

28 April 2023

The Company Announcements Officer
The Australian Securities Exchange
Level 40, 152-158 St Georges Terrace
Perth WA 6000

Quarterly Report for the Period Ended 31 March 2023

Nex Metals Explorations Ltd (Nex or the Company) provides the following update on recent Company activities.

1. Discussions with Respect to Tailings and Processing

The Company has continued discussions during the Quarter with an independent party with respect to the processing of the Tailings and the establishment of a processing facility at Kookynie. These are preliminary but cover completion of the Kookynie trial processing project and application for a permit of works to complete all remaining tailings on site, with ultimate relocation of tailings after processing away from the townsite of Kookynie and subsequent rehabilitation of the site. The party will provide all funding for the furtherment of the project. There is no certainty with respect to these discussions nor completion of due diligence by the party.

The Company advises shareholders there has been delays due to the ongoing actions by Metalicity Ltd

2. Other Projects

The company advises that there have been preliminary discussions during the quarter with parties with respect to projects both in gold and other metals during the quarter.

3. Wardens Court Hearing

The long running Applications for forfeiture on Yundamindra tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840 which were lodged by the applicant, MCA Nominees Pty Ltd (who hold the tenements immediately north of Nex Yundamindra Tenements, which form part of the JV) in May 2018 was due for a decision by the Warden on 8 March 2023 on the Nex no case submission, the Warden has adjourned her decision, now due to 29 May 2023.

4. Supreme Court Outcome and Costs Orders

On the 9 December 2022 a decision was delivered in the Supreme Court of WA (COR 140/2022 see announcement of 2 August 2022) in the action commenced by Metalicity Limited ("Metalicity") (ASX:MCT) against Nex Metals and twenty six others including the directors of Nex Metals and a number of shareholders of Nex Metals where Metalicity was seeking to set aside the results of two meetings of the members of Nex Metals and other relief including that the shares held by the members the subject of the proceedings vest in ASIC.

In the meetings the subject of the proceedings Metalicity was seeking to overturn the results of shareholder meetings of Nex Metals where nominees of Metalicity failed to be elected to the board of Nex and where Metalicity failed to remove existing board members.

The Company noted that each claim of Metalicity was comprehensively dismissed by the Court. Cost Orders against Metalicity on 16 December 2022:

The Company advises that it provided a Calderbank offer (without prejudice offer) to Metalicity as a way of simplifying the process, but this was rejected by them. The Company will now have to go via the court Taxation process which adds additional costs to both parties.

The Company also notes that the Supreme Court matter with respect to annual and general meetings which Metalicity lost, the costs matter is yet to be heard by the Supreme Court. These costs were significant to Nex.

5. Proposed Director Debt and debt reduction campaign.

At the General meeting held on 4 January 2023 Shareholders voted to approve the conversion of Director debt of Kenneth Allen and related party debt. This forms part of the Company's plans to reduce the majority of debt on the Balance Sheet as at 30 June 2022.

6. General Meeting.

The Company held a general meeting on 4 January 2023 with all resolutions being passed.

7. Supreme Court Action – JV Claim by Metalicity

The Supreme Court (CIV/1582/2022) matter by Kym Mining Pty Ltd (Kym) a wholly owned subsidiary of Metalicity Ltd (ASX:MCT) wherein Kym is claiming circa \$1.28m (plus interest and subsequent cash calls) towards joint venture costs (JV), Nex has had conferral meetings between the parties, which is ongoing.

For clarity of shareholders the legal process is lengthy and there can be no certainty that there will even be a hearing (if not resolved in the interim) this year.

This announcement is authorised by the Managing Director, Kenneth Allen.



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Responsibility Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Rob L'Heureux, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (Canada). Mr. L'Heureux M.Sc., P.Geol., who is a full-time employee of APEX Geoscience Australia Pty Ltd., has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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'. Mr. L'Heureux consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward looking statements are subjected to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's annual reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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Nex Metals Explorations Ltd
Consolidated Tenement Schedule as at 31 March 2023

