 13,992,982 Shares, 2,673,797 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.04 expiring on 18 December 2022, and 3,311,258 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.06 expiring on 18 December 2022.

10.8 Fees and Benefits of Directors

The constitution of MCT provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by MCT in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The annual emoluments (inclusive of superannuation and otherwise as set out in the notes below) of the Directors for the last two financial years and the proposed remuneration for the current financial year is as follows:

| Director | Remuneration for the Financial Year ended 2020 ^{1,2,3} | Remuneration for the Financial Year ended 2021 ¹ | Remuneration for the Financial Year ending 2022 ¹ |
|--------------------------------|---|---|--|
| Jason Livingstone ⁵ | \$240,212 | \$320,341 | \$66,000 |
| Justin Barton | \$209,004 | \$199,845 | \$266,000 |
| Andrew Daley | \$50,000 | \$48,878 | \$75,000 |

| Director | Options/Performance Rights for the Financial Year ended 2020 ² | Options/Performance Rights for the Financial Year ended 2021 ⁶ | Performance Rights for the Financial Year ending 2022 ⁶ |
|--------------------------------|---|---|--|
| Jason Livingstone ⁵ | \$40,971 | \$460,000 | - |
| Justin Barton ⁴ | \$21,510 | \$400,000 | - |
| Andrew Daley | - | \$100,000 | - |
| Total Remuneration | \$561,697 | \$1,529,064 | 407,000 |

Notes:

- Includes salaries and fees and statutory superannuation, plus annual leave paid out during the year.

2. The figures for FY2020 in relation to Mr Livingstone and Mr Barton include the value of equity-based remuneration issued to these Directors (being, the issue of Performance Rights). The Performance Rights were valued based on the hurdle price of the Performance Rights, discounted (as determined by the Board) by a probability factor of achieving the relevant hurdle.
3. On 13 September 2020 MCT held a general meeting at which Shareholders approved the issue of 23,882,240 Shares in aggregate to the Directors in lieu of \$64,482.05 in accrued Directors' fees and salaries. Please refer to resolutions 6 to 9 set out in the Notice of General Meeting dated 10 July 2020. MCT issued the 23,882,240 Shares respectively to the Directors on 14 September 2020.
4. Mr Barton was appointed as CEO on 1 June 2021 in addition to his responsibilities as CFO and Executive Director. Mr Barton is being paid an additional \$5,000 per month (excluding superannuation) for the additional role.
5. Mr Livingstone was appointed as Managing Director on 1 July 2019 and has transitioned to Technical Director on 1 June 2021. Mr Livingstone is now on a retainer of \$5,000 per month plus \$1,500 per day (excluding superannuation) for work undertaken over and above his retainer.
6. Reflects the allocation of Performance Rights issued to the Directors as approved by Shareholders at MCT's 2020 Annual General Meeting. Please refer to Section 4.2 and resolutions 7 to 10 set out in the Notice of Annual General Meeting dated 27 October 2020 for further details.

Directors, companies associated with the Directors or their Associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of MCT and other miscellaneous expenses.

The remuneration of Directors is reviewed annually by MCT. The figures for the 2021 Financial Year are current as at the date of this Bidder's Statement.

10.9 Expenses of the Offer

The total amount of cash that MCT may become obliged to pay to satisfy all expenses incurred by MCT and relating to the Offer will be provided from MCT's existing cash balances.

MCT estimates it will incur fees for services provided in connection with the Offer, including for legal, taxation, financial advisers, share register and ASX and other professional fees, in the amount of approximately \$450,000 (excluding GST).

| Estimated expenses of the Offer | \$ |
|---|----------------|
| ASIC | 5,264 |
| Legal expenses | 150,000 |
| Corporate Advisors | 270,000 |
| Share Registry, Printing, Mailing and other miscellaneous | 24,736 |
| Total | 450,000 |

10.10 Competent Persons Statements

Information in this Bidders Statement that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a

Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Livingstone consents to the inclusion of the data in the form and context in which it appears.

Admiral Bay Mineral Resource Estimate: The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Information contained in this Bidders Statement has been presented in accordance with the JORC Code and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code. The information in this Bidders Statement that relates to Geology and Exploration Results is based, and fairly reflects, information compiled by Mr Ian Glacken, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Glacken is a consultant to Metalicity. Mr Glacken has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', and as a Qualified Person for the purposes of Canadian Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr Glacken consents to the inclusion in the Bidders Statement of the matters based on his information in the form and context in which it appears. ASX Announcement: "Admiral Bay Zinc Project Mineral Resource Update" dated 16 February 2018.

10.11 Material Litigation

MCT is not aware of any material litigation or threatened, or other legal proceedings in relation to MCT.

10.12 Foreign Securityholders

NME Shareholders who are Ineligible Foreign Securityholders will not be entitled to receive MCT Shares as consideration for their NME Shares pursuant to the Offer.

An NME Shareholder is an Ineligible Foreign Securityholder for the purposes of the Offer if their address as shown in the register of members of NME is in a jurisdiction other than Australia or its external territories, or New Zealand. However, such a person will not be an Ineligible Foreign Securityholder if MCT is satisfied that it is not legally or practically constrained from making the Offer to a NME Shareholder in the relevant jurisdiction and to issue MCT Shares to such a person on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, MCT is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The MCT Shares which would otherwise have been issued to Ineligible Foreign Securityholders will instead be issued to the Sale Nominee, who will sell these shares. The net proceeds of the sale of such MCT Shares will then be remitted to the relevant Ineligible Foreign Securityholders. Refer to Section 11.7 for further details.

10.13 Unmarketable Parcels

If the total number of MCT Shares which an NME Shareholder is entitled to receive as consideration under the Offer is an Unmarketable Parcel, that NME Shareholder

will be an Unmarketable Parcel Securityholder and will not be entitled to receive MCT Shares as consideration for its NME Shares pursuant to the Offer.

The MCT Shares which would otherwise have been issued to Unmarketable Parcel Securityholders will instead be issued to the Sale Nominee who will sell those shares. The net proceeds of the sale of such shares will then be remitted to the relevant Unmarketable Parcel Securityholders. Refer to Section 11.7 for further details.

10.14 Status of Conditions

The Conditions of the Offer are set out in Section 11.8. MCT will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, MCT is not aware of any events which would result in a breach or inability to satisfy the Conditions.

MCT will give a notice of the status of the Conditions in accordance with the Corporations Act on [**leave blank in lodged version**] (subject to extension if the Offer Period is extended).

10.15 Consents

Each of the parties referred to in this Section:

- (a) to the maximum extent permitted by law, expressly disclaim and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Steinepreis Paganin has given its consent to be named in the Bidder's Statement as Australian legal advisors to MCT in relation to the Offer. Steinepreis Paganin has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

Harbury and Cannacord have given their consent to be named in the Bidder's Statement as joint corporate advisors to MCT in relation to the Offer. Harbury and Cannacord has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

Pitcher Partners have given their consent to be named as Australian auditor to MCT in relation to the Offer, however has not been involved in the preparation of this Bidders Statement. Pitcher Partners has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

Each person named in this Section 10.15 has given, and before the time of lodgement of this Bidder's Statement with ASIC, has not withdrawn, their consent to being named in this Bidder's Statement in the capacity indicated next to their name.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on MCT announcement platform of ASX. Under ASIC Class Order 13/521, the parties making those

statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact the MCT Offer Information Line on 08 6500 0202 (within Australia) or +61 8 6500 0202 (for international callers).

