

30 January 2024

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

Quarterly Report for the Period Ended 30 September 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, in light of the settlement of all matters with Metalicity Ltd (ASX:MCT) put on hold all previous discussions with respect to the tailings.

New opportunities for processing for the Company which will lessen risks are now presenting themselves to the Company and these are being followed through.

2. Wardens Court Hearing

The long running Applications for forfeiture on Yundamindera tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840 which were lodge 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, the Warden found against Nex on the no case submission, the Company has 6 months to appeal this decision.

The decision by the Warden is still pending but expected in the next Quarter.

3. Nex Metals and Metalicity settle all matters.

The Company and Metalicity announced on 21 December 2023 the signing and execution of all final agreements in relation to settling all matters between the parties.

Independent Experts report along with accompanying independent Geologists report is contracted and being prepared and will be taken to shareholders at the earliest opportunity for the cancelling of shares.

As previously announced by Nex and Metalicity (ASX Released 29 September 2023), on completion of the matters set out in the agreements, MCT will hold an 80% interest in the JV (currently 51%) with NEX retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NEX will acquire 100% of certain non-core prospecting licences along with the tailing rights.

The signing of the Formal Agreements between the two parties completes the first stage of matters set out in the Term Sheet, which broadly includes execution of the following:

- Settlement Agreement – being agreement of specific details of matters agreed and set out in the Term Sheet, including settlement of disputes between the two parties;
- Amendment of JV Agreement – being amendment of matters including, but not limited to:
 - Amendment of dilution clause to reflect an industry standard;
 - First right of refusal given to each party;
 - Confirmation of JV commencement date of 20 May 2019; and
 - Removal of area of influence.
- Mineral Rights Agreement - providing NEX with the sole right to the Kookynie Tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, and for MCT to retain the priority right to explore the area where the tailings are located as reasonably required.

Following execution of these Formal Agreements, both parties are now focused on completion of the remaining conditions, being:

- (a) Approvals: each of NEX and MCT having obtained all authorisations of any governmental or administrative agency or commission, which are necessary to implement the transactions contemplated by the Terms Sheet and the Formal Agreement. These approvals are of a standard nature; and
- (b) Share Cancellation: NEX obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME.

The Board considers that entering into the Term Sheet is in the best interests of NME and provides a pathway for NME and MCT to focus their efforts on achieving the objectives under the JV and in their own rights.

4. Administrative

The Company its annual general meeting during the quarter with all resolutions being passed

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

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 December 2023

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	Per Joint Venture	49%
E40/390	KYM Mining Limited	100/100	No	Live	3,300.0	Per Joint Venture	49%
E40/350	KYM Mining Limited	100/100	No	Live	2,394.0	Per Joint Venture	49%
E40/357	KYM Mining Limited	100/100	No	Live	1,194.0	Per Joint Venture	49%
E40/401	KYM Mining Limited	100/100	No	Live	598.0	Per Joint Venture	49%
P40/1407	KYM Mining Limited	100/100	No	Live	10.0	Per Joint Venture	49%
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Per Joint Venture	49%
P40/1510	Metalicity Limited	100/100	No	Live	185.0	Per Joint Venture	49%
P40/1511	Metalicity Limited	100/100	No	Live	176.7	Per Joint Venture	49%
E40/387	Metalicity Limited	100/100	No	Live	299.0	Per Joint Venture	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	Per Joint Venture	49%
Kookynie Total Area (ha)					11,353.1		
Yundamindra							
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	Paddock Investments Pty Ltd	100/100	Yes	Live	903.0	Per Joint Venture	49%
E39/1774	Paddock Investments Pty Ltd	100/100	Yes	Live	2,517.0	Per Joint Venture	49%
Yundamindra Total Area (ha)					7,815.1		

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 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(3)	(5)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(38)	(74)
	(e) administration and corporate costs	(122)	(237)
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)	-	-
1.9	Net cash from / (used in) operating activities	(163)	(316)

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 6 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)	-	-
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	78	78
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Loan to Others)	(1)	(1)
3.10	Net cash from / (used in) financing activities	77	77

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	114	267
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(163)	(316)
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)	77	77

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 6 months \$A'000
4.5	Effect of movement in exchange rates on cash held	--	-
4.6	Cash and cash equivalents at end of period	28	28

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	28	114
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)	28	114

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.	<p>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</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	163
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)	163
8.4 Cash and cash equivalents at quarter end (item 4.6)	28
8.5 Unused finance facilities available at quarter end (item 7.5)	750
8.6 Total available funding (item 8.4 + item 8.5)	778
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.77
<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). No additional facilities have been entered into after June 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: 30th January 2024

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.