

Nex Metals Explorations Limited

ABN: 63 124 706 449

Interim Financial Report

for the half-year ended 31 December 2017

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Corporate Directory

DIRECTORS

Thomas F Percy QC
Kenneth M Allen
Hock Hoo Chua
Raja Mohd Azmi bin Raja Razali (Alternate Director to Hock Hoo Chua)

COMPANY SECRETARY

Kenneth M Allen

PRINCIPAL OFFICE

45 Guthrie Street
OSBORNE PARK WA 6017

REGISTERED OFFICE

45 Guthrie Street
OSBORNE PARK WA 6017

AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

SOLICITORS

Lawton Gillon
Level 7, 16 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

STOCK EXCHANGE LISTING

Australian Securities Exchange
Home Exchange: PERTH, Western Australia
Code: NME

Directors' Report

The directors of Nex Metals Explorations Ltd ("Company") and its controlled entity ("Consolidated Entity") submit herewith the financial report for the half-year ended 31 December 2017. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report as follows:

Directors

The names of the directors who held office during or since the end of the half-year are:

Thomas F Percy

Kenneth M Allen

Hock Hoo Chua

Raja Mohd Azmi bin Raja Razali (Alternate Director to Hock Hoo Chua)

Operating Results

The operating loss of the Consolidated Entity for the half-year after providing for income tax amounted to \$139,002 (31 December 2016 – \$81,844).

Review of Operations

Kookynie Gold Tailings

Highlights

- Peak gold in tails value of 3.0 g/t gold recorded in recent sampling program.
- Two distinct areas (Cosmopolitan and Altona) of elevated gold anomalism.
- Sizing distribution and multi element test work completed on a composite sample from the Cosmopolitan 2016 sampling noted elevated tungsten values (peaking at 12,011 ppm W) within the concentrates portion.
- Sizing distribution and multi element test work completed on a composite sample from the Altona 2016 sampling noted elevated tungsten values (peaking at 21,710 ppm W) within the super concentrates.
- A total of 186 soil samples have been collected to date.

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).

Tenements M40/61, M40/27 and E40/332 lie 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 presumed to have terminated around the same time. The reported historic production of Champion deposit was approximately 62,503 tonnes at 16.24 g/t for 32,648 ounces of gold between 1898 to 1917. 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.

Directors' Report

Review of Operations (cont'd)

