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# NEX METALS EXPLORATIONS LTD

## Interim Bulk Metallurgical Recovery **reaches 85% at the 75 day mark** Orient Well Laterite Phase 1 Kookynie Gold Project

Nex Metals Explorations Ltd (ASX; NME) ("Nex") is pleased to advise the following update and plans for progression of its 100% owned Kookynie Project.

### Phase 1 Swift Low Cost Gold Production, Orient Well laterite Heap Leach.

Additional metallurgical testing, a follow up to the preliminary column testing, reported to the ASX October 19 - 2009, has provided excellent gold recovery results at the 75 day mark. Gold recovery has reached 85% and the mineral extraction has not plateaued out indicating the probability for even better recoveries of gold ore.

Nex has asked the consultants to extend the trial for an additional 15 days to a total of 90 days. This column test is the best indicator of dump performance as a large parcel of ore has been used in a wide column.

The metallurgical test work was undertaken by an independent metallurgical group based in Kalgoorlie (Amdel).

### Fluid Flow Rates & Slumpage

The laterite dump leach test samples indicated excellent percolation fluid flow rates of leach solution with an insignificant slumpage.

The ore is a typical "Friable Goldfields Iron Laterite" on the surface with no waste to remove prior to mining the ore stripping ratio which will be, once blasted, very cheap to mine.

The percolation test indicates that normal mining activities will lead to a natural dump slumpage of around 5%. This means the dump can be built higher with, less environmental ground disturbance and lower treatment infrastructure costs.

### Cyanide Consumption and Base & Transitional Metals

The consumption rate of cyanide averages around 1.2kg per tonne of ore.

The leach solutions are relatively clean of base and transitional metals with only traces of copper & nickel leaching into solution early in the cycle.

The planned lime additions on the leach pads combined with good quality raw water, indicate that leach solutions should have minimal treatments for scaling through the irrigation and processing pipes. Adsorption onto and the subsequent treatment of carbon should be relatively interference free and treatment costs will be at a minimum.

This testwork will finish after 90 days of leaching. Final figures will be released to the ASX as they become available.

See Diagram over page

## Additional ongoing work at the 100% Nex Kookynie Gold Project is highlighted below;

### Phase 2 Re – analysis of previously mined shallow open pits.

Work continuing – Independent Consultant Classification of Historical Estimates into Joint Ore Reserve Committee (JORC) compliant classification. Phase 2 estimated resources currently stand at 17.24Mt @ 1.0g/t for 575,000 ounces of gold to a maximum depth of 120 metres beneath the natural surface (refer ASX announcement Nov 2009).

### Phase 3 Establishing a High Grade Underground Goldmine supplemented by lower grade feed from surrounding open pits and processing within a Carbon in Leach (CIL) mill.

The first pass of the $1M Diamond drilling program started beneath and along strike from the Cosmopolitan Goldmine has been completed (refer ASX announcement Nov 09). Visible gold was intersected in the third diamond drill hole core (refer ASX announcement 5th Nov 2009).

Assays should be available soon as the samples have been submitted to the laboratory for assay.

Please view the website for a full briefing of the ambitious Nex Metals plans. **www.nexmetals.com**.

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***Responsibility Statement***

*The information in this report which relates to exploration results, quality of data, geological interpretations, reasonable expectation of potential viability of quoted gold resources, comments on metallurgy and marketing and appropriateness of cut-off grades, and Nex's comments on the H&S estimates is based on information compiled by Edd Prumm who is the Technical Director and Exploration Manager of the Company and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Prumm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Prumm consents to the reporting of this information in the form and context in which it appears.*

Diagram 1 Column Leach results from continuing metallurgy test work.