

25 January 2018

Company Announcements Officer
The Australian Securities Exchange
Level 40, Central Park
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Perth WA 6000

Shareholder update.

Tails aircore drilling results from the Kookynie Project.

Nex Metals Explorations Ltd (Nex Metals or the company) is pleased to announce the results from the aircore drilling program completed on the Kookynie Tailings Research Project. The drilling was completed in October 2017 on Mining Licence M40/61, which is wholly owned by Nex Metals. The drilling was focussed to test the entire depth profile of the remnant tailings stockpiles of the Cosmopolitan and Cumberland historic mines. Encouraging gold anomalism have been defined over the extent of the Cosmopolitan and Cumberland tailings dumps.

Highlights

- Peak gold in tails value of 11.7 g/t gold recorded at Cosmopolitan in recent drilling program.
- Peak gold in tails value of 3.18 g/t gold recorded at Cumberland in recent drilling program.
- Drilling compared to the soil sampling completed last year showed an improvement in the average grade at Cumberland (previously 0.74 g/t and now 0.99 g/t).
- A total of 104 Aircore holes for 677.5m was completed over all of the Cosmopolitan and Cumberland tails dumps.

Introduction

The Kookynie Project is wholly owned by Nex Metals and is located approximately 200 km north of Kalgoorlie with access off the bitumised Leonora-Laverton Goldfields Highway (Figure 1).

Tenement M40/61 lies within the Norseman-Wiluna greenstone belt, which is part of the Archaean Yilgarn Craton in Western Australia. The licences make up a portion of the Kookynie Project which covers a north-west trending sequence of Archaean felsic and mafic extrusive and intrusive rocks with subordinate pelitic sediments, all of which have been regionally metamorphosed to lower greenschist facies.

The reported historic production of the Cosmopolitan mine was 609,200 tonnes at a grade of 15.57g/t Au for 295,120 ounces and ceased mining in 1910. Altona's reported historic production comprises 95,000 at 30.01 g/t Au for 88,715 ounces of gold which also is presume to have terminated around the same time. The Cumberland production figures are unknown. As a result of the high grade nature of these deposits, and the era and inefficient processing at the time and part of Nex Metals Research

and development with respect to low cost gold processing methodologies, the remnant tails stockpiles for gold anomalism as an ideal trial program for the pilot plant.