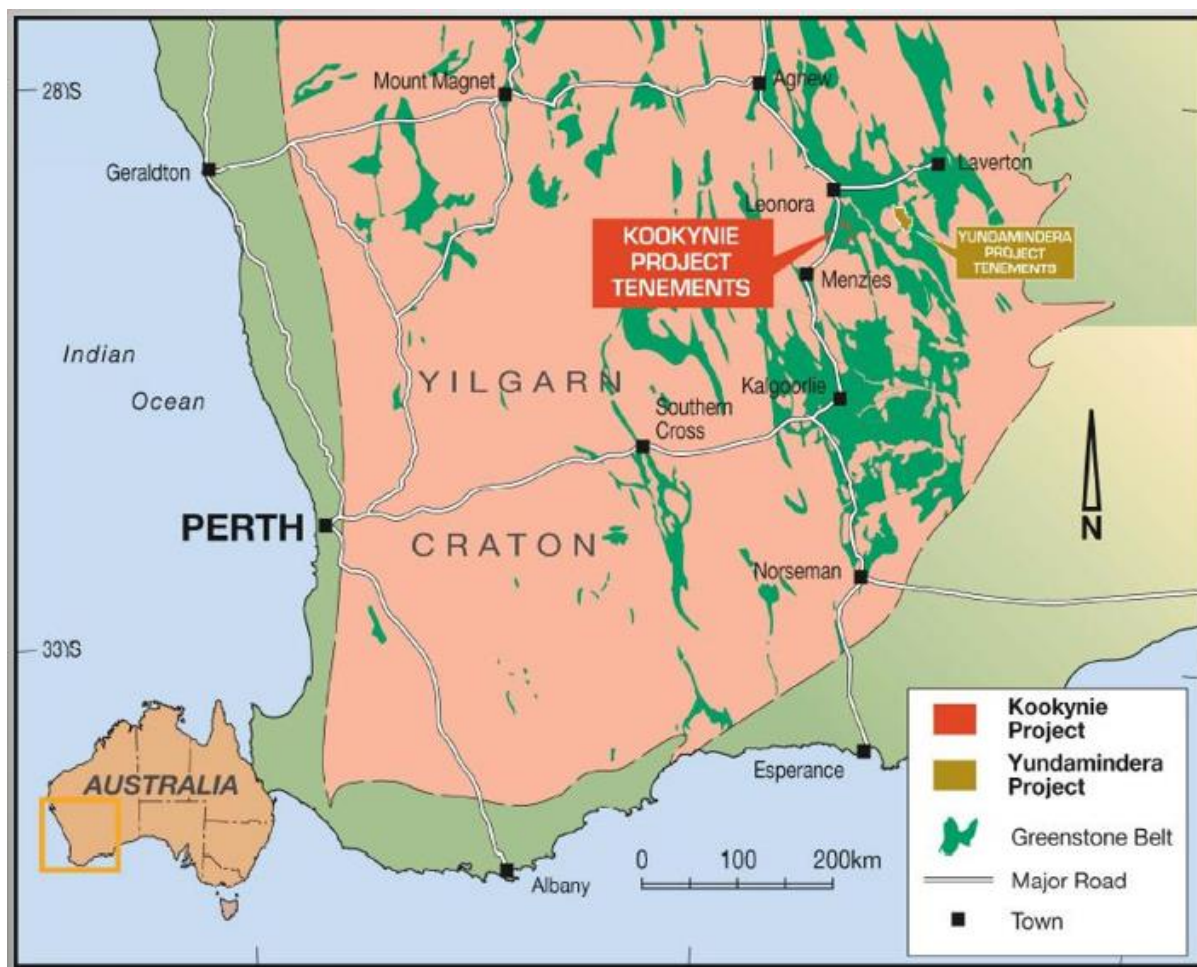


Figure 1. Kookynie Project Location map.

Tails Sampling Program

During 2016 and 2017, Nex Metals collected a total of 186 soil samples over the Cosmopolitan, Altona, Cumberland and Champion historic tails dumps. Due to the era of these historic mines, there was uncertainty associated with the remaining grade of these tails dumps. The Cosmopolitan tails dumps have been retreated in the past, but the grade of the remaining tails is unknown. As such a tail sampling program was designed to ascertain the remaining grade of these tails. There have been two phases of sampling completed by Nex Metals.

The first comprised an approximate 15 x 20 m grid over the Cosmopolitan tails (N=85), a 10 x 20 m grid over Altona (N=18), Cumberland (N=32) and Champion tails stockpiles (N=39). The second and smaller (N=12) program was completed in October 2017 and was designed as an infill line to the higher grade portion of the Cosmopolitan (N=6) and Altona tails stockpiles (N=6). These were completed on 10 to 30 m spacing along the line for Altona tails and 5 to 25 m spacing along the line for Cosmopolitan tails.

The tails stockpile sampling was sampled by collecting an approximate two to three kilogram representative sample over a one metre deep hand dug hole. Samples were collected using a scoop into pre-numbered calico bags. The 2016 samples were trucked to Aurum Laboratories Pty Ltd in Perth for a 50 gram fire assay analysis for gold. Prior to the samples being dried out, a composite riffle split for the Cosmopolitan and Altona areas were collected and submitted to Keypointe Pty Ltd in Perth for sizing distribution analysis over a riffle table. The riffle test work produced five sub samples based on size fraction. These included a >2mm, Tailings, Middlings, Concentrate and super concentrate portions. Each size distribution was then sent to Intertek Genalysis in Kalgoorlie for multi element test work. This analysis comprised four acid digest - 33 element analysis + mercury and Cyanide analysis.

The recent sampling program completed in October 2017 was submitted to Bureau Veritas of Kalgoorlie for metallurgical test work analysis designed to determine recoverable leachable grade. The head grades were analysed using a 40 gram fire assay analysis with a 0.01ppm lower detection limit. The result of the leach analysis is pending.