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement contains ASX share price trading information sourced from ASX without its consent.

10.16 ASIC Relief

MCT has not obtained from ASIC any other modifications to, or exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons including MCT (including those referred to in Sections 10.2 and 10.15 of this Bidder's Statement).

10.17 Other Material Information

There is no other information material to the making of a decision by a holder of NME Shares whether or not to accept the Offer being information that is known to MCT and which has not previously been disclosed to NME Shareholders other than as is contained elsewhere in this Bidder's Statement.

10.18 Expiry Date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

10.19 Date for Determining Holders

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

10.20 Broker Handling Fees

As consideration for acting as Sale Nominee, MCT has agreed to pay Canaccord:

- (a) \$1,000 plus applicable GST ("Administration Fee"); and
- (b) 0.5% (plus applicable GST) on the total gross dollar value of all MCT Shares sold by the Sale Nominee.

MCT will be responsible for all share registry and any other costs associated with the establishment and conduct of the facility to sell those MCT Shares to be issued to Ineligible Foreign Securityholders or Unmarketable Parcel Securityholders.

The commission will be payable only to the Sale Nominee and subject to the condition that no part of the fee will be able to be passed on or paid to NME Shareholders.

The commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

10.21 ASIC modifications and exemptions, ASX waivers

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including MCT, in relation to the operation of Chapter 6 of the Corporations Act. MCT may rely on this "Class Order" relief. Further, MCT has not been granted any waivers from ASX in relation to the Offer.

11. TERMS OF THE OFFER

11.1 Offer

- (a) MCT offers to acquire all of your NME Shares, together with all Rights attached to them, on and subject to the terms and conditions set out in this Section 11.
- (b) The consideration being offered by MCT for the acquisition of all of your NME Shares is 4.81 MCT Shares for every 1 of your NME Shares. If this calculation results in an entitlement to a fraction of an MCT Share, that fraction will be rounded up to the nearest whole number of MCT Shares.
- (c) If, at the time the Offer is made to you, you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not receive MCT Shares. Instead, you are offered and will receive the net proceeds determined in accordance with Section 11.7.
- (d) The MCT Shares to be issued pursuant to the Offer will be fully paid and, from their date of issue, rank equally in all respects with existing MCT Shares currently on issue and have the rights summarised in Section 4.5.
- (e) By accepting this Offer, you undertake to transfer to MCT not only the NME Shares to which the Offer relates, but also all Rights attached to those NME Shares.
- (f) The Offer is being made to each person registered as a holder of NME Shares on NME's register of members as at the Record Date. It also extends to any person who becomes registered or is entitled to be registered as the holder of your NME Shares during the Offer Period.
- (g) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered or is entitled to be registered as the holder of some or all of your NME Shares, then:
 - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those NME Shares; and
 - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other NME Shares you hold to which the Offer relates; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (h) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of NME Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the MCT Offer Information Line on 08 6500 0202 (within Australia) or +61 8 6500 0202 (for international callers) to request those additional copies.

- (i) If your NME Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (j) The Offer is dated **[leave blank in lodged version]**.

11.2 Offer Period

- (a) Unless extended or withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer (being [insert]) and ending at 5:00 pm (Perth Time) on the later of:
 - (i) **[leave blank in lodged version]**; or
 - (ii) any date to which the Offer Period is extended.
- (b) MCT reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven (7) days of the Offer Period, either of the following events occurs:
 - (i) the Offer is varied to improve the consideration offered; or
 - (ii) the voting power of MCT in NME increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with section 624(2) of the Corporations Act.

11.3 How to Accept the Offer

- (a) **General**
 - (i) You may only accept the Offer in respect of all (and not a lesser number) of your NME Shares.
 - (ii) You may accept the Offer at any time during the Offer Period.
- (b) **NME Shares held in your name on NME's issuer sponsored subregister**

To accept this Offer for NME Shares held in your name on NME's issuer sponsored subregister (in which case your SRN will commence with 'I'), you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
 - (ii) ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (c) **NME Shares held in your name in a CHES Holding**

To accept this Offer for NME Shares held in your name in a CHES Holding (in which case your HIN will commence with 'X'):

- (i) If you are not a Participant, you should instruct your Controlling Participant (this is normally the stockbroker either through whom you bought your NME Shares or through whom you ordinarily acquire shares on ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (ii) If you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (iii) Alternatively, you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

You must comply with any other applicable ASX Settlement Operating Rules.

(d) **NME Shares of which you are entitled to be registered as holder**

To accept this Offer for NME Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (i) complete and sign the Share Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period at the address shown in the Acceptance Form.

11.3.2 Acceptance Form and Other Documents

- (a) The Acceptance Form forms part of this Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.
- (b) For your acceptance to be valid you must ensure that your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) are posted or delivered in sufficient time for it to be received by MCT at the address shown on the Acceptance Form before the end of the Offer Period. You may only return your Acceptance Form by facsimile with the prior approval of MCT.
- (c) When using the Acceptance Form to accept this Offer in respect of NME Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by MCT in time for MCT to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (d) The postage and transmission of the Acceptance Form and other documents is at your own risk.

11.4 Validity of Acceptances

- (a) Subject to this Section 11.4, your acceptance of this Offer will not be valid unless it is made in accordance with the procedures set out in Section 11.3.
- (b) MCT will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept this Offer and time of receipt of an acceptance of this Offer. MCT is not required to communicate with you prior to making this determination. The determination of MCT will be final and binding on all parties.
- (c) Notwithstanding Section 11.3, MCT may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your MCT Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with this Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by MCT.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your NME Shares, MCT may, in its sole discretion, regard this Offer to be accepted in respect of those NME Shares but not the remainder.
- (e) MCT will provide the consideration to you in accordance with Section 11.6, in respect of any part of an acceptance determined by MCT to be valid.

11.5 The Effect of Acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your NME Shares to which this Offer relates, except as follows:
 - (i) if the Conditions in Section 11.8 have not been fulfilled or freed by:
 - (A) in the case of the Conditions in Section 11.8(j), at the end of the third Business Day after the end of the Offer Period;
or
 - (B) in relation to all other Conditions, the end of the Offer Period, this Offer will automatically terminate and your NME Shares the subject of your acceptance will be returned to you; or
 - (ii) if the Offer Period is varied in a way that postpones the obligations of MCT to deliver the consideration for more than one month and, at the time, this Offer remains subject to one or more of the Conditions contained in Section 11.8, you may be able to withdraw your acceptance in relation to your NME Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.

