



# Nex Metals Explorations Ltd

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5 April 2011

Dear Shareholder

## Invitation to participate in Share Purchase Plan

The Board of Directors of Nex Metals Explorations Ltd (NME or Company) has approved the introduction of a Share Purchase Plan (Plan). The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of ordinary fully paid shares in the Company (Shares).

The maximum amount of shares issued pursuant to the Plan will be capped at the maximum amount permissible under the ASX Listing Rules without requiring shareholder approval, which is approximately 37.2 million shares. If the Company receives subscriptions for this number of shares it intends to close the Plan at that time.

The volume weighted average trading price of the shares on ASX during the five trading days immediately prior to the announcement of the plan (5 April 2011) was 14.3 cents.

## Share Purchase Plan

The Board is pleased to offer all Eligible Shareholders an opportunity to participate in the Plan. Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form. Shares are being offered under the Plan at 12.5 cents each.

## Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is available exclusively to shareholders who are registered as holders of Shares in the Company at 5pm (WST) on the record date of 4 April 2011 and whose registered address is in Australia or New Zealand (Eligible Shareholders).

## Use of funds

The funds raised under the Plan will be used by the Company to progress the development of the Company's Kookynie Gold Project and for general working capital purposes.

## Subscription and Application Procedure

The Plan will have a Closing Date of 29 April 2011. It is anticipated that the shares allotted under the Plan will be issued within 3 business days after the Closing Date of the Offer and quotation of those shares on ASX will be sought by the Company at the time of issue.

To purchase shares under the Plan, please either:

- 1 Complete the enclosed **Share Application Form** and return it to the Company's share registry as described on the Application Form, together with your **cheque** payable to "Nex Metals Explorations Ltd"; or
- 2 In accordance with the instructions on the **Share Application Form** apply for shares using the BPay payment method. If BPay is used there is **no requirement** to complete and return the enclosed **Share Application Form**.

Please note the maximum investment per shareholder is \$15,000 and the minimum investment is \$1,000. The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under separate accounts). ASIC Class Order CO 09/425 contains the procedure to be followed by a custodian so as to obtain an allocation for more than one of its beneficiaries.

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the purchase price, being 12.5 cents.



## Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject any application over \$15,000. Shares allotted under the Plan will be issued no later than 3 business days after the closing date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

If the Company rejects or partially rejects an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

The Offer under the Plan is non-renounceable. This means that you cannot transfer your right to purchase shares under the Offer to anyone else.

### Indicative Timetable

Announcement of Plan	5 April 2011
Record Date (5.00pm WST)	4 April 2011
Dispatch of documents to shareholders/ Opening date of Offer	7 April 2011
Closing date of Offer	29 April 2011
Issue of Shares under the Plan	4 May 2011
Dispatch date for holding statements	6 May 2011
Quotation of Shares on ASX	9 May 2011

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

If you wish to participate in the Share Purchase Plan please ensure that you return the completed "Entitlement and Acceptance Form" prior to the closing date of the Offer.

Should you wish to discuss any information contained in this letter further, please do not hesitate to contact the Company Secretary, Mr Ken Allen, on (08) 9221 6813.

Yours faithfully

Ken Allen,  
Company Secretary



## **Purpose**

The purpose of the Shareholder Share Purchase Plan (the Plan) is to offer shareholders of Nex Metals Exploration Limited (NME) the opportunity to acquire additional fully paid ordinary shares in the Company (Nex Metals Exploration Shares) up to a maximum of A\$15,000 in any 12 month period at or about the market price of NME Shares on the Australian Securities Exchange operated by ASX Limited (ASX) without the need to pay brokerage costs and without the need for NME to issue a Prospectus, upon such terms and conditions as the board of directors of NME, in its absolute discretion, sees fit.

## **Shareholders eligible to participate**

Eligible shareholders of NME Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are not renounceable (ie eligible shareholders may not transfer their rights to any NME Shares offered under the Plan).

An offer may, at the discretion of the directors of NME, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The directors of NME may also determine in their discretion the minimum amount for participation, the multiple of NME Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

## **Price of Nex Metals Exploration Shares**

The price per share of Nex Metals Exploration Shares to be issued under the Plan will be 12.5 cents.

## **Applications and Notices**

At the discretion of the directors of NME, NME will send eligible shareholders a letter of offer and acceptance-procedures, inviting them to subscribe for NME Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. No oversubscriptions will be accepted and any over subscriptions may be refunded without interest.

Notices and statements made by NME to participants may be given in any manner prescribed by its Constitution.

## **Issue of NME Shares**

NME Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of NME in the relevant offer.

NME Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in NME from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all NME Shares issued under the Plan. NME will, promptly after the issue of NME Shares under the Plan, make application for those NME Shares to be listed for quotation on the official list of ASX.

## **Modification and Termination of the Plan**

NME may modify or terminate the Plan at any time.

NME will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, NME may issue to any person fewer NME Shares than the person applied for under the Plan if the issue of the NME Shares applied for would contravene any applicable law or the Listing Rules of ASX.

## **Dispute Resolution**

NME may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or NME Shares. The decision of NME in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

NME reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of NME under these conditions may be exercised by the directors of NME or any delegate of the directors of NME.

**Governing law**

These terms and conditions are governed by the laws in force in Western Australia. Any dispute arising out of or in connection with these terms and conditions or the offer of shares under the Plan will be determined by the courts of Western Australia. By accepting this offer you agree to submit to the exclusive jurisdiction of the courts of Western Australia.

**Questions and Contact Details**

If you have any questions regarding the Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Company Secretary, Mr Ken Allen on (08)9221 6813.