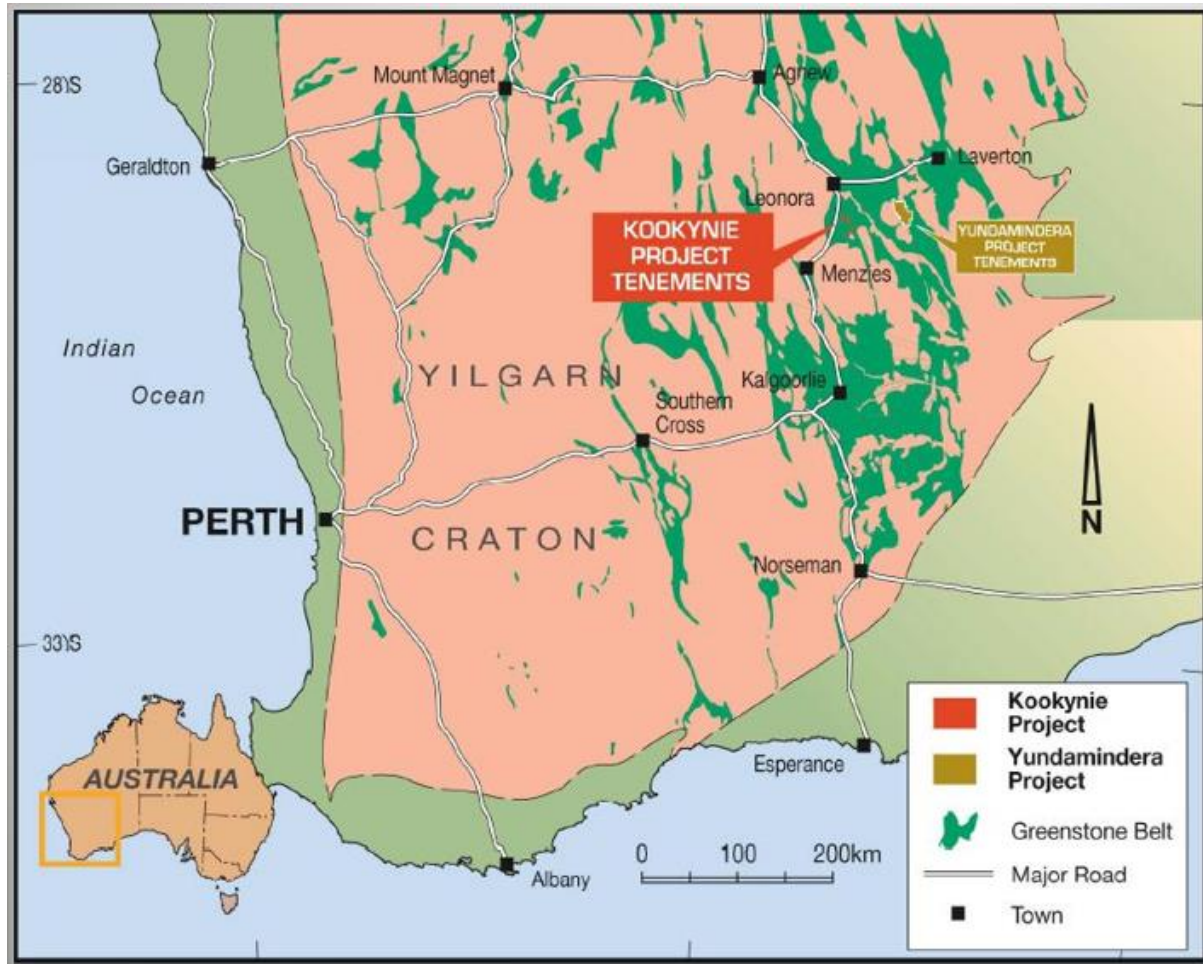


Figure 1. Kookynie Project Location map.

Tails Sampling Program

Late October 2017, Nex Metals drilled 104 aircore drill holes over the Cosmopolitan and Cumberland historic tails dumps to test the full geochemical depth profile of the dumps. Due to the era of these historic mines, there was uncertainty associated with the remaining grade of these tails dumps. As the Cosmopolitan and the Cumberland tails dumps were the thickest, it was decided that the previously reported soil sampling was insufficient in ascertaining the true nature of the overall grade of the dump. As such Gyro Australia Pty Ltd of Kalgoorlie was contracted to test the full depth profile of the tails dumps. Drilling was completed on a approximate 20 x 20 m grid over all the Cumberland (N=23) and Cosmopolitan (N=81 holes) tails dumps.

All drilling was vertical and drilled down until the natural surface was intersected. Drilling typically was terminated 1m into the natural surface. One metre spear samples were completed and industry

certified standards were inserted at a frequency of one in every 50 samples. Samples were submitted to Bureau Veritas Minerals Pty Ltd of Kalgoorlie for gold analysis using a 50 gram fire assay with a AAS finish (0.01 ppm lower detection). There were no QAQC issues identified.

Results

Cosmopolitan Results

A total of 81 aircore holes for 497 metres was completed over the tails stockpiles (Figure 2). There are six distinct tail stockpiles located on Nex Metals M40/61 tenement. 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 Nex Metals 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. This is shown in Table 1, with stockpile 5 showing a mean grade of 1.33g/t Au. Figures 4 and 5 show two representative cross sections through stockpiles 2 to 6.

Cumberland Results

A total of 23 aircore holes for 180 metres was completed over the Cumberland tail stockpile (Figure 3 and 5). The Cumberland stockpile is up to 8 to 9m thick in places. Drilling was designed to test the full depth profile of these stock pile. The results showed that the average grade slightly increased with depth (Table 1). As such the average grade of the drilling (0.99 g/t Au) was higher than the previously reported soil sampling average grade (0.74 g/t Au). Figure 6 shows a transform cross section of the Cumberland stock pile.

Table 1. Average grade of Cosmopolitan and Cumberland samples broken down by depth.

Area	Depth slices								Overall
	0-1m	1-2m	2-3m	3-4m	4-5m	5-6m	7-8m	8-9m	
Cumberland	0.87	0.83	0.92	0.97	1.15	1.14	1.12	0.87	0.99
Cosmo Dump1	0.40	0.44	0.53	0.50	0.55	0.64	0.71	0.27	0.51
Cosmo Dump2	0.54	0.61	0.63	0.67	0.48	0.77	0.77	0.30	0.61
Cosmo Dump3	0.54	0.61	0.63	0.67	0.48	0.77	0.77	0.30	0.62
Cosmo Dump4	0.82	0.65	0.92	0.29					0.68
Cosmo Dump5	1.36	0.89	1.02	2.15	1.35	0.71			1.33
Cosmo Dump6	0.76	0.51	0.88	1.02	0.63	1.54			0.83
Cosmo dispersed tails	0.57	0.80							0.69

