



23 September 2009

## **NEX METALS EXPLORATIONS**

### **Metallurgical Results, Kookynie Project Update**

The **Nex Metals Explorations Ltd (Nex or The Company)** is pleased to advise the following update and plans for progression of its 100% owned Kookynie Project.

**First pass metallurgy testing consisting of; Gold Recovery, Flow Rate Analysis and Heap Slumping test work from the 100% Nex, Orient Well Laterite Project provides excellent results.**

This activity pertains directly to the Nex Metals Explorations Ltd 3 Phase Plan for growth.

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

The initial first pass of grade control drilling at Orient Well laterite has been completed. The drilling covers an area of 1.8km of strike @ approximately 300m width and depth between 2 and 10 metres, (refer to the plan below). A total of 405 holes for 4,050 metres of drilling was completed to infill the existing drilling dataset on an 10m X 10m and 25m X25m grid pattern.

**Additional ongoing work is highlighted below;**

**Phase 2** Re – Optimisation of shallow previously mined open pits, super pit heap leach. **Work continuing – Independent Consultant Classification of Historical Estimates into Joint Ore Reserve Committee (JORC) compliant classification.**

**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. **Work continuing - \$1M Diamond drilling program started beneath and along strike from the Cosmopolitan Goldmine.**



## **Nex has completed the first pass Column Leach test work on the 100% Nex Orient Well laterite.**

Preliminary column and percolation test work has been conducted on a random 50kg sample collected from the surface of the mineralized laterite area. This random uncrushed sample provides a relevant sample for analysis of a large, low cost, low grade, Dump Leach Project as envisaged by Nex Metals for **Phase 1**.

The sample assayed slightly lower than the expected average analysis grade for the deposit, 0.45 g/t compared to an expected 0.55 g/t. The metallurgical test work was undertaken by an independent metallurgical group based in Kalgoorlie (Amdel).

### **Gold Ore Recovery**

The results show a minimum of 50% Au recovery over a 35 day test period with moderate levels of cyanide and lime consumption.

This is a positive result for a lower grade sample and the data suggests that once operational, leaching will most likely take a minimum of 90 days on a 300,000t pad.

Indications from this first test suggest that additional leach time should improve the recovery.

### **Fluid Flow Rates & Slumpage**

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

The ore is a typical “Friable Goldfields Iron Laterite” on the surface, with minimal waste to remove prior to mining. With the use of Drill and blast mining is expected to be in the lower range of mining operations.

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. Leaching is expected to take an average of 90 days on 300,000 tonne pad parcels.