Directors' Report

Review of Operations (cont'd)

Results

Cosmopolitan Results

A total of 91 samples have been completed over the Cosmopolitan tails stockpiles. There are six distinct tail dumps located on Nex Metals M40/61 tenement. Systematic sampling has been completed over all of these stockpiles. Anomalous gold mineralisation was intersection on all stock piles with the peak gold grade comprising 3.0g/t Au (Figure 2). The multi element analysis completed on the composite sample also indicated anomalous Tungsten present in concentrate portion of the sizing analysis (peaking at 12,011 ppm W). The sizing test work indicated that the majority of the gold was located within the >2mm size fraction.

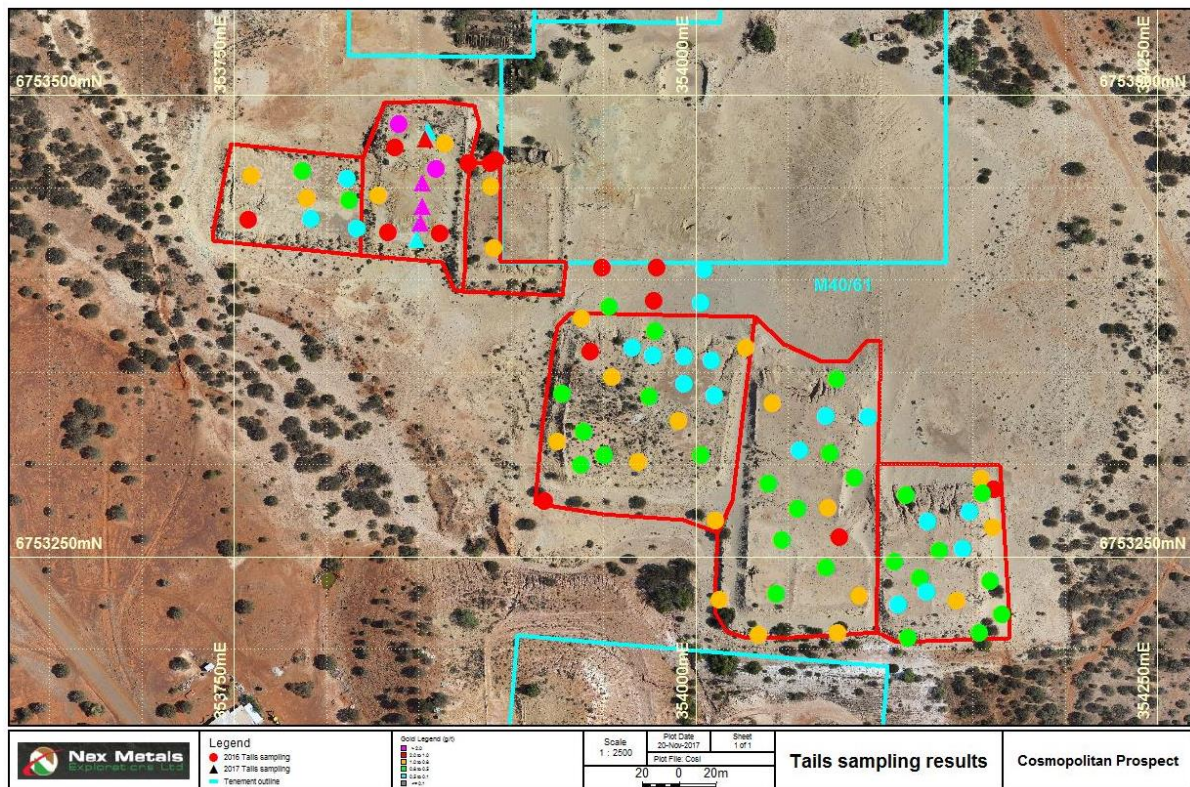


Figure 2. Cosmopolitan gold in tails overlaid on aerial photography.

Altona Results

A total of 24 samples have been completed over the Altona tails stockpiles. There is one distinct tails stockpile located on Nex Metals M40/61 and E40/332 tenement. Systematic sampling has been completed over the entire stockpile. Anomalous +1 g/t gold mineralisation was intersection over all of the stock pile, with the peak gold grade comprising 2.27g/t Au (Figure 3). The multi element analysis completed on the composite sample also indicated anomalous Tungsten present in super concentrate portion of the sizing analysis (peaking at 21,710 ppm W). The sizing testwork indicated that the majority of the gold was located within the >2mm and super concentrates size fraction.

