

21 February 2012

Australian Securities Exchange
2 The Esplanade
Perth WA 6000

Commencement of Processing under Toll Treating Arrangement

The Directors of Nex Metals Explorations Ltd (Nex of the Company) are pleased to announce that processing has now commenced at Stones Resources Australia Ltd (formerly A1 Minerals Ltd) Brightstar Mill. Approximately 10,000 tonne stock pile is at the mill site. Nex will initially commence processing low grade feed whilst the mill transitions with the Nex ore, higher grade will process later this week, initial through put is 40t/hr

Convertible Note.

The Company is also pleased to advise the issue of a Convertible Note to the value of \$1,500.00.00 to a related company of Malayan United Industries Berhad (MUI Global). MUI Global is listed on the Main Market of Bursa Malaysia Securities Berhad and listed since 30 June 1971. MUI Global is an investment holding company. Through its subsidiaries and associated companies, the MUI Global Group is primarily engaged in retailing (including Laura Ashley), hotels (including Corus Hotel Chain), food & confectionery, financial services, properties and travel & tourism. With its corporate headquarters based in Malaysia, the Group's international operations span the United Kingdom, Continental Europe, the United States, China and the Asia Pacific region. The MUI Group today has total assets of Aus \$933m and shareholders' funds of Aus \$233m.

The terms provide for a conversion period of 2 years at a 10% interest rate and strike price of \$0.08/share. No conversion is permitted in the first 6 months. A member of the MUI Board will be invited onto the Board of Nex

Mining Update



EX1200 pulling the final waste off the high grade ore under the supervision of geologists.



Hanging wall contact of the ore. Blue rock in picture is fly rock from stab holes in wall



Hanging wall contact after waste has been pulled off. The angle is steeper than expected due to the heave of the blast and the next two benches the angle is expected to be a lot flatter.



1st bucket of high grade ore going into Cat777B dump truck.



Truck DT21, 1st load of high grade ore leaving the pit.



For the Geologists amongst us this is what the ore looks like.



Close up of the high grade ore, remanent blue connector detonator is approximately 8cm long.



Loading of high grade ore into Calin Haulage trucks

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