

29 July 2020

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

Re-Commencement of Tailings Processing Trial and Appointment of Processing Consultant.

Nex Metals Explorations Ltd (Nex Metals or the company) is pleased to announce that it will re-commence the tailings processing trial at the Kookynie Tailings Research Project in addition to the appointment of an experienced processing consultant, Mr Chris Burns, who will manage the trial.

Equipment is currently being sourced along with supporting site infrastructure. An expected mobilisation to site within the coming 4 weeks with processing commencing shortly thereafter.

The Company is well funded to commence the trial.

The approved trial includes 2 X 10,000 tonne parcels with a processing time of circa 3 weeks. Cosmopolitan dump 5 has been identified as the primary source along with part of dump 6 to make up the 20,000 tonnes (see table 1, below).

Shareholders should refer to Nex Metals Shareholder Updates of 22 November 2017 and 25 January 2018 on the ASX for details of drilling results under the JORC Code (this announcement refers to those announcements).

The disturbed area will be rehabilitated post processing.

Highlights

- Experienced Processing Consultant appointed.
- 20,000 tonne initial trial.
- The Company has sufficient cash to undertake the trial.
- A total of 81 Aircore holes for 497m was completed over all the Cosmopolitan tails dumps.
- All equipment is being sourced from the Kalgoorlie/Menzies region.]

Appointment of Processing Consultant

The Company has appointed Mr Chris Burns as Processing Consultant who will manage the 20,000-tonne trial. Chris has over 40 years of experience in processing and mining operations.

His most recent position (5.5 years) was as Process Manager for a Toll Treating Mill in Coolgardie. Previous operations include Higginsville Mining, Loongana lime, Nickelseekers Daisy Milano Mine and the A1 Gold Mine Victoria.

Chris will undertake system design (including instrumentation), facilitate sourcing of processing equipment and commissioning and running of the system along with control of manning for the duration of the trial.

Introduction

The Kookynie Gold Project is located approximately 200 km north of Kalgoorlie with access off the bitumised Leonora-Laverton Goldfields Highway (Figure 1).

The Company has a JV agreement with Metalicity Ltd (ASX:MCT), refer to ASX announcement of 6 May 2019, wherein MCT will spend a total of \$5 million within and up to 5 years to earn a 51% interest in the Kookynie Gold Projects.

The Company recommends that shareholders read both NME and MCT announcements together.

Tenement M40/61 lies within the Norseman-Wiluna greenstone belt, which is part of the Archaen 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.

