



2 February 2012

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

## NEX METALS EXPLORATIONS LTD

### Shareholder Update

#### Commencement of Trucking and Encouraging Grade Control Results from the Butterfly Pit

Nex Metals Explorations Ltd (Nex or the Company) is pleased to announce the commencement of trucking of Ore to the Stones Resources Australia Ltd (formerly A1 Minerals Ltd) mill as part of the 6 month Toll Treating campaign. Calin Haulage Pty Ltd has made available a fleet of 7 triple road trains to establish an initial stockpile at the Mill sufficient to enable continued processing in event of inclement weather or slow mining.

The Company is also pleased to advise of encouraging results from the grade control drilling in the Butterfly Pit.

- Hole BFGC0279 – 8.65 g/t Au over 6 metres including 22.3 g/t Au over 2 metres
- Hole BFGC0273 – 7.72 g/t Au over 5 metres
- Hole BFGC0268 – 4.82 g/t Au over 7 metres and 3.85 g/t Au over 2 metres

#### Butterfly Pit Drilling

Nex Metals Explorations Ltd (ASX: NME) ("Nex") has received partial results for the 1,723 metres of grade control drilling completed in the Butterfly Open Pit in December 2011 (Figure 1). This drilling was designed to better define and expand the toll treating resource with full-scale mining operations to commence shortly.

These early results depict the high-grade nature of the resource near the bottom of the proposed pit suggesting the mineralisation remains strong down dip of the current drilling (Figure 2). Other results confirm previous drilling results and add confidence to the expected grade of the ore to be extracted (Figures 3 and 4). The new grade control drilling further delineates the ore mitigating some of the risk of ore dilution while digging the blasted rock and has improved the mapping of the areas already stoped out.

*Figure 1 (right):* Plan map of the Butterfly Pit showing the collar locations of holes BFGC0268, 273 and 279. Historic holes are shown with black dots with new grade control holes in purple; surface projection of the Butterfly ore is depicted in pink. This view is cut at the current pit floor (400m RL) with a +/-5 metre window.





The following cross-sections look grid north with +/-6.25 metre windows. Grade control drilling from December 2011 is shown as purple traces whilst all historic drilling depicted by black traces. The pink solids represent the modeled orebody whilst black solids represent underground stopes from mining activities around the turn of the twentieth century. The yellow trace shows the current pit outline whilst the blue trace denotes the limits of the proposed pit extension. For figure clarity only assays above 0.5 g/t Au are shown.

Figure 2. Cross-section 9762.5N depicting hole BFGC0279 which intersected 8.65 g/t across 6 metres near the bottom of the currently proposed extension to the Butterfly Pit.