- (b) By following the procedure described in Section 11.3 to accept this Offer, you will be deemed to have:
- (i) accepted this Offer (and any variation to it, subject to section 650E of the Corporations Act) in respect of the NME Shares registered in your name to which this Offer relates, regardless of the number of NME Shares specified in the Acceptance Form, subject to Sections 11.1(f) and 11.1(g);
 - (ii) unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, agreed to accept the MCT Shares to which you become entitled by accepting this Offer, subject to MCT's constitution and the terms of issue of the MCT Shares and to have authorised MCT to place your name on its register of shareholders as the holder of the MCT Shares issued to you under the Offer;
 - (iii) irrevocably authorised MCT (and any director, secretary, nominee or agent of MCT) to alter the Acceptance Form on your behalf by inserting correct details of your NME Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by MCT to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer to MCT of your NME Shares;
 - (iv) irrevocably authorised and directed NME to pay to MCT or to account to MCT for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your NME Shares (subject to MCT accounting to you for any Rights received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
 - (v) if you signed the Acceptance Form in respect of NME Shares which are held in a CHESS Holding, irrevocably authorised MCT (or any director, secretary, nominee or agent of MCT) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of your NME Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
 - (vi) if you signed the Acceptance Form in respect of NME Shares which are held in a CHESS Holding, irrevocably authorised MCT (or any director, secretary or agent of MCT) to give any other instructions in relation to your NME Shares to your Controlling Participant, as determined by MCT acting in its own interests as a beneficial owner and intended registered holder of those NME Shares;
 - (vii) irrevocably authorised MCT to notify NME on your behalf that your place of address for the purpose of serving notices upon you in respect of your NME Shares is the address specified by MCT in the notification;
 - (viii) agreed to indemnify MCT in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your NME Shares to MCT being

registered by NME without production of your HIN or your SRN for your NME Shares;

- (ix) represented and warranted to MCT that, unless you have notified MCT in accordance with Section 11.1(g), your NME Shares do not consist of separate parcels of NME Shares;
- (x) irrevocably authorised MCT (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your NME Shares to MCT's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;
- (xi) represented and warranted to MCT as a fundamental condition going to the root of the contract resulting from your acceptance that, at the time of acceptance, and the time the transfer of your NME Shares (including any Rights) to MCT is registered, all of your NME Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or equitable) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of your NME Shares (together with all Rights attached to them) to MCT and that you have paid NME all amounts which are due in respect of your NME Shares;
- (xii) if you reside outside of Australia and are not an Ineligible Foreign Securityholder for the purposes of this Offer, represented and warranted to MCT that the making by MCT to you, and your acceptance, of this Offer is lawful under any law of a country other than Australia which apply to you to the making of this Offer and to your acceptance of this Offer;
- (xiii) with effect from the time and date on which all the Conditions to this Offer in Section 11.8 have been fulfilled or freed, to have irrevocably appointed MCT (and each of MCT's Directors, secretaries and other officers) severally from time to time as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your NME Shares or in exercise of any right or power derived from the holding of your NME Shares including, (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of NME and to request NME to register, in the name of MCT or its nominee, your NME Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (xiv) agreed that in exercising the powers conferred by the power of attorney under Section 11.5(b)(xiii), the attorney shall be entitled to act in the interests of MCT as the beneficial owner and intended registered holder of your NME Shares;
- (xv) with effect from the time and date on which all the Conditions to this Offer in Section 11.8 have been fulfilled or freed, agreed not to vote in person, by proxy or otherwise at any general meeting of NME or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on MCT and the MCT

Directors, secretaries and other officers of MCT by Section 11.5(b)(xiii);

- (xvi) agreed to do all such acts, matters and things that MCT may require to give effect to the matters the subject of this Section 11.5(b) (including the execution of a written form of proxy to the same effect as this Section 11.5(b) which complies in all respects with the requirements of the constitution of NME) if requested by MCT; and
 - (xvii) agreed, subject to the Conditions of this Offer in Section 11.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that MCT may consider necessary or desirable to convey your NME Shares registered in your name and Rights to MCT.
- (c) The representations, warranties, undertakings and authorities referred to in this Section 11.5 will (unless otherwise stated) remain in force after you receive the consideration for your NME Shares and after MCT becomes registered as the holder of your NME Shares.

11.6 Consideration

- (a) Subject to the terms of this Offer and the Corporations Act, MCT will provide the consideration for your NME Shares on or before the earlier of:
- (i) one month after the date your acceptance, or if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
- (i) if that document is given with your Acceptance Form, MCT will provide the consideration in accordance with Section 11.6(a);
 - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, MCT will provide the consideration on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, MCT will provide the consideration on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; and
 - (iv) if that document is given after the end of the Offer Period and the Offer is not subject to a defeating condition, MCT will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, MCT will provide

the consideration due to you within 21 days after the Offer becomes unconditional.

- (c) If you accept this Offer, MCT is entitled to all Rights in respect of your NME Shares. MCT may require you to provide all documents necessary to vest title to those Rights in MCT, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to MCT, or if you have received the benefit of those Rights, MCT will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by MCT) of those Rights.
- (d) If you have accepted the Offer and you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will receive your share from the proceeds of the sale of the MCT Shares in accordance with Section 11.7.
- (e) The obligations of MCT to allot and issue any MCT Shares to which you are entitled under the Offer will be satisfied:
 - (i) by entering your name on the register of members of MCT;
 - (ii) dispatching or procuring the dispatch to you by prepaid post to your address specified in your Acceptance Form, an uncertificated holding statement in your name. If your NME Shares to which the Offer relates are held in a joint name, an uncertificated holding statement will be forwarded to the holder whose name appears first in your Acceptance Form.
- (f) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (g) If, at the time you accept this Offer, any of the following:
 - (i) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
 - (ii) Autonomous Sanctions Act 2011 (Cth); or
 - (iii) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Department of Foreign Affairs and Trade, the ATO or any other Government Authority be obtained before you received any considered for your NME Shares, or would make it unlawful for MCT to provide any consideration to you for your NME Shares, then you will not be entitled to receive any consideration for your NME Shares until all requisite authorities, clearances or approvals have been received by MCT.

11.7 Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders

- (a) If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholders (each, an **Ineligible Securityholder**), you will not be entitled to receive MCT Shares as the consideration for your NME Shares. Instead MCT will:
 - (i) arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the number of MCT Shares to which you

and all other Ineligible Securityholders would have been entitled but for Section 11.1(c) and the equivalent provision of each other offer under the Offer;

- (ii) cause the MCT Shares so issued to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and
- (iii) procure that the Sale Nominee to pay, to you the amount ascertained in accordance with the following formula:

$$\frac{\text{NPS} \times \text{YS}}{\text{TS}}$$

Where:

NPS is the amount received by the Sale Nominee upon the sale of MCT Shares, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

YS is the number of MCT Shares which would have, but for Section 11.1(c) been allotted and issued to you; and

TS is the total number of MCT Shares allotted and issued to the Sale Nominee under this Section 11.7.

