



**Nex Metals**  
Explorations Ltd

ABN 63 124 706 449

Address: Level 6, Kings Complex  
533 Hay Street,  
Perth WA 6000, Australia

Postal: PO Box Z5428,  
St. George's Terrace  
Perth WA 6831, Australia

Phone: 61 8 9221 6813  
Fax: 61 8 9221 3091  
Email: admin@nexmetals.com

## **Quarterly Activities Report For the Period ended 31 December 2007**

### **Quarter Highlights**

#### **Initial Public Offering**

Nex Metals Explorations Ltd (Nex Metals) successfully closed oversubscribed its Initial Public Offering to raise \$6,000,000 and listed on the Australian Securities Exchange on the 6 December 2007. The Board appreciates the support of all those initial investors and welcomes aboard all subsequent investors into Nex Metals.

Since listing Nex Metals has focused on securing significant additional data on its projects and to establish a data base as a launching pad to instigate productive Drilling Programs over its projects but initially focusing on Randalls and Kalgoorlie West (Binduli).

The services of a drilling contractor has been obtained and secured to commence in the first quarter of 2008 subject to DOIR approvals, Nex Metals is anticipating an initial 5,000 metre drill program.

The next quarter is forecast to be extensive for the company in terms of exploration targets.

#### **Overseas Office**

During the quarter Nex Metals applied for and was granted Representative Office status in the Lao P.D.R (Laos) which permits the company to apply for exploration licence areas or to commence Joint Ventures with local companies. Nex Metals expects to secure a project area in the coming months. Nex Metals directors and locally appointed Representatives have had a number of meetings with Lao P.D.R Government Departments and have been favorably received.

#### **Randalls Project**

The company has applied for an additional 44.8 km<sup>2</sup> of exploration licences in the Randalls project area. A number of reviews and desktop studies indicate the following;

Structural and mineral alteration anomalies, interpreted from satellite imagery, are present in E25/263, E25/315 and E25/1567. Within E25/318 anomalous gold RAB intersections in the central west of the licence provide targets for follow-up RC Drilling.

The Randalls project comprises 8 exploration licenses located to the east and north east of the Bulong Anticline, a large south plunging sequence of sediments and volcanic rocks. A number of the tenements, namely E25/315, 263, 350 are situated to the north of the Randalls open pits previously mined by the Mt Monger Gold Project between 1994-1997. These pits were centred around banded iron formation which were cut by a series of northwest trending mineralised fault structures resulting in flat lying quartz veins (+/-) arsenopyrite introducing gold into the prospective iron rich formations.



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E28/1770 is almost entirely covered by more recent sediments of Lake Yindalgooda which clearly has the potential to mask any gold mineralisation. E25/191 lies on the contact between mafic volcanic and concordant gabbros of the Bulong Anticline and the contact is a logical focus for immediate systematic geochemistry, possibly auger sampling to test for the presence of gold mineralisation adjacent to this contact zone.

The same NW trending fault structures which assisted in the formation of the Randalls mined gold mineralisation may cut the lithological contact within E25/191 and is a logical target. E25/263 straddles a major volcanic and sediment contact of Bulong Anticline and the Mt Belches sedimentary package (which hosts the Randalls BIF units). This contact area may also be cut by the NW trending mineralised structures which contribute to the known gold mineralisation at Randalls

## **Kalgoorlie West**

The project comprises 8 granted prospecting licenses and 1 granted exploration license located approximately 8km south west of Kalgoorlie and 9km south east of the Binduli mining centre mined by extensive open pits by Croesus mining during the early to late 90s.

The tenements cover a largely sedimentary sequence which appears to have been intruded by concordant dolerites and gabbros. Previous exploration has been reasonably systematic with soil sampling, and limited RAB and RC drilling.

The Binduli area which was extensively mined by Croesus from the early to late 90s was related to the development of gold mineralisation adjacent and within a competent intrusive felsic porphyry rock and a sedimentary shale horizon. Competency contrasts and a NW trending axial planar faults provided the focus for the gold mineralisation with supergene enrichment and depletion assisting in the development of reasonable widths of economic gold mineralisation. Similiar geological and structural targets will be targeted within the extensive Binduli West tenement package of Nex Metals.

## **Collurabbie Project**

E38/1781-1783, E38/1736, E38/1746

The Collurabbie Project area is located approximately 200 kilometres north of Laverton in a largely soil covered and remote area. Exploration in the area has been largely precipitated by a nickel PGE discovery in 2004 by Falcon minerals that discovered previously unknown nickel sulphide mineralisation on a magnetic trend. Consequent exploration by Gryphon (in JV with Minara) identified some anomalous nickel mineralisation on strike to the south.

## **Round Hill and Round Hill East**

Nex Metals has applied for an additional 196 km<sup>2</sup> to at the Round Hill project.

*The information in this report that relates to Exploration and Geological Work and Concepts is based on information compiled by Simon Coxhell, who is a member of the Australian Institute of Mining and Metallurgy and is a consultant of the Company. Mr Coxhell 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 Coxhell consents to the inclusion in the report of the matters based on information in the form and context in which it appears*