Directors' Report

Review of Operations (cont'd)

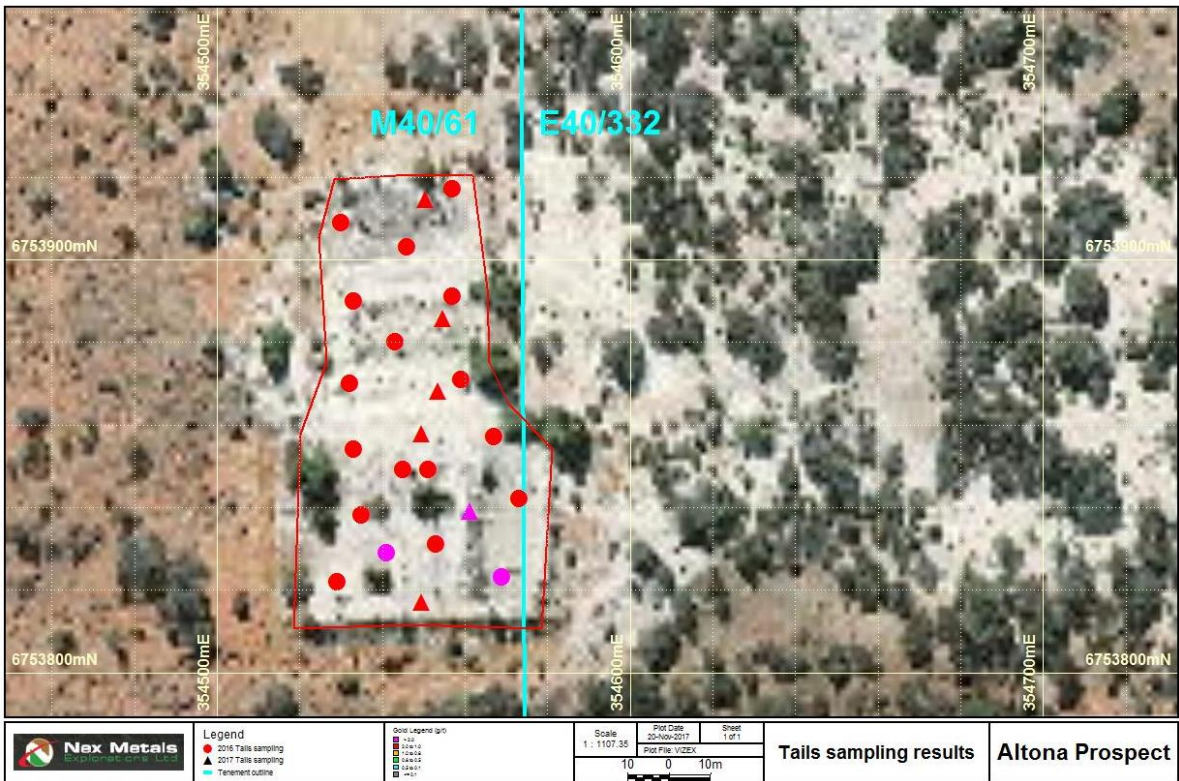


Figure 3. Altona gold in tails overlaid on aerial photography.

Cumberland and Altona Results

A total of 32 and 39 samples have been completed over the Cumberland and Champion tails stockpiles respectively. For each area there is one distinct tails stockpile. Systematic sampling has been completed over the entire stockpile. While the gold anomalism is not as strong as the Cosmopolitan and Altona areas, it is still encouraging. Gold in tails anomalism for Cumberland peaks at 1.37 g/t Au and 1.43 g/t Au for Champion (Figures 4 & 5). No sizing or multi element analysis for either area was completed.