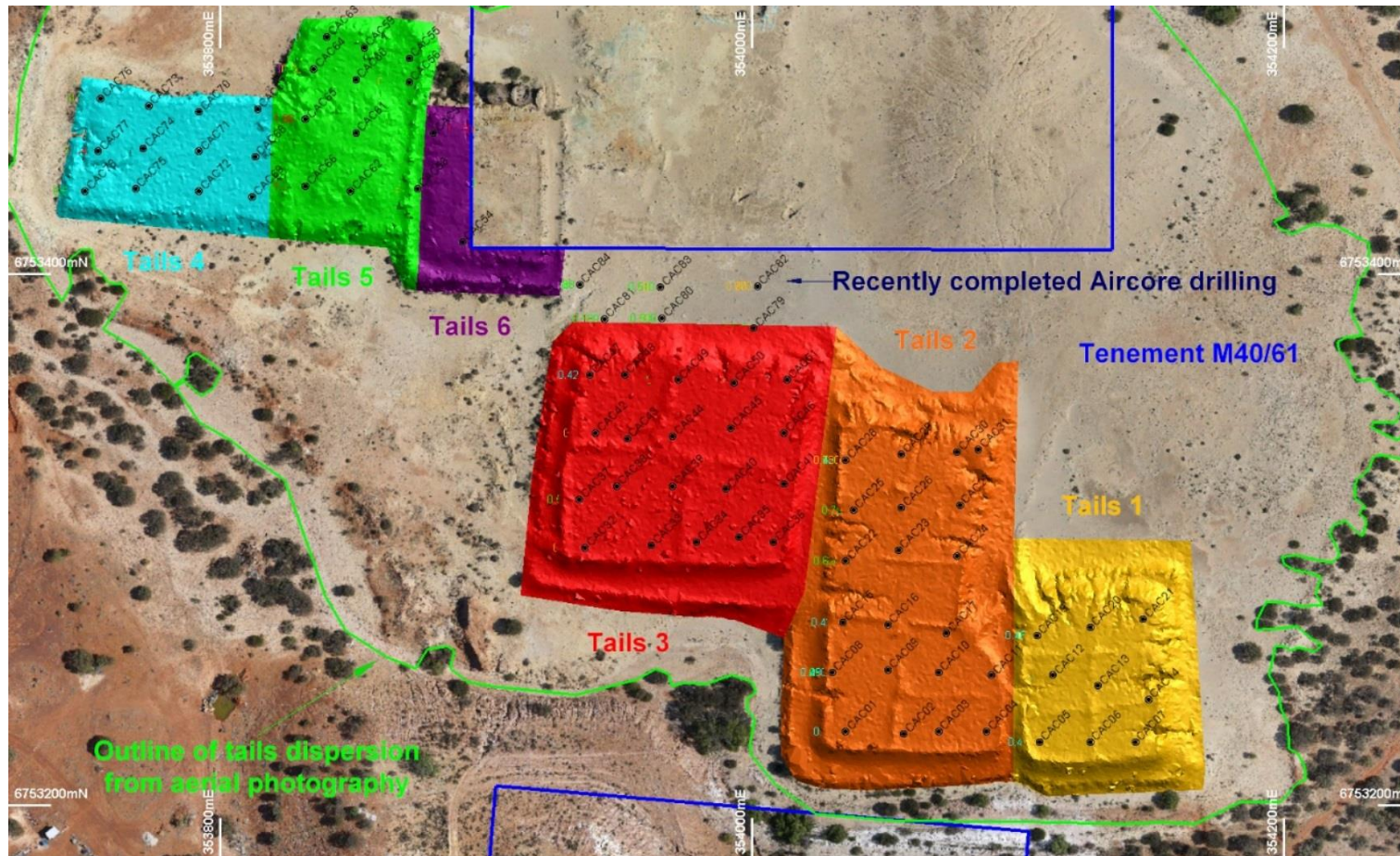


Figure 2. Cosmopolitan Oct2017 aircore drilling over aerial photography.