- (b) You will receive your share of the proceeds of the sale of MCT Shares in Australian currency, calculated in accordance with Section 11.7.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders by airmail) as soon as practicable and in any event within the period required by the Corporations Act to the address provided on your Acceptance Form.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of MCT Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.
- (e) The Sale Nominee may sell the MCT Shares in such manner, at such price or prices and on such terms as the Sale Nominee determines, and at the risk of the Ineligible Securityholders. The Sale Nominee will sell the MCT Shares on ASX following the issue of those shares to it.
- (f) As the market price of MCT Shares will be subject to change from time to time, the sale price of the MCT Shares sold by the Sale Nominee and the proceeds of those sales cannot be guaranteed. Neither MCT nor the Sale Nominee gives any assurance as to the price that will be achieved for the sale of the MCT Shares by the Sale Nominee.
- (g) The Sale Nominee will be appointed by and will provide services to, MCT. In acting as nominee, the Sale Nominee will not be acting as agent or sub-agent of any Ineligible Securityholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Securityholder and does not underwrite the sale of the MCT Shares.

11.8 Conditions of the Offer

Subject to Section 11.10, the Offer and any contract that results from an acceptance of the Offer are subject to the fulfilment of the following Conditions:

(a) **Minimum acceptance condition**

During or at the end of the Offer Period, MCT and its associates have relevant interests in at least 90% of NME Shares then on issue.

(b) **Regulatory approvals**

During the Offer Period, all regulatory approvals which are required by law or by a regulatory authority in order to permit the Offer to be made to and accepted by NME Shareholders and the lawful completion of the Offer if it is accepted and becomes unconditional are granted, given, made or obtained in each case on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(c) **No material adverse event**

Except as publicly announced to ASX prior to the Announcement Date, none of the following has happened or happens, is announced, disclosed or otherwise becomes known to MCT (whether it becomes public or not) during the period from and including the Announcement Date to the end of the Offer Period:

- (i) any event, action, proceeding, circumstance or change in circumstance that (individually or with others) has or is reasonably likely to have a material adverse effect on the assets, liabilities, financial condition or prospects of NME, including but not limited to any one or more of the following effects:
 - (A) when considered together with any related events, occurrences or matters, but disregarding the effects of any unrelated events, occurrences or matters, a diminution in the value of the net assets of NME by an amount equal to 20% or more by reference to the value of the net assets of NME as at 31 December 2020 as shown in the Interim Financial Report for Nex Metals for the period ended 31 December 2020 (**Nex Half Year Report**); or
 - (B) the incurring of any obligations, liabilities, costs or expenses (contingent or otherwise), other than capital expenditure previously disclosed publicly or to the Bidder in writing, where the quantum (whether individually or when aggregated with all such other events) exceeds \$100,000;
- (ii) any event or circumstance which constitutes or gives rise to, or may (upon the passage of time, the fulfilment of any condition, or the giving of notice or taking of any other action by any applicable regulatory authority or any other person) give rise to, the suspension, revocation, disclaimer, invalidity, unenforceability, variation, lapse or termination of all or any

material rights under any Mining Interest, or any material contract to which NME or any Subsidiary of NME is a party;

- (iii) the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of a Mining Interest to any person other than the holder(s) of that Mining Interest (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by a Mining Interest; or
- (iv) any other Material Adverse Event occurs in relation to NME.

(d) **Unrelated Party Loans**

The amount stated as “Loans – other (iv)” in note 5 on page 19 of the Nex Half Year Report and being \$366,065 at that date (**Unrelated Party Loan**):

- (i) has a balance no greater than as disclosed in the Nex Half Year Report; and
- (ii) there has been no material amendment to the terms of the Unrelated Party Loan (including the grant of security or the payment of interest) nor is the Unrelated Party Loan the subject of any default, termination, review or acceleration.

(e) **Accrued Director Fees**

The amount stated as “Accrued director fees” in the Nex Half Year Report and being \$1,907,097 as at 31 December 2020 together with any additional Director fees accrued on commercial terms:

- (i) has increased to no more than \$2,100,000 during the Offer Period with no provision for review; and
- (ii) are otherwise on terms that these fees are not able to be demanded until NME is in a financial position to pay, being that the payment does not materially prejudice NME's ability to pay its other creditors as and when they fall due.

(f) **Loans – Ken Allen Loan**

The amount stated as “Loans – related party” in the Nex Half Year Report and being \$535,620 as at 31 December 2020 payable to Allen's Business Group Pty Ltd, an entity controlled by Ken Allen (a director of Nex Metals) (**Ken Allen Loan**):

- (i) has increased to no more than \$600,000 during the Offer Period with no provision for review;
- (ii) is not due for payment until at least 31 December 2021; and
- (iii) is otherwise on terms that it is not able to be demanded until Nex Metals is in a financial position to pay, being that the payment does not materially prejudice NME' ability to pay its other creditors as and when they fall due.

(g) **Provisions**

The amount stated as "Provisions" in the Nex Half Year Report and being \$282,099 as at 31 December 2020 has increased to no more than \$350,000 during the Offer Period with no provision for review.

(h) **No material acquisitions, disposals, commitments, etc**

Between the Announcement Date and the end of the Offer Period, neither NME nor any of its Subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into;
- (ii) discloses the existence of; or
- (iii) incurs, becomes subject to, or brings forward the time for performance of (or is reasonably likely to incur, become subject to or bring forward the time for performance of),

an obligation or arrangement (other than pursuant to and in the proper discharge of a legally binding obligation entered into and fully disclosed to the ASX prior to the Announcement Date) or a decision by it, whether conditional or otherwise:

- (i) to acquire an interest in property or other assets for an amount or having a market value in aggregate greater than \$100,000;
- (ii) to dispose of an interest in any property or other asset for an amount, or in respect of which the book value (as recorded in NME's balance sheet set out in the Nex Half Year Report) is, in aggregate, greater than \$100,000;
- (iii) to perform or acquire the benefit of any services or supplies of goods or services in relation to any asset, business or interest where the aggregate financial liability of NME or any Subsidiary in respect of those services exceeds or may exceed \$100,000 or the term of the arrangement exceeds and cannot be terminated within 12 months;
- (iv) to enter into or terminate, or, in any material respect, amend or waive, any of the terms applicable to, or rights (including any rights of pre-emption or first or last refusal) under, a shareholders agreement, joint-venture, asset or profit-sharing agreement, royalty agreement, partnership or joint-selling agreement or sale or purchase agreement or merger of business or of corporate entities; or
- (v) to make or incur capital expenditure of more than \$100,000 (whether for an individual item or on an aggregated basis),

unless approved in writing by MCT.

(i) **No Prescribed Occurrences between Announcement Date and service of Bidder's Statement**

Between the period beginning on the Announcement Date up to the date MCT gives its Bidder's Statement to NME, no Prescribed Occurrence occurs in relation to NME or any of its Subsidiaries.