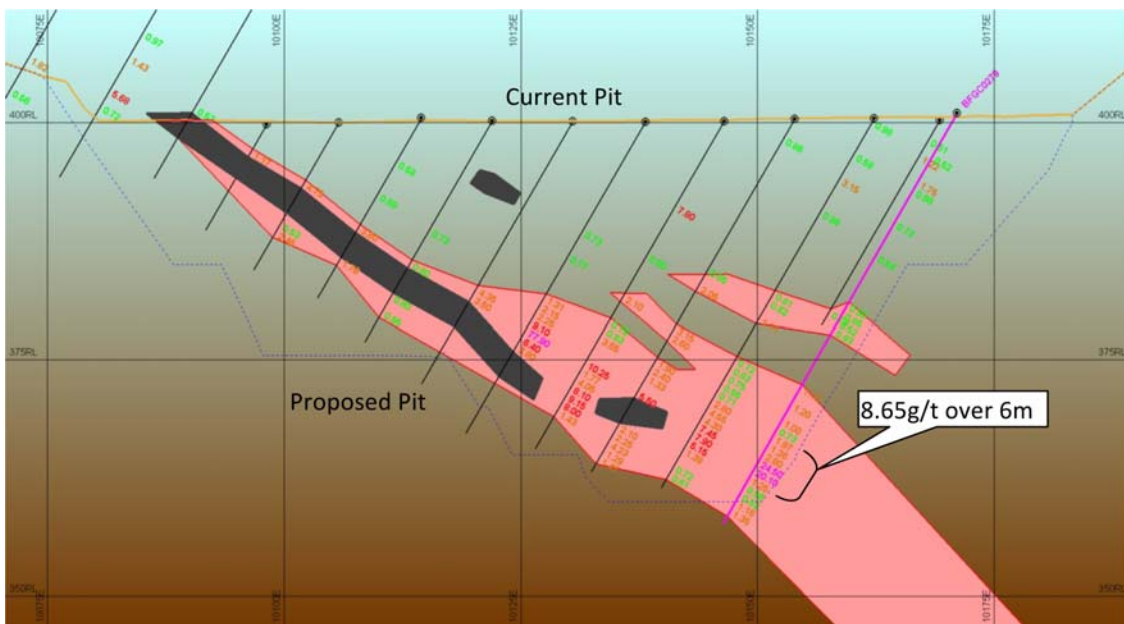


Figure 3. Cross-section 9825N showing hole BFGC0273 which intersected 7.72 g/t across 5 metres confirming high-grade results from historic exploration drill results from surface. Results are pending for holes BFGC0243 and 256.

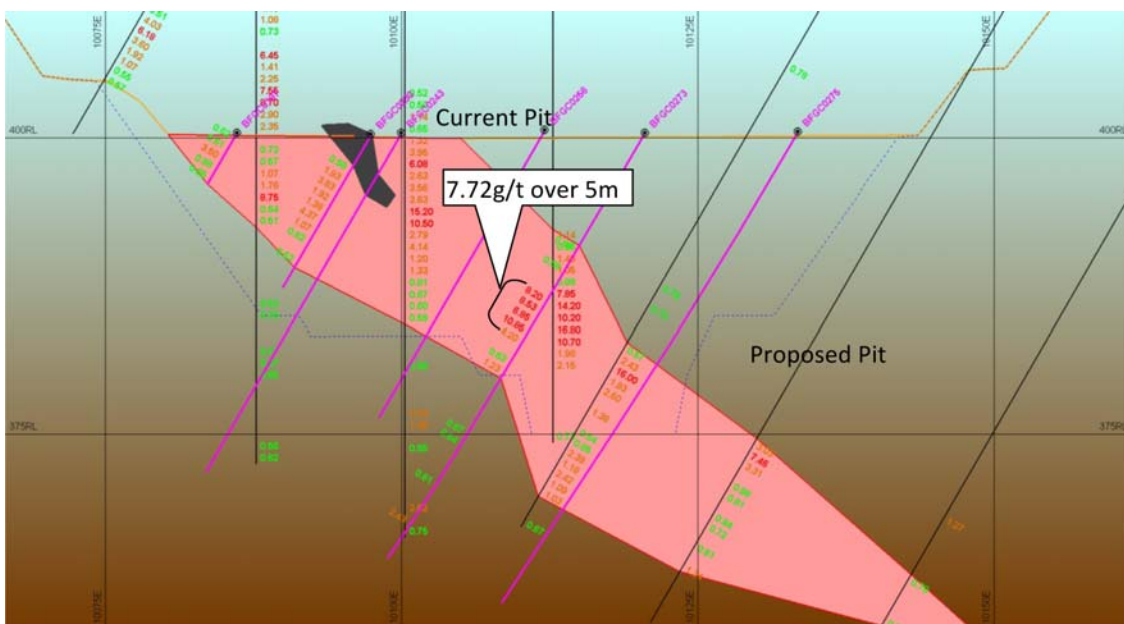
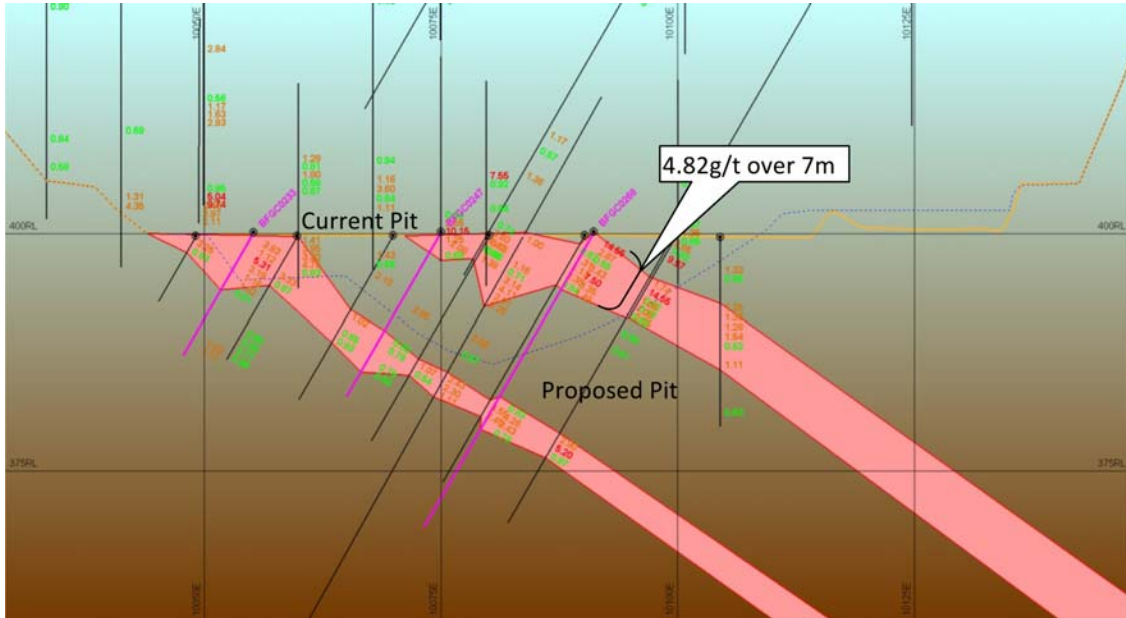