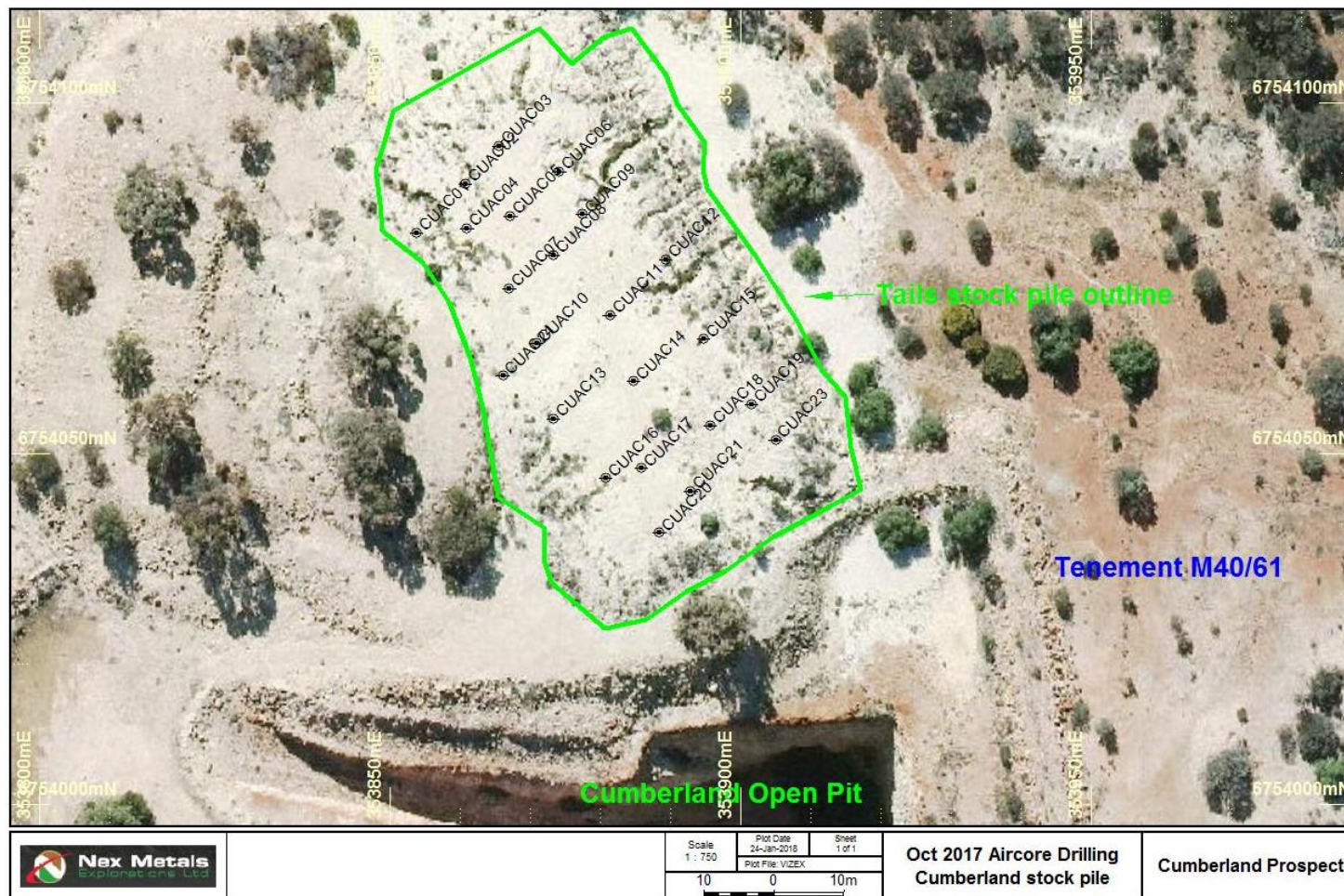


Figure 3. Cumberland Oct2017 aircore drilling over aerial photography.

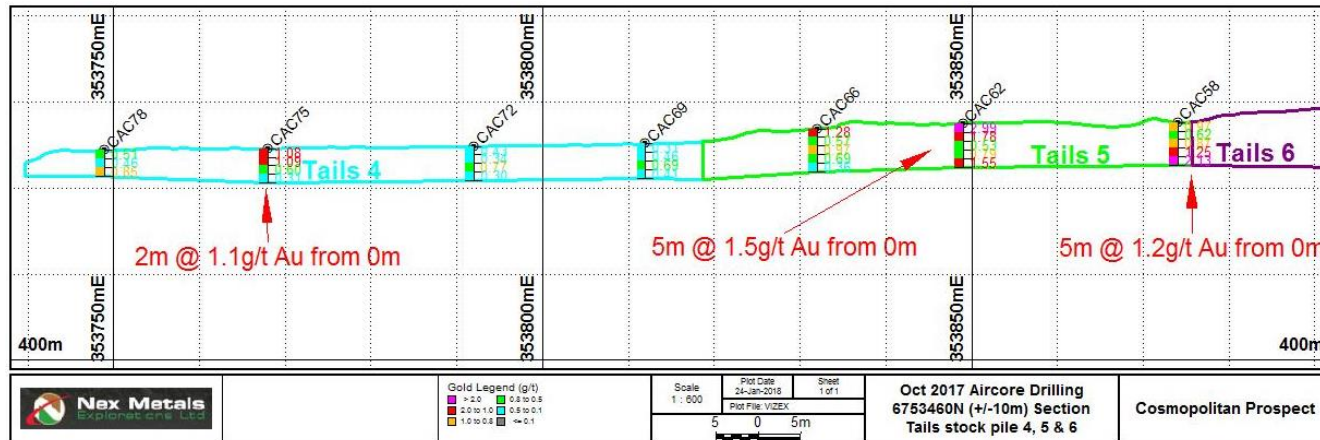


Figure 4. 6753430N Cross section (+/-10) showing aircore drilling across Cosmopolitan stockpiles 4, 5 & 6.

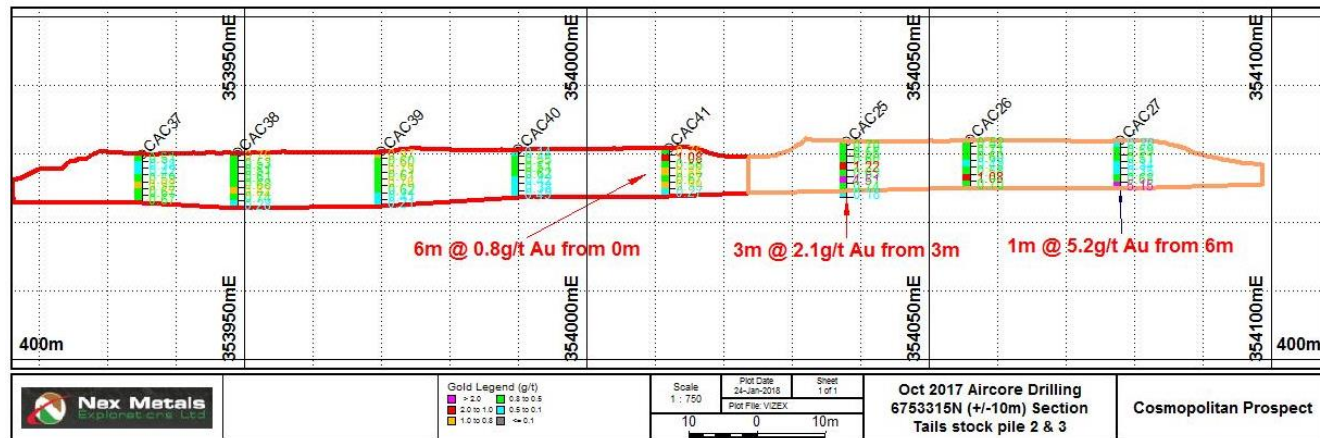


Figure 5. 6753315N Cross section (+/-10) showing aircore drilling across Cosmopolitan stockpiles 2 & 3.