(j) **No Prescribed Occurrences**

Between the period beginning on the date Bidder gives its Bidder's Statement to NME and ending three Business Days after the end of the Offer Period, no Prescribed Occurrence occurs in relation to NME or any of its Subsidiaries.

(k) **Conduct of NME's business**

Between the Announcement Date and the end of the Offer Period, none of the following events occurs:

- (i) except as required by law, NME or a Subsidiary of NME:
 - (A) increases the remuneration of or pays any bonus or issues any securities or options to, or otherwise varies the employment agreements with, any of its directors or employees except:
 - (I) as expressly required under the terms of any employment agreement existing as at the Announcement Date; or
 - (II) that the remuneration of employees (not including directors) may be increased provided that:
 - (aa) the remuneration of any one employee is not increased by more than 10% of the remuneration payable to that employee as at the announcement date; and
 - (ab) the aggregate of all the increases in remuneration do not exceed 10% of the total remuneration payable by NME to all its employees (including the employees of NME related entities) as at the Announcement Date; or
 - (III) accelerates the rights of any of its directors or employees to benefits of any kind; or
 - (IV) pays a director, executive or employee a termination payment, other than as provided for in an existing employment contract and approved by shareholders for the purposes of the Corporations Act or ASX Listing Rules (as appropriate) before the Announcement Date;

- (ii) NME or a Subsidiary of NME gives or agrees to give a financial benefit to a related party within the meaning of Chapter 2E of the Corporations Act;
- (iii) NME or a Subsidiary of NME enters into any arrangement for the borrowing of an amount in excess of \$100,000 except as a consequence of the renegotiation of its loan facilities that exist as at the Announcement Date, but without increasing the amount available under those facilities;
- (iv) NME or a Subsidiary of NME enters into any arrangement under which NME or a Subsidiary of NME may be required to advance or provide financial accommodation to another party, other than in the ordinary course of business;
- (v) NME or any of its Subsidiaries exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised;
- (vi) NME declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise; or
- (vii) NME or a Subsidiary of NME amends its constitution, or amends the terms of issue of any shares, options, performance rights or other convertible securities.

(l) **No untrue statements**

Between the Announcement Date and the end of the Offer Period, MCT does not become aware of:

- (i) any statement that is untrue or misleading in any material respect; or
- (ii) any fact that is required to be stated to make a statement not misleading in any material respect,

in any document filed by or on behalf of NME with ASX, other than changes, events or conditions fully and publicly announced or fully and publicly disclosed by NME prior to the Announcement Date.

(m) **No regulatory action**

Between the Announcement Date and the end of the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian, including ASX and ASIC (**Regulatory Authority**); or

- (ii) no action or investigation is announced, commenced or threatened by any Regulatory Authority with respect to NME or a Subsidiary of NME; or
- (iii) no application is made to any Regulatory Authority (other than by Bidder or any associate of Bidder),

in consequence of or otherwise relating to the Offer (other than an application or determination by ASIC or the Australian Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the regulatory action results from action or inaction of MCT or its associates) which is reasonably likely to or purports or threatens to:

- (iv) restrain, prohibit or impede, or otherwise materially adversely impact on, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement (including the acquisition of NME Shares) or the continued ownership and operation of the business of NME or a Subsidiary of NME; or
- (v) require the variation of the terms of the Offer; or
- (vi) require or approve the divestiture of any NME Shares or the divestiture of any assets of NME or a Subsidiary of NME or MCT or a Subsidiary of MCT.

(n) **Non-existence or exercise of certain rights**

Between the Announcement Date and the end of the Offer Period, there is no person (other than MCT or any of its Subsidiaries) having any rights, being entitled to or exercising any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) and in all cases whether subject to conditions or not, as a result of any change of control event in respect of NME (including MCT acquiring the NME Shares) or any of its Subsidiaries or assets, to:

- (i) terminate or alter any Mining Interest or any material contract to which NME or any of its Subsidiaries is a party;
- (ii) require the termination, modification or disposal or offer to dispose of any material interest or asset, corporate body, other entity, partnership or joint venture (incorporated or unincorporated); or
- (iii) accelerate or adversely modify the nature or performance of any material obligations of NME or any of its Subsidiaries under any material contract or any Mining Interest.

(o) **Equal access to information**

At all times between the Announcement Date and the end of the Offer Period, NME promptly (and in any event within two Business Days) provides to MCT a copy of all material information concerning NME or any Subsidiary of NME business and operations and that has not already been provided to MCT relating to NME or any subsidiary of NME or any of their respective businesses or operations that is provided by NME or any of its related parties (within the meaning of section 228 of the Corporations Act) to any person (other than MCT) for the purpose of

soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a Competing Proposal.

(p) No break fees

- (i) Subject to paragraph (l)(ii) below, between the Announcement Date and the end of the Offer Period, neither NME or body corporate which is or becomes a Subsidiary of NME, agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or to forego or otherwise reduce any payment or benefit to which it would otherwise be entitled, in connection with any person other than MCT making or agreeing to participate in, or enter into negotiations concerning a Competing Proposal.
- (ii) Paragraph (p)(i) above does not apply to a payment:
 - (A) for providing professional advisory services to NME;
 - (B) which is approved in writing by MCT;
 - (C) lawfully made to any NME directors, officers or employees (subject to paragraph (k)(i)(A)); or
 - (D) which is approved by a resolution passed at a general meeting NME.

(q) No direct or indirect Disposal of or encumbrance over Mining Interests

Between the Announcement Date and the end of the Offer Period, neither NME nor any of its Subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into; or
- (ii) discloses the existence of; or
- (iii) becomes subject to,

an obligation or arrangement, whether conditional or otherwise and irrespective of the consideration or value:

- (i) to Dispose of all or any of, or any interest in, a Mining Interest; or
- (ii) to Dispose or issue, or grant an option or other rights over or in respect of, all or any of the shares or other voting or economic interests in NME or any Subsidiary of NME; or
- (iii) to grant, permit, suffer to subsist or enter into any encumbrance or other security interest over all or any of, or any interest in, a Mining Interest.

(r) Material fall in S&P/ASX All Ordinaries Gold index

The S&P/ASX All Ordinaries Gold (Sub-Industry) index (ASX:XGD) does not fall by 20% from its level immediately before the Announcement Date and remain at or below that level (as at the close of trade) for at least five consecutive Business Days before the end of the Offer Period.

(s) **Material fall in the gold price**

The spot price of gold in \$A as specified on the Australian Gold and Silver Exchange website (XAU:AUD) does not fall to a level that is below A\$2,000 per ounce and remain at or below that level for at least five consecutive Business Days before the end of the Offer Period.

