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31 October 2018

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

Dear Sir/Madam

Quarterly Report for the Period Ended 30 September 2018

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

The Company has engaged a qualified consultant during the quarter to advise the Company with respect to a Valuation of all the Company tenements a draft report has been received by the Company and is being considered by the Directors.

Operating Plan/Processing Mill

The Company, with completion of the 5 year operating plan has been in discussions with potential funders during the quarter seeking to source capital to cover the cost of the plant and installation, drilling and working capital. This is a work in progress in a tight capital market.

Administration

The Company has funds due from outstanding debtors at end of Quarter of \$238,000.

The Company had a General meeting on 31 August 2018 at which all resolutions were passed.

The applications for forfeiture lodged by MCA Nominees Pty Ltd over the Yundamindra tenements returned to the Wardens Court during the Quarter for mention on receipt of their statement of particulars. The Court has scheduled a further mention for 30 November with the Company required to give responses by the scheduled date. As previously advise the Company sees no merit in the claim and will defend in the usual course.

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.



Nex Metals Explorations Ltd
Consolidated Tenement Schedule as at 30 September 2018

| Lease | Nex Area | Locality | Status | Holder | Area 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 |
| E40/332 | Kookynie Central | Kookynie | Live | NEX METALS EXPLORATIONS LTD | 600 |
| E40/333 | Kookynie Central | Kookynie | Live | NEX METALS EXPLORATIONS LTD | 600 |
| 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")

30 September 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 152 | 152 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (49) | (49) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (35) | (35) |
| (e) administration and corporate costs | (32) | (32) |
| 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 Research and development refunds | | |
| 1.8 Other (provide details if material) | (13) | (13) |
| 1.9 Net cash from / (used in) operating activities | 23 | 23 |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 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 \$A'000 | Year to date (3 months) \$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 (Loan from Other Entities) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 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 (Refundable R&D Tax Offset) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|------------|--|-----------|-----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 57 | 57 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 23 | 23 |
| 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 | Cash and cash equivalents at end of period | 80 | 80 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|----------------------------|---------------------------------------|
| | | |

| 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 | 80 | 57 |
| 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) | 80 | 57 |

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

| Current quarter \$A'000 |
|----------------------------|
| 0 |
| 0 |

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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

| Current quarter \$A'000 |
|----------------------------|
| 0 |
| 0 |

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$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. | | |

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| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | - |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 35 |
| 9.5 Administration and corporate costs | 30 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 65 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | 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 | P40/1339 | surrendered | 100% | Nil |
| 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: 31/10/2018

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.