



ABN 63 124 706 449

Address: Level 1, 95 Canning Highway
South Perth, WA 6151, Australia

Postal: PO Box 6731,
East Perth WA 6892, Australia

Phone: 61 8 9221 6813
Fax: 61 8 9474 9304
Email: admin@nexmetals.com

29 January, 2016

Company Announcements Officer
Australian Securities Exchange
2 The Esplanade
Perth WA 6000

Dear Sir/Madam

Quarterly Report for the Period Ended 31 December 2015

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

- Yundamindera Work Continues.
- Evaluation of various projects.
- Continuation of Legal Action.
- Concentrated Solar Thermal Research.

Yundamindera Exploration

As a continuation from previous quarter's activities the Company has continued research and development work at the Yundamindera Project with consultants with respect to the Company's proposed low tonnage - low cost gold processing method. The intention being to scale a 20,000 tonne trial plant for mining/processing of near surface gold deposits. Dependent of the outcome of the trial plant a further upscaling of the trial plant to 100,000 tonne per annum will follow. The Company expects technical designs to be completed by a University Engineering Department in the next quarter with construction of the plant to commence shortly thereafter. The Company will commence permitting processes with the applicable Government Departments in the next quarter. Concurrent to activities at Yundamindera the Company has continued its research and development works at Cosmopolitan/Champion/McTavish and Leipold deposits.

The Company continues to manage the Kookynie Gold project.

Evaluation of Projects

The Company continues to have projects presented to it for evaluation during the past quarter 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.

Continuation of Legal Action

During the quarter the Company attended a Status Conference at the Supreme Court with Stone Resources Australia Limited (ASX:SHK). The Court has determined that expert reports are now required and is managing the process, experts reports are expected in the next quarter.



Concentrated Solar Thermal Research

As indicated in early reports the Company has been working with Curtin University on various research and development opportunities. The Company has continued background work with respect to power saving techniques during the research phase of the Kookynie Gold Project. Concentrated Solar Thermal was seen as one of the better alternate energy methods 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 quarter Curtin University and the Company were successful in being 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 use of metal hydrides aim is to produce a storage system which will be at least two thirds less expensive than currently available systems.

The Company will place publically available research papers by Professor Craig Buckley and his team on our web page over the coming days.

Administration

The Company worked with Deloittes during the Quarter on the 2015 Research and Development Rebate which will be lodged early February.

The Company received back during the quarter \$300,000 from Classic Minerals Ltd made up of \$200,000 refundable deposit and \$100,000 interest.

The Company has funds from the R & D Grant due this quarter of net \$600,000. Plus outstanding debtors of \$90,000 and balance of sale of the Kookynie project of \$1,000,000 (plus interest). The Company is currently in discussions with respect to sourcing additional funding for the low tonnage gold processing plant from existing overseas investors.

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 December 2015

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
M39/410	Yundamindera	Yundamindera	Live	NEX METALS EXPLORATIONS LTD	978
L40/9	Kookynie Central	Kookynie	Live	(KOOKYNIE RESOURCES PTY LTD FMR INVESTMENTS PTY 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	(KOOKYNIE RESOURCES PTY LTD FMR INVESTMENTS PTY LTD)	832.7
M40/22	Niagra	Lubra Queen	Live	NEX METALS EXPLORATIONS LTD	121.7
M40/0077	Niagra	Mc Tavish Hill	Live	HALLMARK MINING LTD KOOKYNIE RESOURCES PTY LTD FMR INVESTMENTS PTY 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

Note to the above Table.

Where tenement is not in the name of Nex Metals Explorations Ltd the Company has 100% beneficial ownership with transfers in process with Government Departments.

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, 01/05/2013

Name of entity

Nex Metals Explorations Ltd

ABN

63 124 706 449

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	110	238
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(333)	(518)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	100	100
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	– R & D tax offset received (net of professional fees)	-	-
	– Other	-	-
	– GST net	12	20
Net Operating Cash Flows		(151)	(240)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Incl: Refundable deposit)	192	192
Net investing cash flows		192	192

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (carried forward)	41	(48)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	41	(48)
1.20	Cash at beginning of quarter/year to date	267	356
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	308	308

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	0
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

NIL directors fees and salaries paid during the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	80
Total	230

During the quarter the Company has worked with Deloitte to prepare its R & D claim with the ATO, the refund will result in approximately \$600,000 refund during the next quarter. In addition receivables of \$1,090,000 is expected over the next 2 quarters.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	308	267
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	308	267

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
Preference + securities (description)				
7.2				
Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3	152,716,956	152,716,956		
+Ordinary securities				
7.4				
Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>	1 convertible note (face value of \$1,500,000)		Convertible at the lower of \$0.03 per share or the VWAP based on 10 trading days prior to conversion.	Maturity date – February 2015 (previously February 2014). Conversion price – \$0.03 (previously \$0.08) or VWAP based on 10 trading days prior to conversion. Interest rate – 10%pa.
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 29/01/2016

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.