11.9 Nature and benefit of Conditions

- (a) The Conditions in Section 11.8 are conditions subsequent. The nonfulfillment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your MCT Shares from arising, but non-fulfilment of any of those Conditions will have the consequences set out in Section 11.10(b).
- (b) Subject to the Corporations Act, MCT alone is entitled to the benefit of the conditions in Section 11.8, or to rely on any non-fulfilment of any of them.
- (c) Each Condition in Section 11.8 is a separate, several and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

11.10 Freeing the Offer of Conditions

- (a) MCT may free the Offer, and any contract resulting from its acceptance, from all or any of the Conditions in Section 11.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to NME and to the ASX declaring this Offer to be free from the relevant Condition or Conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - (i) in the case of the Condition in Section 11.8(j), not later than three (3) Business Days after the end of the Offer Period; and
 - (ii) in relation to all other Conditions in Section 11.8 not less than seven (7) days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the Conditions in Section 11.8(j), at the end of the third Business Day after the end of the Offer Period), the Conditions in Section 11.8 have not been fulfilled and MCT has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

11.11 Notice of Status of Conditions

The date for giving the notice required by section 630(1) of the Corporations Act is [**leave blank in lodged version**], subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

11.12 Official Quotation

- (a) MCT has already been admitted to the Official List of ASX and the MCT Shares issued under the Offer are of the same class as MCT Shares already quoted on the ASX.

- (b) An application will be made to ASX for the granting of official quotation of the MCT Shares to be issued in accordance with the Offer. However, MCT cannot guarantee, and does not represent or imply that MCT Shares will be listed on ASX following their issue.
- (c) Pursuant to the Corporations Act, the Offer and any contract that results from your acceptance of it is subject to a condition that permission for quotation by ASX of the MCT Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

11.13 Withdrawal of Offer

- (a) MCT may withdraw this Offer with the consent in writing of ASIC, which may be given subject to such conditions. If ASIC gives such consent, MCT will give notice of the withdrawal to ASX and to NME and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, the Offer has been freed of all the Conditions contained in Section 11.8, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If at the time this Offer is withdrawn, the Offer remains subject to one or more of the Conditions in Section 11.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Conditions have occurred).
- (d) A withdrawal under Section 11.13(a) will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

11.14 Variation

MCT may vary this Offer in accordance the Corporations Act.

11.15 Costs

- (a) MCT will pay any stamp duty payable on the Offer.
- (b) If your NME Shares are registered in your name in an issuer sponsored holding and you deliver them directly to MCT, you will not incur any brokerage charges in connection with your acceptance of this Offer.
- (c) If your NME Shares are in a CHES Holding or you hold NME Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges connected with your accepting the Offer.

11.16 Governing Law

This Offer and any contract that results from your acceptance of it is governed by the laws in force in Western Australia.

12. DEFINITIONS AND INTERPRETATION

12.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

\$ or **\$A** means Australian dollars.

Acceptance means a valid acceptance received from an NME Shareholder in connection with the Offer.

Acceptance Form means the form of acceptance for the Offer enclosed with this Bidder's Statement or alternatively any acceptance form sent to an NME Shareholder by MCT's share registry in relation to the Offer, as the context requires.

Announcement Date means 14 September 2021, being the date the Offer was announced on ASX.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in chapter 6 of the Corporations Act.

ASX means the licensed securities exchange operated by ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

ASX Listing Rules means the official listing rules of ASX, as amended from time to time.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means this document including the Annexures being the statement of MCT under Part 6.5 Division 2 of the Corporations Act (as modified by ASIC Class Order [CO 13/528]) relating to the Offer.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

Canaccord has the meaning given in Section 10.6.3.

CGT means capital gains tax as defined in the *Income Tax Assessment Act 1997*.

CHESS means Clearing House Electronic Subregister System (as defined in Rule 2.3.1 of the ASX Settlement Operating Rules).

CHESS Holding means a number of NME Shares which are registered on NME's share register being a registered administered by ASX Settlement Pty Ltd (ABN 49 008 504 532) and which records uncertified holdings of shares.

Combined Group means MCT and its subsidiaries following the acquisition by MCT of all, or a portion of NME Shares on issue.

Competing Proposal means any expression of interest, proposal, offer or transaction notified to the NME Board which, if completed substantially in accordance with its terms, would mean a person (other than MCT or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
 - (i) [20%] or more of all NME Shares; or
 - (ii) all or a substantial part of the business conducted by the NME Group.
- (b) acquire control of NME, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with NME or acquire an economic interest in the whole or a substantial part of NME or their businesses (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Conditions means the conditions set out in Section 11.8.

Consideration means the proposed consideration to be provided to NME Shareholders who accept the Offer, comprising 4.81 new MCT Shares for every 1 NME Share pursuant to the Offer.

Controlling Participant has the same meaning as in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of MCT as at the date of this Bidder's Statement.

Dispose means to sell, offer for sale, transfer, assign, swap, surrender, gift, create or allow to exist an encumbrance, option or trust or otherwise deal with or dispose of that property (or any legal or beneficial interest in it or part of it) or authorise, or agree conditionally or otherwise to do, any of the things referred herein.

End Date means the earliest of the date of termination of the BIA in accordance with its terms and the end of the Offer Period, (or such later date as MCT and NME agree).

Government Authority means any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.

Harbury has the meaning given in Section 10.6.3.

HIN means Holder Identification Number.

Ineligible Foreign Securityholder means any NME Shareholder whose address, as entered in the register of members of NME, is in a jurisdiction other than Australia (and its external territories), and New Zealand, unless MCT otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly

impracticable to make the Offer to an NME Shareholder in the relevant jurisdiction and to issue MCT Shares to such an NME Shareholder on acceptance of the Offer, and that it is not unlawful for such an NME Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it or its subsidiaries is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property;
- (c) it or its subsidiaries enters into a deed of company arrangement;
- (d) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved;
- (e) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;
- (f) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (g) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (h) it is otherwise unable to pay its debts when they fall due; or
- (i) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Issuer Sponsored Holding means a holding of NME Shares or NME Listed Options on NME's issuer sponsored subregister.

Last Practicable Trading Day means 23 September 2021, being the last full trading day prior to the date on which the Bidder's Statement was lodged with ASIC.

MCT means Metalicity Limited (ACN 086 839 992).

MCT Board means the board of directors of MCT.

MCT Group means MCT and its Subsidiaries.

Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the NME Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or

- (b) any event, matter or thing, as described in sub-paragraph(a), which occurred before the date of this agreement but was not apparent from public filings by NME before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the NME Group exceeds \$200,000, but does not include:

- (c) anything which has arisen solely as a result of any actions taken by any member of the NME Group in the ordinary course of its business including, for the avoidance of doubt, any rationalisation or relinquishment of leases or permits which are less than 15% of the net acreage and are no longer considered prospective;
- (d) those events or circumstances required to be done or procured by NME pursuant to this agreement;
- (e) those events or circumstances relating to changes in business conditions affecting the global oil industry or security markets generally or a change in the market price of oil which impacts on NME and its competitors in a similar manner; or
- (f) an event, circumstance, matter or information that is known to MCT or its representatives on or prior to the date of this agreement or otherwise disclosed in public filings by NME with ASIC or provided to ASX on or prior to the date of this agreement.

MCT Share means a fully paid ordinary share in MCT.

MCT Shareholder means a holder of an MCT Share.

MCT Unlisted Option means an option to acquire an MCT Share.