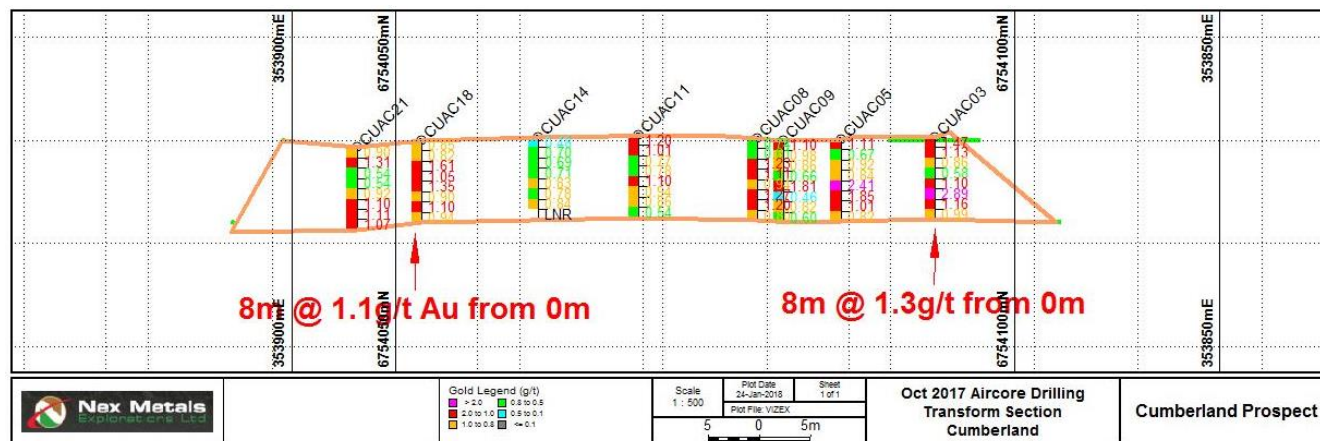


Figure 6. Transform Cross section (+/-5) showing aircore drilling across Cumberland stockpile.

Table 2. Drill hole location details and significant intersections that are > 1.0 g/t gold.

Drill Hole ID	Drill Type	Prospect	Stock Pile No.	Easting (GDA 94z51)	Northing (GDA 94z51)	RL (m)	Azimuth (deg)	Dip (deg)	Total Depth (m)	Intersections > 1.0g/t Au		
										From (m)	Width (m)	Au (g/t)
CAC01	AC	Cosmo	2	354172	6753386	431	0	-90	8			
CAC02	AC	Cosmo	2	354194	6753385	431	0	-90	8			
CAC03	AC	Cosmo	2	354207	6753386	432	0	-90	8	1	1	1.01
CAC04	AC	Cosmo	2	354225	6753386	432	0	-90	8	0	1	1.30
CAC05	AC	Cosmo	1	354245	6753382	433	0	-90	8			
CAC06	AC	Cosmo	1	354264	6753382	433	0	-90	8			
CAC07	AC	Cosmo	1	354281	6753382	433	0	-90	8			
CAC08	AC	Cosmo	2	354167	6753408	431	0	-90	8			
CAC09	AC	Cosmo	2	354188	6753409	432	0	-90	8			
CAC10	AC	Cosmo	2	354207	6753408	432	0	-90	8			
CAC11	AC	Cosmo	2	354227	6753407	432	0	-90	7			
CAC12	AC	Cosmo	1	354250	6753407	433	0	-90	8			
CAC13	AC	Cosmo	1	354267	6753403	433	0	-90	8			
CAC14	AC	Cosmo	1	354286	6753398	433	0	-90	8			
CAC15	AC	Cosmo	2	354171	6753427	431	0	-90	8	5	2	1.12
CAC16	AC	Cosmo	2	354188	6753426	432	0	-90	8	7	1	1.00
CAC17	AC	Cosmo	2	354210	6753423	432	0	-90	7	2	1	1.18
CAC19	AC	Cosmo	1	354244	6753422	433	0	-90	8	6	1	1.22
CAC20	AC	Cosmo	1	354264	6753425	433	0	-90	8			
CAC21	AC	Cosmo	1	354284	6753428	433	0	-90	8			
CAC22	AC	Cosmo	2	354172	6753450	432	0	-90	8			
CAC23	AC	Cosmo	2	354192	6753454	432	0	-90	7.5	2	2	1.01
CAC24	AC	Cosmo	2	354214	6753452	432	0	-90	7			
CAC25	AC	Cosmo	2	354175	6753469	432	0	-90	8	3	1	1.22
										4	4	1.52
CAC26	AC	Cosmo	2	354193	6753470	432	0	-90	7	5	1	1.08
CAC27	AC	Cosmo	2	354215	6753471	432	0	-90	7	4	3	2.06
CAC28	AC	Cosmo	2	354172	6753488	432	0	-90	6.5			
CAC29	AC	Cosmo	2	354193	6753490	432	0	-90	7			
CAC30	AC	Cosmo	2	354214	6753491	432	0	-90	7			
CAC31	AC	Cosmo	2	354222	6753492	432	0	-90	6.5			
CAC32	AC	Cosmo	3	354074	6753455	430	0	-90	8			
CAC33	AC	Cosmo	3	354099	6753456	430	0	-90	8	0	1	1.07
										2	1	1.10
CAC34	AC	Cosmo	3	354116	6753457	430	0	-90	8			