Tenement	Registered Holder	Shares Held	Plainted	Stat us	Area (ha)	Nature of Interest	Interest
<u>Kookynie</u>							
P40/1331	KYM Mining Limited	100/100	No	Live	161.2	Per JVA - Metalicity Ltd	49%
E40/390	KYM Mining Limited	100/100	No	Live	3,300.00	Per JVA - Metalicity Ltd	49%
E40/350	KYM Mining Limited	100/100	No	Live	2,394.00	Per JVA - Metalicity Ltd	49%
E40/357	KYM Mining Limited	100/100	No	Live	1,194.00	Per JVA - Metalicity Ltd	49%
E40/401	KYM Mining Limited	100/100	No	Live	598	Per JVA - Metalicity Ltd	49%
P40/1407	KYM Mining Limited	100/100	No	Live	10	Per JVA - Metalicity Ltd	49%
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Per JVA - Metalicity Ltd	49%
P40/1510	Metalicity Limited	100/100	No	Live	185	Per JVA - Metalicity Ltd	49%
P40/1511	Metalicity Limited	100/100	No	Live	176.7	Per JVA - Metalicity Ltd	49%
E40/387	Metalicity Limited	100/100	No	Live	299	Per JVA - Metalicity Ltd	49%
	Nex Metals Explorations Limited						
G40/3		100/100	No	Live	7.2	Direct Holding	49%
	Nex Metals Explorations Limited						
L40/9		100/100	No	Live	1	Direct Holding	49%
	Nex Metals Explorations Limited						
E40/332		100/100	No	Live	600	Direct Holding	49%
	Nex Metals Explorations Limited						
M40/22		100/100	No	Live	121.7	Direct Holding	49%
	Nex Metals Explorations Limited						
M40/27		100/100	No	Live	85.5	Direct Holding	49%
	Nex Metals Explorations Limited						
M40/61		100/100	No	Live	832.7	Direct Holding	49%
	Nex Metals Explorations Limited	90,405/90					
M40/77		,405	No	Live	119.2	Direct Holding	49%
	Nex Metals Explorations Limited						
P40/1499		100/100	No	Live	8.3	Direct Holding	49%
	Nex Metals Explorations Limited						
P40/1500		100/100	No	Live	5.9	Direct Holding	49%



P40/1501		100/100	No	Live	21.1	Direct Holding	49%
	Paris Enterprises Pty Ltd						
E40/289 Kookynie Total Area (ha)		100/100	No	Live	1,222.70	Direct Holding	49%
					10,862.10		
<u>Yundamindra</u>							
	Nex Metals Explorations Limited						
L39/34		100/100	Yes	Live	1	Direct Holding	49%
	Nex Metals Explorations Limited						
L39/52		96/96	Yes	Live	1	Direct Holding	49%
	Nex Metals Explorations Limited						
L39/258		100/100	Yes	Live	3.2	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/84		100/100	Yes	Live	378	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/274		100/100	Yes	Live	230	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/406		100/100	Yes	Live	124	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/407		100/100	Yes	Live	896	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/408		100/100	Yes	Live	785	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/409		100/100	Yes	Live	966	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/410		100/100	Yes	Live	978	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/839		100/100	Yes	Live	7.3	Direct Holding	49%
	Nex Metals Explorations Limited						
M39/840		100/100	Yes	Live	9.7	Direct Holding	49%
	Nex Metals Explorations Limited						
P39/6126		100/100	No	Live	10.4	Direct Holding	49%
	Nex Metals Explorations Limited						
P39/6127		100/100	No	Live	5.6	Direct Holding	49%
	Paddock Investments Pty Ltd						
E39/1773		100/100	Yes	Live	903	Per JVA - Metalicity Ltd	49%



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Explorations Ltd

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Paddick Investments Pty Ltd

E39/1774
Yundamindra
Total Area
(ha)

100/100

Yes

Live

2,517.00

Per JVA -
Metalicity Ltd

49%

7,815.10

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Nex Metals Explorations Ltd

ABN

63124706449

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation		(22)
(b) development	-	-
(c) production	-	-
(d) staff costs	(40)	(223)
(e) administration and corporate costs	(9)	(513)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Tax Refund)	-	169
1.9 Net cash from / (used in) operating activities	(49)	(589)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 9 months \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	101
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	48
3.6	Repayment of borrowings	(10)	(52)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (R&D Tax Offset)	-	537
3.10	Net cash from / (used in) financing activities	(10)	634

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	118	14
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(49)	(589)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	634

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 9 months \$A'000
4.5	Effect of movement in exchange rates on cash held	--	-
4.6	Cash and cash equivalents at end of period	59	59

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	59	118
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	59	118

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	0
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	750	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		750
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	Allen's Business Group Pty Ltd has agreed to cover any short-term funding needs with a facility of clear credit of \$750,000 that is unsecured, with no set maturity date and no interest chargeable. No additional facilities have been entered into after March Quarter end	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	49
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	49
8.4 Cash and cash equivalents at quarter end (item 4.6)	59
8.5 Unused finance facilities available at quarter end (item 7.5)	750
8.6 Total available funding (item 8.4 + item 8.5)	809
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	16.51
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Allen's Business Group Pty Ltd has agreed to cover any short-term funding needs with a facility of clear funding of \$750,000 this is unsecured, with no set maturity date and no interest chargeable (as per item 7.2 above). In addition, the Company has satisfied a part of directors outstanding fees as shares as approved by shareholders in January. No additional facilities have been entered into after March Quarter end.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, as per 8.8.2 above

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: Managing Director, Kenneth M Allen

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.