Mining Interests means any and all tenements that Nex Metals or its Subsidiaries have a direct or indirect interest in from time to time (including as holder, owner, operator or joint venturer), including any tenement that is a successor, renewal, modification, extension or substitute for the whole or part of any such tenement.

NME means Nex Metals Explorations Limited (ACN 124 706 449).

NME Board means the board of directors of NME.

NME Director means a director of NME.

NME Group means NME and its Subsidiaries.

NME Share means a fully paid ordinary share in the capital of NME.

NME Shareholder means the holder of an NME Share.

Offer Period means the period during which the Offer are open for acceptance.

Offer means the offer, pursuant to the terms and conditions set out in Section 11 and otherwise as set out in this Bidder's Statement, to acquire all of the NME Shares from NME Shareholders in exchange for the applicable Consideration.

Official List of the ASX means the official list of entities that ASX has admitted and not removed.

Participant means an entity admitted to participate in the Clearing House Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.

Perth Time means Perth (Western Australian) Standard Time.

Prescribed Occurrence is defined as an event where:

- (a) NME converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) NME or a Subsidiary resolves to reduce its share capital in any way;
- (c) NME or a Subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- (d) NME or a Subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) NME or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) NME or a Subsidiary disposes, or agrees to dispose, of the whole or a substantial part of its business or property;
- (g) NME or a Subsidiary grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) NME or a Subsidiary resolves to be wound up;
- (i) A liquidator or provisional liquidator of NME or a Subsidiary is appointed;
- (j) A court makes an order for the winding up of NME or a Subsidiary;
- (k) An administrator of NME or a Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) NME or a Subsidiary executes a deed of company arrangement; or
- (m) A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of NME or a Subsidiary.

Record Date means the date set by MCT under section 633(2) of the Corporations Act, being [insert]pm [(Perth time)] on [insert date].

Related Bodies Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Rights means all accreditations, benefits and rights attaching to or arising from NME Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by NME).

Sale Nominee has the meaning given in Section 11.7 of this Bidder's Statement, being Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFS License No: 234666) being the nominee to be approved by Australian Securities and Investments Commission.

Section means a section of this Bidder's Statement.

Security Interest has the same meaning as in section 51A of the Corporations Act.

SRN means Securityholder Reference Number.

Subsidiary means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

Superior Proposal means a Competing Proposal which is, in the determination of the NME Board acting in good faith and in order to satisfy what the NME Board consider to be their fiduciary and statutory duties:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal; and
- (b) more favourable to NME Shareholders than the Offer, taking into account all terms and conditions of the Competing Proposal.

Treasurer means the Treasurer of the Commonwealth of Australia.

Unmarketable Parcel means a number of MCT Shares which is less than a "marketable parcel" under the market rules of the ASX (currently a parcel of less than \$500), calculated based on the highest closing price for MCT Shares published during the Bid Period (or, in relation to MCT Shares issued in respect of accepting NME Shareholders during the Bid Period, based on the highest closing price for MCT Shares published between the start of the Bid Period until the last trading day before MCT issues those MCT Shares).

Unmarketable Parcel Securityholder means an NME Shareholder in respect of whom the total number of MCT Shares to which that NME Shareholder would be entitled to receive as consideration under the Offer is an Unmarketable Parcel.

VWAP means volume weighted average price of 'on market' trades on ASX (i.e. normal trades, cross trades, stabilisation trades and short sell trades).

12.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a Section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) Australian dollars, A\$, \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;

- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offer are made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

13. BOARD AUTHORISATION

This Bidder's Statement is dated 24 September 2021 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of MCT.



Signed for and on behalf of

Metalicity Limited
Justin Barton
Executive Officer and Finance Director

ANNEXURE A — MCT'S ASX ANNOUNCEMENTS

MCT has lodged the following announcements with ASX since the lodgement of MCT's annual report financial report on 1 October 2020:

| Date | Description of Announcement |
|--------------|--|
| 21/09/2021 | Nex Metals gives Metalicity Notice |
| 14/09/2021 | Take NO action in respect of Metalicity takeover bid |
| 14/09/2021 | Metalicity Proposal to Nex Metals Shareholders |
| 13/09/2021 | Drilling Starts at Mctavish Following Up Bonanza Grade |
| 08/09/2021 | Annual General Meeting Date |
| 07/09/2021 | Drilling Recommences at MacTavish to follow up Bonanza Gold |
| 26/08/2021 | Notification of cessation of securities - MCT |
| 5/08/2021 | Exercise and Notice of Expiry of Options |
| 5/08/2021 | Application for quotation of securities - MCT |
| 30/07/2021 | Quarterly Activity Report |
| 30/07/2021 | Appendix 5B Cash Flow Report |
| 28/07/2021 | NME: Cosmopolitan Gold Mine Drilling Results |
| 28/07/2021 | Cosmopolitan Gold Mine Drilling Results |
| 15/07/2021 | NME:Champion deliver consistent grades at significant widths |
| 15/07/2021 | Strong Gold Results Continue at Kookynie Gold Project |
| 14/07/2021 | Exercise of Options |
| 14/07/2021 | Application for quotation of securities - MCT |
| 8/07/2021 | NME: Bonanza Gold Intersections at Kookynie |
| 8/07/2021 | Bonanza Gold Intersections at Kookynie Gold Project |
| 2/07/2021 | NME:Strong Assays at Leipold Prospect Extends Mineralisation |
| 2/07/2021 | New Gold Assays Extend Mineralisation to 1km at Leipold |
| 30/06/2021 | Change of Director's Interest Notice |
| 22/06/2021 | \$3 million Oversubscribed Placement Completed |
| 22/06/2021 | Application for quotation of securities - MCT |
| 22/06/2021 | Notification regarding unquoted securities - MCT |
| 17/06/2021 | Proposed issue of securities - MCT |
| 17/06/2021 | Cleansing Prospectus |
| 16 June 2021 | Exercise of Options |
| 16 June 2021 | Application for quotation of securities - MCT |