Directors' Report
Review of Operations (cont'd)

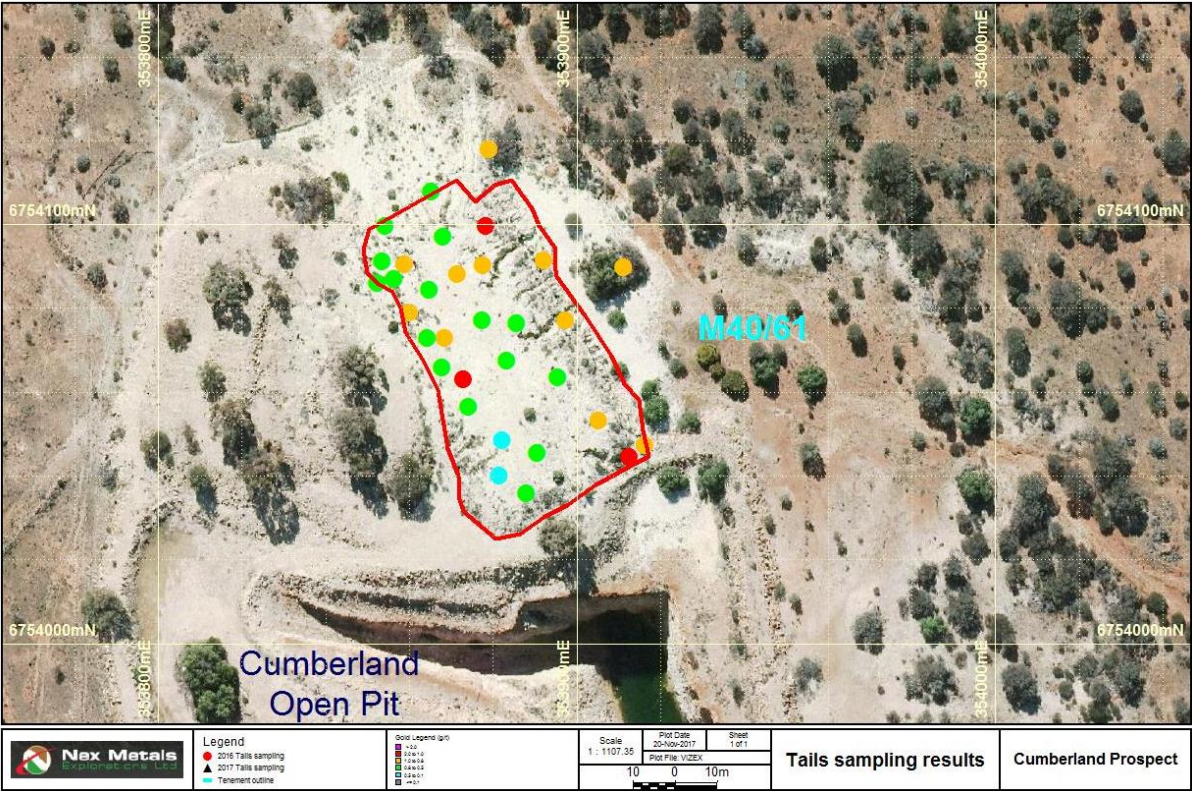


Figure 4. Cumberland gold in tails overlaid on aerial photography.