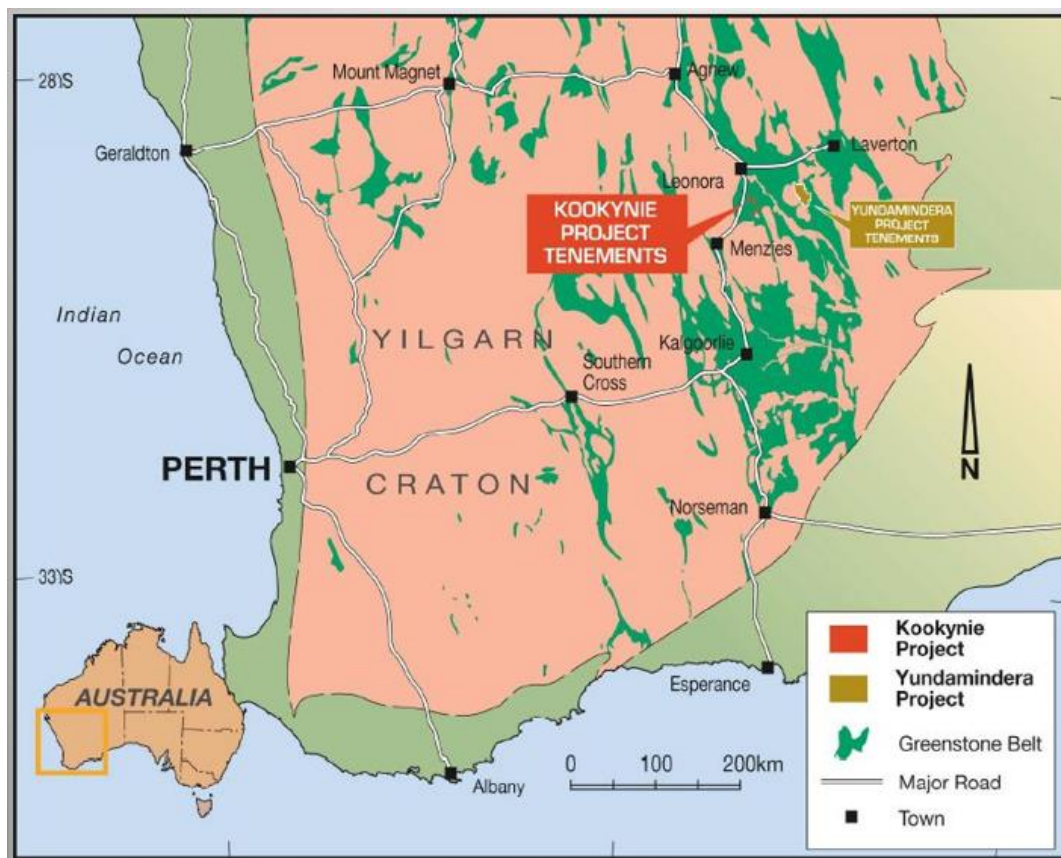


Figure 1. Kookynie Project Location map.

Cosmopolitan Tailings

In late October 2017 Nex Metals drilled a total of 81 aircore holes for 497 metres over the tailings stockpiles (Figure 1).

There are six distinct tail stockpiles located on Cosmopolitan tenement M40/61. 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.

Figure 3 shows representative cross sections through stockpiles 4, 5 and 6.

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

[illegible]

Tails 1

Tails 2

Tails 3

Tails 4

Tails 5

Tails 6

Tenement M40/61

Outline of tails dispersion from aerial photography

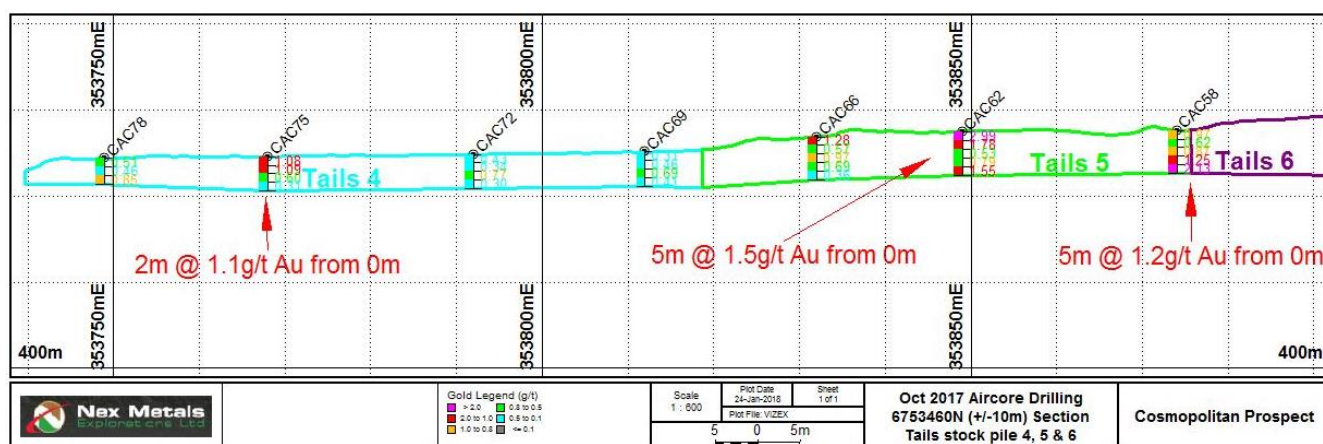


Figure 3. 6753430N Cross section (+/-10) showing aircore drilling across Cosmopolitan stockpiles 4, 5 & 6.

This announcement is authorised for release by authority of the Board.

NME ASX Announcement Library

NME: Including those referred to in this announcement.

22 November 2017

<https://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=nme&timeframe=Y&year=2017>

25 January 2018

<https://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=nme&timeframe=Y&year=2018>

6 May 2019

<https://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=nme&timeframe=Y&year=2019>

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22 July 2020

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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.