Figure 4. Cross-section 9912.5N showing hole BFGC0268 which intersected 4.82 g/t across 7 metres and 3.85 g/t over 2 metres.



Nex Managing Director Ken Allen stated “The results to date have filled in some of the gaps in data we needed for our mine modeling and confirmed the high-grade nature of the Butterfly orebody. We also feel that the results received to date evidence the exploration upside that remains for the Butterfly deposit – work that we will embark on once mining is underway and positive cash-flow attained.”

Figure 5. Mining activity in the pit is well advanced. Nex has a fleet 777B Caterpillar Trucks on site.





**For further details please contact:  
[www.nexmetals.com](http://www.nexmetals.com)**

***About Nex Metals Explorations Ltd***

*Nex Metals Explorations Ltd (ASX: NME) controls in excess of 300 square kilometres of prospective geology in the Kookynie area of Western Australia. These tenements overly Archaean-aged volcanic rocks (greenstone) recognised as a favourable host to gold deposits worldwide including the Kalgoorlie Super Pit, 160km south of the Kookynie Project. The Kookynie area has witnessed abundant historic gold production dating back to the late 1890's during the early mining years of the Goldfields. Nex has been able to amalgamate the land position into a large, near-contiguous parcel and in so doing established a very large database of previous work including some 16,000 drill holes and 50,000 soil samples. Nex has used this wealth of data to establish new, JORC-compliant resource estimations which currently total 22.38 million tonnes and 769,000 ounces of gold in 21 deposits.*

*Nex is currently focussed on the near-term toll milling of ore from the Butterfly Pit to generate swift cash flow. These funds will aid in the completion of the heap leach facility (currently under construction), refurbishment of the Orient Well carbon-in-leach mill and exploration/resource expansion drilling.*

***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 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.*