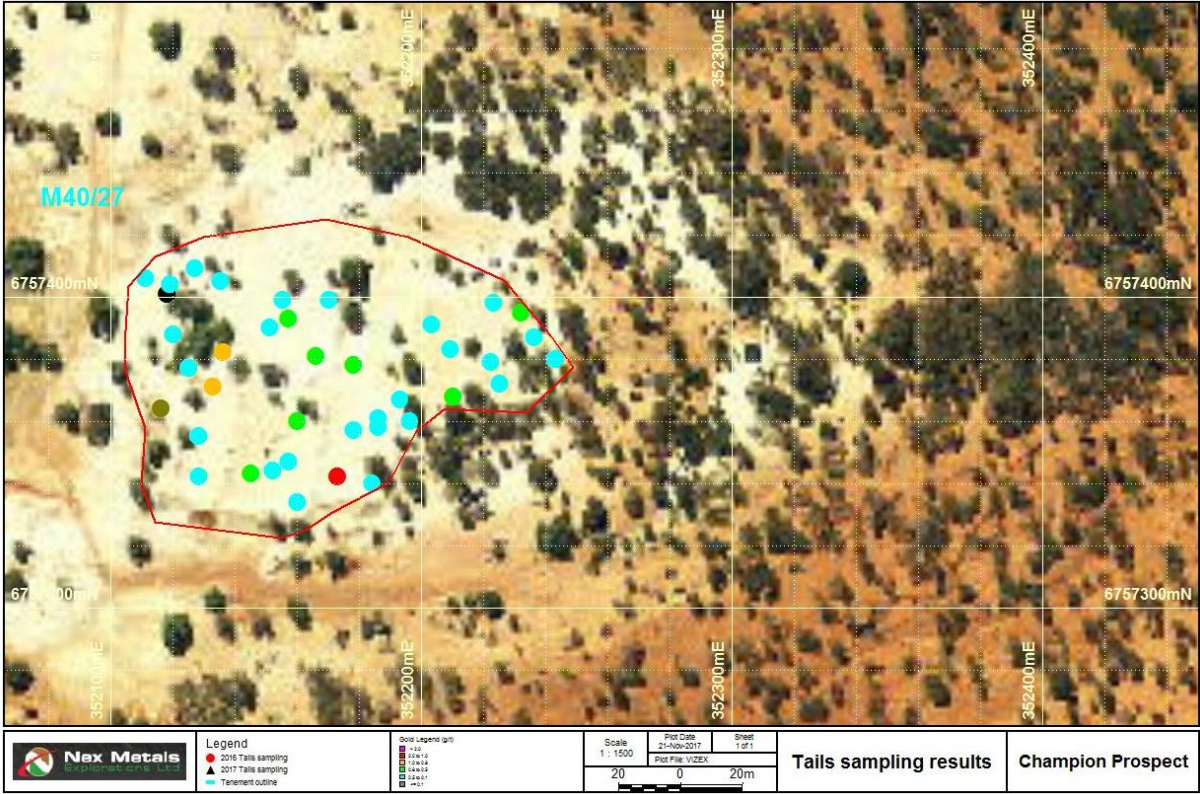


Figure 5. Champion gold in tails overlaid on aerial photography.

Directors' Report

Review of Operations (cont'd)

Summary

The gold in tails sampling was successful at delineating anomalous gold in the remnant Cosmopolitan, Altona, Cumberland and Champion tails stockpiles with positive indicators for Tungsten.

During the half year, 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 20m 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).

The Company continues to develop its processing strategies based on previous work including the inclusion of encouraging scheelite (tungsten) tests.

Evaluation of Projects

The Company continues to have projects presented to it for evaluation during the period extending from gold, base metals, copper and diamonds. 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.

Concentrated Solar Thermal Research

The Company has been working with Curtin University on various research and development opportunities. The Company has continued the background work with respect to power saving techniques and alternatives for remote mining sites during the research phase of the Kookynie Gold Project. Concentrated Solar Thermal was seen as an alternate energy method that could provide peak load (subject to scalability). The Company believes that in the near future mining would ultimately be required to be carbon neutral which is in line with the Company aspiring to have world best practice in environmental standards. The Company sees that this research will provide a future income stream to its shareholders as the Company will have the marketing and development rights to the technological outcomes.

In the last half Curtin University and the Company were granted an Australian Research Council Linkage Grant to carry on from the previous grant with respect to Concentrated Solar Thermal - high temperature storage using metal hydrides. Curtin University has been involved in hydrogen storage research since 1998 through Professor Craig Buckley, who has 25 years of experience in the field. The Hydrogen Storage Research Group (HSRG) at Curtin was formed in 2003. Since 2011, Curtin has performed research on utilising the ability of high-temperature metal hydrides to store significant amounts of heat. A large range of metal hydrides exist and they can store between 3 and 30 times more heat than the state-of-the-art technology based on molten salts. Initial testing shows that Curtin University has developed a method that allows sodium hydride to release and absorb hydrogen, and hence heat, over multiple cycles. Testing is continuing to determine cyclic stability over the projected 30-year lifetime of a concentrating solar thermal power station.

The aim is to produce a storage system which will be at least two thirds less expensive than currently available systems.