CAC35	AC	Cosmo	3	354132	6753459	431	0	-90	7			
CAC36	AC	Cosmo	3	354145	6753457	431	0	-90	8	1	1	1.02
CAC37	AC	Cosmo	3	354072	6753473	430	0	-90	7			
CAC38	AC	Cosmo	3	354086	6753478	430	0	-90	8			
CAC39	AC	Cosmo	3	354107	6753478	430	0	-90	8			
CAC40	AC	Cosmo	3	354127	6753477	431	0	-90	7			
CAC41	AC	Cosmo	3	354149	6753479	431	0	-90	7	1	1	1.08
CAC42	AC	Cosmo	3	354078	6753498	430	0	-90	7	5	2	1.09
										1	1	1.05
CAC43	AC	Cosmo	3	354090	6753496	430	0	-90	7	5	2	1.18
CAC44	AC	Cosmo	3	354107	6753497	431	0	-90	7	4	3	1.13
CAC45	AC	Cosmo	3	354129	6753500	431	0	-90	7			
CAC46	AC	Cosmo	3	354149	6753498	431	0	-90	7			
CAC47	AC	Cosmo	3	354076	6753520	430	0	-90	7			
CAC48	AC	Cosmo	3	354089	6753520	430	0	-90	7	3	4	1.72
CAC49	AC	Cosmo	3	354109	6753518	431	0	-90	7			
CAC50	AC	Cosmo	3	354130	6753517	431	0	-90	7			
CAC51	AC	Cosmo	3	354150	6753518	431	0	-90	6			
CAC54	AC	Cosmo	6	354028	6753570	429	0	-90	6	3	3	1.15
CAC55	AC	Cosmo	5	354008	6753639	427	0	-90	4	0	4	1.04
CAC56	AC	Cosmo	5	354008	6753630	427	0	-90	4	0	4	1.01
CAC57	AC	Cosmo	6	354017	6753611	428	0	-90	5	2	2	1.06
CAC58	AC	Cosmo	5	354011	6753590	428	0	-90	5	1	4	1.22
CAC59	AC	Cosmo	5	353991	6753643	427	0	-90	4	0	4	1.04
CAC60	AC	Cosmo	5	353988	6753631	427	0	-90	4	0	1	1.50
CAC61	AC	Cosmo	5	353988	6753611	428	0	-90	6	0	6	1.26
CAC62	AC	Cosmo	5	353986	6753589	427	0	-90	5	0	5	1.53
										0	1	1.16
CAC63	AC	Cosmo	5	353977	6753647	427	0	-90	4	1	3	1.45
CAC64	AC	Cosmo	5	353972	6753635	426	0	-90	4	0	4	3.60
							including			3	1	11.7
CAC65	AC	Cosmo	5	353969	6753616	428	0	-90	6	0	6	1.18
CAC66	AC	Cosmo	5	353969	6753591	427	0	-90	5	0	1	1.28
CAC67	AC	Cosmo	4	353951	6753620	426	0	-90	4	1	2	1
CAC68	AC	Cosmo	4	353950	6753602	425	0	-90	4			
CAC69	AC	Cosmo	4	353949	6753587	425	0	-90	4			
CAC70	AC	Cosmo	4	353929	6753619	425	0	-90	4	2	1	1.02
CAC71	AC	Cosmo	4	353929	6753604	425	0	-90	4			
CAC72	AC	Cosmo	4	353929	6753589	425	0	-90	4			
CAC73	AC	Cosmo	4	353910	6753621	425	0	-90	4			
CAC74	AC	Cosmo	4	353908	6753605	425	0	-90	4	0	2	1.01

