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27 April 2017

Company Announcements Officer  
Australian Securities Exchange  
Esplanade Perth WA 6000

Dear Sir/Madam

### **Quarterly Report for the Period Ended 31 March 2017**

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

- Kookynie Gold Tailings
- Evaluation of various projects.
- Continuation of Legal Action.

#### **Kookynie Gold Tailings and CSIRO**

During the Quarter the Company continued to develop and finalise its processing model, along with working with a testing laboratory for trials on samples taken for confirmation work is near completion. The costings for processing plant is also is near completion, the Company expects that the Plant will be fully funded by independent financiers. The Company expects on receipt of final payment from A & C Mining in early May that Permit of Works application will be submitted with the DMP shortly thereafter. Subject to DMP approvals the Company hope to be in production in the September 2017 quarter.

#### **Evaluation of Projects**

The Company continues to have projects presented to it for evaluation during the past quarter extending from Gold, base metals and copper. The Company takes the view that in the current commodities market that projects need to show exceptional value for the Company to proceed to any type of acquisition arrangement.

#### **Continuation of Legal Action**

The Supreme Court action with Stone Resources Australia Limited (ASX:SHK) is still pending experts reports to be submitted to the Court. The Company expects the matter to be referred back to the Supreme Court during the next Quarter.



### **Administration**

The Company changed Auditors during the quarter from RSM Australia to HLB Mann Judd

Half Year Financial statements were completed and lodged during the quarter

The 2016 rebate for Research and Development was received during the quarter.

The Convertible Noteholder extended on same terms and conditions for 12 months

The Company has funds due from outstanding debtors of \$120,000 and balance of the sale of the Kookynie project of \$1,067,000 (plus interest). Authority for transfer of funds from A & C Mining lawyers trust account has now occurred with funds expected to be transferred in the first week of May.

The Company continues to manage the Kookynie Gold project.

### **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 2004 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.



**Nex Metals Explorations Ltd**  
**Consolidated Tenement Schedule as at 31 March 2017**

| Lease    | Nex Area         | Locality        | Status | Holder                      | Area<br>Hectares |
|----------|------------------|-----------------|--------|-----------------------------|------------------|
| G40/3    | Kookynie Central | Kookynie        | Live   | NEX METALS EXPLORATIONS LTD | 7.239            |
| M40/27   | Kookynie Central | Champion        | Live   | NEX METALS EXPLORATIONS LTD | 85.475           |
| M39/410  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 978              |
| L40/9    | Kookynie Central | Kookynie        | Live   | NEX METALS EXPLORATIONS LTD | 1                |
| M39/274  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 230              |
| M39/839  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 7.3              |
| M39/840  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 9.7              |
| M40/0061 | Kookynie Central | Kookynie        | Live   | NEX METALS EXPLORATIONS LTD | 832.7            |
| M40/22   | Niagra           | Leipold deposit | Live   | NEX METALS EXPLORATIONS LTD | 121.7            |
| M40/0077 | Niagra           | Mc Tavish Hill  | Live   | NEX METALS EXPLORATIONS LTD | 119.2            |
| M39/84   | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 378              |
| M39/407  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 896              |
| M39/408  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 785              |
| M39/409  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 966              |
| M39/406  | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 124              |
| L39/34   | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 1                |
| L39/51   | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 2                |
| L39/52   | Yundamindera     | Yundamindera    | Live   | NEX METALS EXPLORATIONS LTD | 1                |

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Nex Metals Explorations Ltd

### ABN

63124706449

### Quarter ended ("current quarter")

31 March 2017

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | 81                         | 308                                   |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (113)                      | (221)                                 |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) staff costs   | (61)                       | (235)                                 |
| (e) administration and corporate costs                    | (285)                      | (381)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | -                          | -                                     |
| 1.5 Interest and other costs of finance paid              | -                          | (1)                                   |
| 1.6 Income taxes paid                                     | -                          | -                                     |
| 1.7 Research and development refunds                      | 305                        | 305                                   |
| 1.8 Other (provide details if material)                   | 4                          | -                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(69)</b>                | <b>(225)</b>                          |

|  |   |   |
|--|---|---|
| <b>2. Cash flows from investing activities</b> |   |   |
| 2.1 Payments to acquire:                       |   |   |
| (a) property, plant and equipment              | - | - |
| (b) tenements (see item 10)                    | - | - |
| (c) investments                                | - | - |
| (d) other non-current assets                   | - | - |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                       |
|                                      | (a) property, plant and equipment                     | -                          | -                                     |
|                                      | (b) tenements (see item 10)                           | -                          | -                                     |
|                                      | (c) investments                                       | -                          | -                                     |
|                                      | (d) 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                                  | <b>Net cash from / (used in) investing activities</b> | -                          | -                                     |

|           |   |   |   |
|-----------|---|---|---|
| <b>3.</b> | <b>Cash flows from financing activities</b>                                 |   |   |
| 3.1       | Proceeds from issues of shares  | - | - |
| 3.2       | Proceeds from issue of convertible notes                                    | - | - |
| 3.3       | Proceeds from exercise of share options                                     | - | - |
| 3.4       | Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5       | Proceeds from borrowings  | - | - |
| 3.6       | Repayment of borrowings   | - | - |
| 3.7       | Transaction costs related to loans and borrowings                           | - | - |
| 3.8       | Dividends paid  | - | - |
| 3.9       | Other (provide details if material)   | - | - |
| 3.10      | <b>Net cash from / (used in) financing activities</b>                       | - | - |

|           |  |           |           |
|-----------|--|-----------|-----------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |           |           |
| 4.1       | Cash and cash equivalents at beginning of period                             | 150       | 306       |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (69)      | (225)     |
| 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)             | -         | -         |
| 4.5       | Effect of movement in exchange rates on cash held                            | -         | -         |
| 4.6       | <b>Cash and cash equivalents at end of period</b>                            | <b>81</b> | <b>81</b> |

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 81                                 | 150                                 |
| 5.2 Call deposits  | -                                  | -                                   |
| 5.3 Bank overdrafts  | -                                  | -                                   |
| 5.4 Other (provide details)  | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>81</b>                          | <b>150</b>                          |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 0                                  |
| 0                                  |

NIL directors fees and salaries paid during the quarter

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 0                                  |
| 0                                  |

| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|--|--|---|
| 8.1 Loan facilities  | -  | -   |
| 8.2 Credit standby arrangements  | -  | -   |
| 8.3 Other (please specify)   | -  | -   |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |  |   |

|  |
|--|
|  |
|--|

| 9. <b>Estimated cash outflows for next quarter</b> | \$A'000   |
|--|-----------|
| 9.1 Exploration and evaluation                     | 25        |
| 9.2 Development                                    | -         |
| 9.3 Production                                     | -         |
| 9.4 Staff costs                                    | -         |
| 9.5 Administration and corporate costs             | 5         |
| 9.6 Other (provide details if material)            | -         |
| <b>9.7 Total estimated cash outflows</b>           | <b>30</b> |

| 10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |                                 |                    |                                  |                            |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           |                                 |                    |                                  |                            |

### **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.

Sign here:



(Company secretary)

Date: 27/04/2017

Print name: KENNETH ALLEN

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.