Directors' Report

Research and Development Rebate

The Company continues to undertake extensive research and development with respect to gold processing during the year. A claim for the year ended 30 June 2017 was lodged in the December 2017 quarter. An amount of \$545,363 was received during December 2017.

Settlement of Litigation

Agreement was reached between Nex Metals Explorations Limited and Stone Resources Australia Ltd (ASX: SHK) to finalise the court proceedings which commenced in 2014, with claim and counterclaim being dismissed and no order as to costs. The parties entered into a Deed of Settlement that contains a confidentiality clause. NME is able to inform Shareholders that the terms of the settlement do not have any negative impact on the financial position of NME but will enable the Company to clear any liabilities, including contingent, relating to the action from the Financials of NME.

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.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* has been received and is included within this financial report.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Kenneth Allen
Managing Director
Perth, 16 March 2018

Consolidated Condensed Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Other income	2	178,894	291,983
Occupancy expenses		(18,844)	(11,890)
Administration expenses		(57,553)	(61,856)
Consultants expenses		(10,582)	(100,911)
Depreciation		(8,099)	(4,213)
Employment and contractor expenses		(370,789)	(369,157)
Borrowing expenses		(75,248)	(75,571)
Travel expenses		(50,113)	(17,586)
Exploration and evaluation expenses		(25,531)	(37,658)
Research and development costs		(246,500)	-
Loss before income tax expense		(684,365)	(386,859)
Income tax benefit		545,363	305,015
Loss for the period		(139,002)	(81,844)
Other comprehensive income for the period		-	-
Total comprehensive loss attributable to owners of Nex Metals Explorations Limited		(139,002)	(81,844)
Earnings per share:			
Basic and diluted loss per share (cents)		(0.09)	(0.05)

The accompanying notes form part of this interim financial report.

Consolidated Condensed Statement of Financial Position As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
Current assets			
Cash and cash equivalents		554,718	718,647
Receivables	3/8	232,991	225,523
Other current assets		11,138	13,994
Total current assets		<u>798,847</u>	<u>958,164</u>
Non-current assets			
Plant and equipment		47,254	55,353
Capitalised exploration and evaluation expenditure		269,664	269,664
Total non-current assets		<u>316,918</u>	<u>325,017</u>
Total assets		<u>1,115,765</u>	<u>1,283,181</u>
Current liabilities			
Payables	8	2,022,195	2,064,250
Interest-bearing liabilities		1,500,000	1,500,000
Provisions		172,330	158,689
Total current liabilities		<u>3,694,525</u>	<u>3,722,939</u>
Total liabilities		<u>3,694,525</u>	<u>3,722,939</u>
Net liabilities		<u>(2,578,760)</u>	<u>(2,439,758)</u>
Equity			
Issued capital	4	18,884,107	18,884,107
Option reserve		2,260,245	2,260,245
Accumulated losses		(23,723,112)	(23,584,110)
Total deficiency in equity		<u>(2,578,760)</u>	<u>(2,439,758)</u>

The accompanying notes form part of this interim financial report.

Consolidated Condensed Statement of Changes in Equity For the half-year ended 31 December 2017

	Consolidated Attributable to equity holders			Total Equity \$
	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	
Balance at 1 July 2016	18,884,107	2,260,245	(25,314,624)	(4,170,272)
Loss for the period	-	-	(81,844)	(81,844)
Total comprehensive loss for the period	-	-	(81,844)	(81,844)
Balance at 31 December 2016	18,884,107	2,260,245	(25,396,468)	(4,252,116)

	Consolidated Attributable to equity holders			Total Equity \$
	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	
Balance at 1 July 2017	18,884,107	2,260,245	(23,584,110)	(2,439,758)
Loss for the period	-	-	(139,002)	(139,002)
Total comprehensive loss for the period	-	-	(139,002)	(139,002)
Balance at 31 December 2017	18,884,107	2,260,245	(23,723,112)	(2,578,760)

The accompanying notes form part of this interim financial report

Consolidated Condensed Statement of Cash Flows

For the half-year ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities		
Other receipts	164,010	210,963
Payments to suppliers and employees	(873,305)	(365,320)
Borrowing and finance costs paid	-	(1,115)
Interest received	3	3
Income tax refund	545,363	-
Net cash (used in) operating activities	(163,929)	(155,469)
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Net (decrease) in cash and cash equivalents	(163,929)	(155,469)
Cash and cash equivalents at the beginning of the period	718,647	306,164
Cash and cash equivalents at the end of the period	554,718	150,695

The accompanying notes form part of this interim financial report.