| Date | Description of Announcement |
|------------------|--|
| 15 June 2021 | Proposed issue of securities - MCT |
| 15 June 2021 | \$3 million Oversubscribed Placement for Gold Projects |
| 10 June 2021 | Trading Halt |
| 4 June 2021 | Company Update |
| 4 June 2021 | Metalicity Successful in Court Hearing |
| 2 June 2021 | Exercise of Options |
| 28 May 2021 | Appointment of Auditor |
| 24 May 2021 | NME: McTavish Assays Returns Results Up To 52.8 g/t |
| 24 May 2021 | McTavish Returns Assays to 52.8 g/t Au & Executive Changes |
| 20 May 2021 | NME: MCT Earns-In to Kookynie & Yundamindra Gold Project |
| 20 May 2021 | Metalicity Achieves Earn-In at Kookynie Gold Project |
| 19 May 2021 | Final Director's Interest Notice |
| 18 May 2021 | Changes to Board |
| 17 May 2021 | Exercise of Options |
| 10 May 2021 | Exercise of Options |
| 3 May 2021 | NME: Further Impressive Drill results -Leipold |
| 3 May 2021 | Assays up to 118 g/t Au from Leipold, Kookynie Gold Project |
| 28 April 2021 | Quarterly Activities Report |
| 28 April 2021 | Quarterly Cashflow Report |
| 18 March 2021 | NME:Further Impressive Drill Results-Altona, Kookynie Gold Project |
| 18 March 2021 | High Grade Drilling Results from Altona Prospect, Kookynie |
| 12 March 2021 | Half Year Accounts |
| 8 March 2021 | Exercise of Options and Notice of Expiry of Securities |
| 19 February 2021 | NME: Strategic Tenement Secured and Assays Update |
| 19 February 2021 | Strategic Tenure Won and Drilling Update |
| 17 February 2021 | NME: Further Drilling Results - Kookynie Gold Project |
| 17 February 2021 | Reconnaissance Drilling Confirms Regional Prospectivity |
| 10 February 2021 | Exercise of Listed Options |
| 9 February 2021 | Dismissal of United States Proceedings |
| 4 February 2021 | NME: Visible Gold at Recommended Drilling Cosmopolitan Prospect |
| 4 February 2021 | Visible Gold in First Hole Near Cosmopolitan Gold Mine |
| 29 January 2021 | Update on US Litigation |

| Date | Description of Announcement |
|------------------|--|
| 22 January 2021 | Quarterly Activity Report |
| 22 January 2021 | Quarterly Cashflow Report |
| 22 December 2020 | Exercise of Options and Appendix 2A |
| 22 December 2020 | Impressive Drill Results, Assays Pending for 87 holes |
| 22 December 2020 | NME: Further Drilling Results Altona and Leipold |
| 18 December 2020 | Issue of Performance Rights and Appendix 3Ys |
| 18 December 2020 | Proposed issue of Securities - MCT |
| 11 December 2020 | Exercise of Listed Options |
| 11 December 2020 | Lapse of Unlisted Securities and Appendix 3Ys |
| 9 December 2020 | New Constitution |
| 9 December 2020 | NME: Further Drilling at Kookynie Gold Project |
| 9 December 2020 | Drilling Progressing Strongly, Assays Pending for 86 Holes |
| 7 December 2020 | Change of Registered Office and Principal Place of Business |
| 3 December 2020 | Appendix 2A |
| 3 December 2020 | Cleansing Prospectus |
| 1 December 2020 | Proposed issue of Securities - MCT |
| 26 November 2020 | Results of Annual General Meeting |
| 26 November 2020 | Update on US Litigation |
| 23 November 2020 | Further Consolidation Kookynie Gold Project |
| 23 November 2020 | Transfer of Mulga Plum Option Agreement |
| 23 November 2020 | Continued Consolidation of Area Around Kookynie Gold Project |
| 17 November 2020 | Exercise of Options and Appendix 2A |
| 13 November 2020 | Appendix 2A |
| 3 November 2020 | Exercise of Options and Appendix 2A |
| 29 October 2020 | Quarterly Activities Report |
| 29 October 2020 | Quarterly Cashflow Report |
| 28 October 2020 | Exercise of Options and Appendix 2A |
| 27 October 2020 | Letter to Shareholders |
| 27 October 2020 | Notice of Annual General Meeting/Proxy Form |
| 22 October 2020 | Further Impressive Drill Results Kookynie Gold Project |
| 22 October 2020 | More Impressive Gold Results & Approval to Drill Big Anomaly |
| 20 October 2020 | Appendix 3Y Correction |

| Date | Description of Announcement |
|-----------------|--|
| 19 October 2020 | Change of Director's Interest Notice |
| 19 October 2020 | Exercise and Lapse of Options with Appendix 2A |
| 19 October 2020 | Reinstatement to Official Quotation |
| 19 October 2020 | Supreme Court Orders Granted |
| 14 October 2020 | Unlisted Options Issue, Lapse and Exercise and Appendix 2A |
| 13 October 2020 | Court Application Update |
| 9 October 2020 | Delayed Appendix 2A and Cleansing Notices |
| 9 October 2020 | Prospectus Disclosure Document |
| 9 October 2020 | Company Update |
| 7 October 2020 | Date of Annual General Meeting |
| 2 October 2020 | Appendix 2A |
| 2 October 2020 | Suspension from Official Quotation |
| 1 October 2020 | Kookynie Leipold Continues to Deliver Outstanding Results |
| 1 October 2020 | Annual Report to shareholders |

Need help?

Contact Metalicity Limited Offer Information Line
Phone 08 6500 0202 (from within Australia)
Phone +61 8 6500 0202 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

ID: 12345678910
Holder Identification Number: X12345678910
Nex Metals Explorations Limited Shares held as at Register Date 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

CONTROLLING PARTICIPANT'S NAME

Broker's Name printed here

Transfer and Acceptance Form – CHESSE Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your controlling participant to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Nex Metals Explorations Limited Shares.

Offer Consideration – For every 1 NME Share you own, you will receive 4.81 new MCT Shares rounded up to the nearest whole number of MCT Shares.

To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
- sign and return this Acceptance Form to the address shown overleaf so the Bidder can contact your Controlling Participant on your behalf and relay your instructions. If your Controlling Participant acts on your instruction CHESSE will send you a confirmation notice.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Nex Metals Explorations Limited Shares and hereby agree to transfer to Metalicity Limited all my/our Nex Metals Explorations Limited Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

NMET TKO002



Further Important Instructions

Your Nex Metals Explorations Limited Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither Metalicity Limited, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated [XX XX 20XX] which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
- **Please note** your consideration will be issued in the names as they appear on the Nex Metals Explorations Limited register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Nex Metals Explorations Limited Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Nex Metals Explorations Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney time) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Metalicity Limited Offer Information Line on the following numbers:

within Australia: 08 6500 0202
outside Australia: +61 8 6500 0202

Need help?

Contact Metalicity Limited Offer Information Line
Phone 08 6500 0202 (from within Australia)
Phone +61 8 6500 0202 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

IID: 12345678910
Securityholder Reference Number: 112345678910
Nex Metals Explorations Limited Shares held as at Register Date 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Nex Metals Explorations Limited Shares. Your form must be received by the Closing Date.

Offer Consideration – For every 1 NME Share you own, you will receive 4.81 new MCT Shares rounded up to the nearest whole number of MCT Shares.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Nex Metals Explorations Limited Shares and hereby agree to transfer to Metalicity Limited all my/our Nex Metals Explorations Limited Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

NMET TKO001



Further Important Instructions

Your Nex Metals Explorations Limited Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated [XX XX 20XX] which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Nex Metals Explorations Limited Registry.
- **Please note** your consideration will be issued in the names as they appear on the Nex Metals Explorations Limited register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Nex Metals Explorations Limited Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Nex Metals Explorations Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney time) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Metalicity Limited Offer Information Line on the following numbers:

within Australia: 08 6500 0202
outside Australia: +61 8 6500 0202