CAC75	AC	Cosmo	4	353905	6753590	425	0	-90	4	0	2	1.09
CAC76	AC	Cosmo	4	353892	6753624	425	0	-90	4	0	3	1.04
CAC77	AC	Cosmo	4	353891	6753604	425	0	-90	4	0	4	1.24
CAC78	AC	Cosmo	4	353886	6753589	424	0	-90	3			
CAC79	AC	Cosmo	Tails dispersion	354137	6753538	428	0	-90	2			
CAC80	AC	Cosmo	Tails dispersion	354103	6753541	428	0	-90	2			
CAC81	AC	Cosmo	Tails dispersion	354081	6753541	428	0	-90	2	1	1	1.16
CAC82	AC	Cosmo	Tails dispersion	354139	6753553	428	0	-90	2			
CAC83	AC	Cosmo	Tails dispersion	354102	6753553	428	0	-90	2			
CAC84	AC	Cosmo	Tails dispersion	354072	6753554	428	0	-90	2			
CUAC01	AC	Cumberland		353991	6754240	430	0	-90	8	0	8	1.29
CUAC02	AC	Cumberland		353998	6754247	430	0	-90	8	2	4	1.40
CUAC03	AC	Cumberland		354002	6754252	430	0	-90	8	0	8	1.27
CUAC04	AC	Cumberland		353998	6754240	430	0	-90	8	3	1	1.01
CUAC05	AC	Cumberland		354004	6754242	430	0	-90	8	4	3	1.12
CUAC06	AC	Cumberland		354011	6754248	430	0	-90	8	0	1	1.11
CUAC07	AC	Cumberland		354004	6754232	431	0	-90	8	2	6	1.31
CUAC08	AC	Cumberland		354010	6754236	430	0	-90	8	0	3	1.04
CUAC09	AC	Cumberland		354014	6754242	430	0	-90	8	3	5	1.35
CUAC10	AC	Cumberland		354008	6754224	430	0	-90	8	0	1	1.02
CUAC11	AC	Cumberland		354018	6754228	431	0	-90	8	1	7	1.22
CUAC12	AC	Cumberland		354026	6754236	430	0	-90	8	1	7	1.02
CUAC13	AC	Cumberland		354010	6754213	431	0	-90	6	0	2	1.04
CUAC14	AC	Cumberland		354022	6754218	430	0	-90	8	2	3	1.11
CUAC15	AC	Cumberland		354032	6754224	430	0	-90	8	3	5	1.05
CUAC16	AC	Cumberland		354018	6754205	431	0	-90	8	0	2	1.11
CUAC17	AC	Cumberland		354023	6754206	430	0	-90	8	4	2	1.02

									5	1	1.05
									6	2	1.18
CUAC18	AC	Cumberland	354033	6754212	430	0	-90	8	0	8	1.08
CUAC19	AC	Cumberland	354038	6754215	430	0	-90	7	2	1	1.01
CUAC20	AC	Cumberland	354025	6754197	430	0	-90	8	1	7	1.01
									0	2	1.11
CUAC21	AC	Cumberland	354030	6754203	429	0	-90	8	4	4	1.05
CUAC23	AC	Cumberland	354042	6754213	429	0	-90	7			
CUAC24	AC	Cumberland	354003	6754219	430	0	-90	8	3	5	1.08

Summary

The October 2017 aircore drilling successfully delineated anomalous gold through the entire depth profile of the Cosmopolitan and Cumberland tails stock piles. Due to Cosmopolitan being historically reported as a gold scheelite deposit, investigations are currently underway to determine the concentrations of tungsten in the recently completed drilling samples. A select number of composite samples have been selected from both Cosmopolitan and Cumberland for tungsten analysis. Results are pending.

JORC 2012 Competent Person Statement

The information in this release that relates to “exploration results” for the Prospect is based on information compiled or reviewed by Mr. Steven Nicholls. Mr. Nicholls is a full time employee of Apex Geoscience Australia Pty Ltd. Mr Nicholls has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Nicholls consents to the release of the exploration results for the Prospect in the form and context in which it appears.

Forward Looking Statements

All statements other than statements of historical fact included on this announcement including, without limitation, statements regarding future plans and objectives of Nex Metals, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘anticipate’, “believe”, “could”, “estimate”, “expect”, “future”, “intend”, “may”, “opportunity”, “plan”, “potential”, “project”, “seek”, “will” and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Nex Metals that could cause Nex Metals actual results to differ materially from the results expressed or anticipated in these statements. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained on this announcement will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Nex Metals does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained on this announcement, except where required by applicable law and stock exchange listing requirements.

Appendix 1 – Table 1 Appendix 5A ASX Listing Rules (JORC Code)

JORC TABLE 1
Section 1 Sampling Techniques and Data

Criteria	Explanation	Comments
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Aircore drilling was undertaken on approximate 20 x 20m grid spacing over the Cosmopolitan and Cumberland stock pile tails dumps.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Each metre of the drill samples was sampled using a metal scoop with attempts to be as representative as possible. Sample weights averaged 2 kg in size. All samples Sampling was completed by Senior Nex employees and trained Nex field assistants. Logs of depth of hole were completed. Due to the uniform nature of the sands, no geological logs were completed.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Drill hole collar locations were established by a differential GPS (no base station). A 2 to 3 kg sample was submitted to Bureau Veritas Minerals Pty Ltd of Kalgoorlie for gold analysis using a 50 gram fire assay with a AAS finish (0.01 ppm lower detection).
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Aircore drilling with a face sampling blade bit was adopted.

Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	Sample recoveries were visually inspected for recovery by supervising Nex Metals staff. No recoveries were recorded. Samples were collected and placed into a pre-numbered calico bag. An effort to ensure that there was approximately 2 to 3 kg for each sample was undertaken. This was completed visually.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	All samples were visually compared to ensure high recoveries. All samples were dry but efforts to clean the scoops in between samples collection was also undertaken. The drilling cyclone was routinely cleaned.
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship has been determined between sample recovery and grade.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Hand written logs of co-ordinates, depth of holes and sample numbers with corresponding drill hole intervals of each site was completed. Due to the uniform nature of the tails sands, no geological logs were recorded.
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	The sample interval logging is quantitative in nature.
	• The total length and percentage of the relevant intersections logged.	The entire length of the drill hole was sampled and recorded.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable.
	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Samples were scoop sampled using a metal scoop for each 1m sample pile. All samples were dry.
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The 2017 samples submitted to Bureau Veritas Minerals Pty Ltd of Kalgoorlie for gold analysis using a 50 gram fire assay with a AAS finish (0.01 ppm lower detection). Samples were pulverised to 85% of material pulverised to 75µm. The sample preparation and method of analysis is deemed appropriate for gold analysis.
	• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	QAQC standards were inserted into the sample stream at a frequency of 1 in every 50 samples. No performance issues of the laboratory were noted.