Notes to the condensed interim financial statements

For the half-year ended 31 December 2017

1. Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Nex Metals Explorations Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value for certain classes of assets. The accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial report.

New and Revised Accounting Standards and Interpretations

Standards and Interpretations applicable to 31 December 2017

In the period ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2017. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

Going concern

The half-year financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the half-year financial report, the Consolidated Entity incurred a loss of \$184,002 and had net cash outflows from operating activities of \$163,929 for the half-year ended 31 December 2017. As at that date, the Consolidated Entity had net current liabilities of \$2,940,678 and net liabilities of \$2,623,760. The directors believe there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- \$328,000 of share application monies received from a Director, shown as a current liability in the statement of financial position as at 31 December 2017, will be transferred to equity when the shares are issued;
- Convertible notes with a face value of \$1,500,000, which expired on 3 February 2018 have been re-extended to 2 February 2019. The directors are confident that the note holder will redeem the convertible notes for shares and no cash payment will be required to settle the liability;
- The possible sale of mining tenements, recognised as exploration and evaluation assets in the statement of financial position as at 31 December 2017, for cash as has occurred in prior years;
- Issue of shares for cash from capital raising to be conducted in accordance with the Corporations Act, and
- Directors have deferred fees owing for at least 12 months.

Notes to the condensed interim financial statements

For the half-year ended 31 December 2017 (cont'd)

1. Basis of preparation (cont'd)

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half-year financial report.

The Consolidated Entity's ability to continue as a going concern is mainly dependent on the following factors:

- Redemption of the convertible note by the issue of shares rather than a cash payment; and
- Obtaining cash through the issue of shares.

Should the Consolidated Entity not achieve the factors set out above, there is significant uncertainty whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

The half-year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

2. Other Income

	31 December 2017 \$	31 December 2016 \$
Interest revenue	2	3
Mine management fees	178,892	171,862
Royalties	-	120,000
Other	-	118
	<u>178,894</u>	<u>291,983</u>

Notes to the condensed interim financial statements

For the half-year ended 31 December 2017 (cont'd)

3. Receivables

	31 December 2017 \$	30 June 2017 \$
Current		
Sundry receivables	232,991	225,523

4. Issued Capital

There were no movements in issued capital during the half-year.

5. Segment Reporting

The Directors have considered the requirements of AASB 8 “Operating Segments” and the internal reports that are reviewed by the chief operating decision maker, the board of directors, in allocating resources and have concluded that at this time there are no separately identifiable segments.

Throughout the half-year, the Consolidated Entity remained focused on mineral exploration over a number of areas of interest in Western Australia.

6. Contingencies

There are no known significant contingencies as at 31 December 2017.

7. Subsequent events

Convertible notes with a face value of \$1,500,000, which expired on 3 February 2018 have been extended to 2 February 2019. The noteholder has the right to convert all or part of the \$1,500,000 into ordinary shares of the Consolidated Entity at the lower of AUD \$0.08 per share or the volume weighted average price based on ten trading days immediately prior to conversion. Interest is payable at 10% per annum.

There are no other matters or circumstances that have arisen since 31 December 2017 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial periods.

8. Financial Instruments

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables and current payables are considered to be a reasonable approximation of their fair value.

Directors' Declaration

The directors of the Company declare that:

- The attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.



Kenneth Allen
Managing Director
Perth, 16 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nex Metals Explorations Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Nex Metals Explorations Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nex Metals Explorations Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting

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Liability limited by a scheme approved under Professional Standards Legislation

Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
16 March 2018

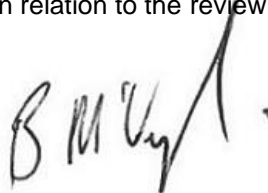


B G McVeigh
Partner

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Nex Metals Explorations Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



**Perth, Western Australia
16 March 2018**

**B G McVeigh
Partner**

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