	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Attempts were made to be a representative as possible using the scoop to collect the same amount of sample down the hole.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Samples 2 to 3 kg are considered appropriate for the sampling of drill hole intervals
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The 2017 aircore samples were analysed using a 50 gram fire assay with a AAS finish (0.01 ppm lower detection).
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	QAQC standards were inserted into the sample stream at a frequency of 1 in every 50 samples. Three difference gannet standards were used. These were designed to test the different reporting ranges of the expected grades. No performance/bias issues of the laboratory were noted.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Primary data was noted on paper templates and then digitised into excel spreadsheets. This was then loaded into the Micromine drill hole database for drill hoe validation. No assay adjustments were made.
	The use of twinned holes.	Not applicable
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Original data was collected on hand written logs and then hand entered into Excell. Once entered the data was validated in Micromine mining software
	Discuss any adjustment to assay data.	No adjustments to assay data has been conducted
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Sample locations were established by a differential GPS (no base station). It is thought to be +/-1m accuracy.
	Specification of the grid system used.	Co-ordinates are presented in in table 2 are GDA 94z51 versus the maps which are AMG84z51.

	• <i>Quality and adequacy of topographic control.</i>	Topographic control is based on a UAV survey flown using a Bramor rTK UAV with a 24.3 mega pixel camera with 2.5 cm resolution. The UAV survey produced data for high resolution images and digital terrain models (DTMs). The survey was established using ground control points and tied into the Leonora airport base station.
Data spacing and distribution	• <i>Data spacing for reporting of Exploration Results.</i>	The aircore drill hole spacing comprised an approximate 20 x 20 m grid over the Cosmopolitan tails and Cumberland tails. Assays were submitted for each one metre sample.
	• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The drill hole spacing is considered appropriate to gain an understanding of the remnant grade within the stock pile tails dumps. Further infill drilling may be required to conduct resource estimation and classification.
	• <i>Whether sample compositing has been applied.</i>	Sample compositing was completed over each 1m sample for each drill hole interval for the length of the drill hole. No composites for analysis greater than 1m was completed.
Orientation of data in relation to geological structure	• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The orientation of mineralisation is unknown at this stage. Due to the nature of the tails dumps, the orientation of mineralisation is unknown. There is suggestion that there is an slight increase in grade at depth with some of the tails dumps.
	• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Drilling was all vertical in nature and perpendicular to the tails stock piles.

Sample security	The measures taken to ensure sample security.	All samples were collected by company personnel and hand delivered to the Kalgoorlie laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been completed to date.

Section 2 Reporting of Exploration Results

Criteria	Explanation	Comments
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Kookynie Project is whole owned by Nex Metals and is located approximately 200 km north of Kalgoorlie with access off the bitumised Leonora-Laverton Goldfields Highway. The sampling was completed on Mining Licence M40/61 which is wholly owned by Nex Metals. Nex Metals known royalties for M40/61 comprise a 1.25% royalty of minerals recovered payable to Coal of Africa and Harold Wayne Beaver respectively. The Western Australian Government royalty comprises 2.5% of gold produced after the first 2,500 recovered per lease. M40/61 is situated next to the historic Kookynie gazetted townsite, however the Cosmopolitan tails are not situated within the gazetted townsite.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	There are no known impediments to tenement licence security.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	There is visual evidence that various parties have retreated the Cosmopolitan tails in the past, however the particular details were not recorded. The Cumberland tails are thought to be untouched.
Geology	Deposit type, geological setting and style of mineralisation.	These tailings dumps are a product of the mining of typical archaean shear hosted gold deposits. Cosmopolitan and Altona have been recorded as gold/scheelite deposits.

Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Shown in Table 2.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	Weighted averaging based on sample intervals greater than 1g/t has been used for reporting. No more than 2m internal waste was applied to calculations There was only one high grade sample and the weighted interval also states that it includes the narrow high grade interval in table 2. No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement	The geometry of anomalous gold assays with respect to the aircore drilling orientation is unknown. All drill hole intercepts are measured down hole in metres.

	<i>to this effect (eg 'down hole length, true width not known').</i>	
<i>Diagrams</i>	• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<i>Summary Plans have been included in the report.</i>
<i>Balanced reporting</i>	• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<i>All significant results have been reported.</i>
<i>Other substantive exploration data</i>	• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<i>The 2016/2017 soil samples over the tails dumps were used to guide the spacing of the aircore drilling. No bulk density determinations have been performed to date. Investigations into tungsten levels present is also being investigated. Results pending.</i>
<i>Further work</i>	• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<i>A program of works for a 10,000t bulk sample is being prepared.</i>
	• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<i>Only infill drilling is planned on the existing tails stockpile footprint. The footprint of the tails are presented on plans within the report.</i>