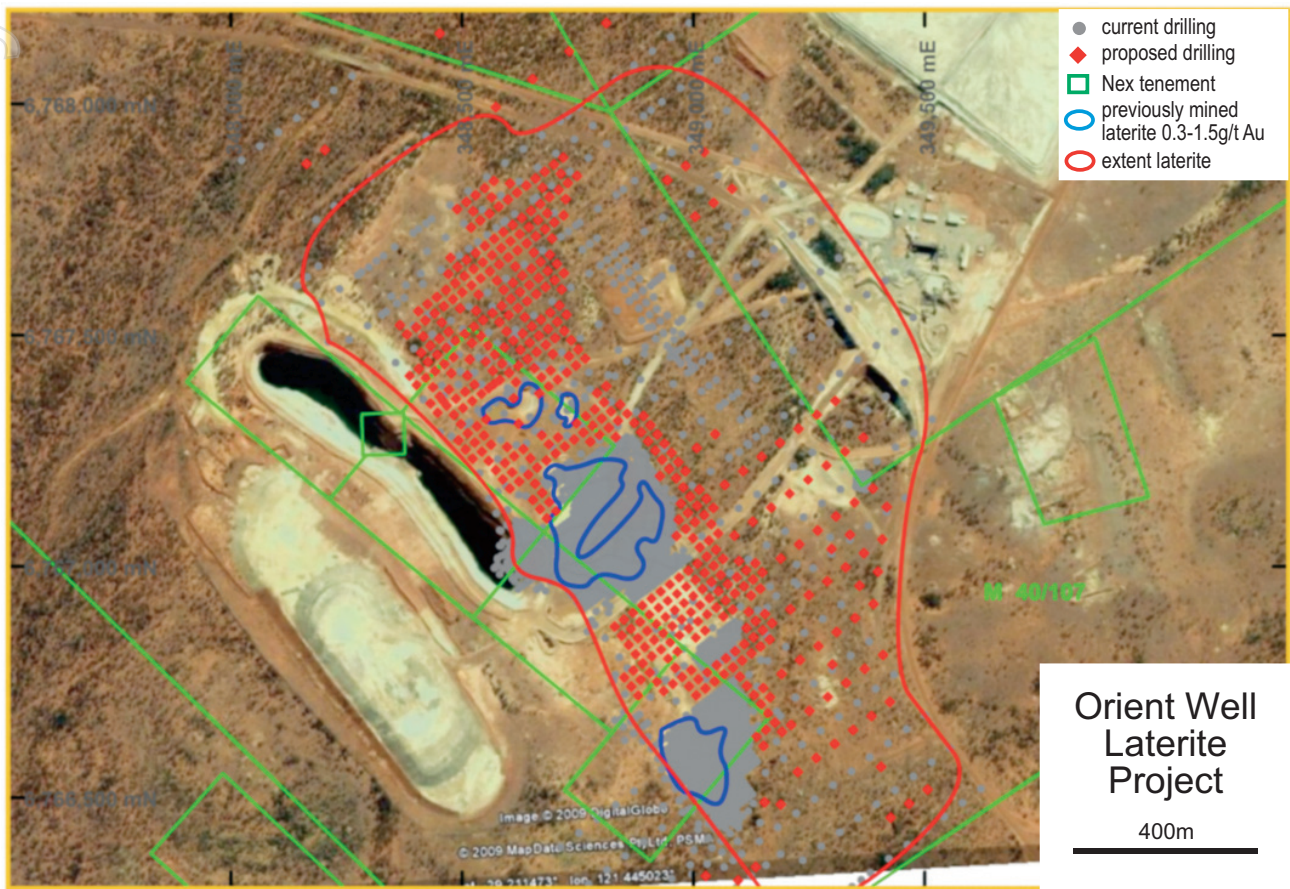
Follow-up tests are currently underway on a larger sample parcel through a large diameter column to confirm these results.

### **Dump Leach Location**

Nex envisages using the north west end of the existing, non-rehabilitated Orient Well Waste Dump as the set off point for a dump leach with a height up to 17 metres, and high angle flow potential for intra dump fluid movement.

It is expected that Orient Well pulverized tailings will be used as a bed for the Heap Leach Liner, and tailings from the historical Cosmopolitan Goldmine will be used as a filter bed for the heap leach ore. This material is also known to contain remnant gold mineralization and is being tested for applicability.

Preliminary work on leach pad design, pond and CIC operational parameters has commenced and will be finalized shortly after follow-up test work is completed.



The plan (above) shows the existing drilling in grey and Nex infill Laterite grade control drilling in red. The strike length is approximately 1.8km and the depth of mineralisation varies from 1 to 8 metres.



### Additional work underway on the (Nex 100% owned) Kookynie Gold Project;

1. Phase 1 and Phase 2; Nex is working with Perth resource specialists Hellman and Schofield to convert the sizeable historical resource estimates (refer [www.nexmetals.com](http://www.nexmetals.com)) into JORC reporting status.
2. Phase 3; Diamond Drilling on the Cosmopolitan Reef Kookynie. Drilling of the first diamond hole and the first wedge has been completed with both holes intersecting Quartz reef, Bleaching, Chloritic alteration and Sulphide (pyrite) in the correct approximate location of the lode. These oriented diamond drill holes are being logged in detail for geology and structural data.
3. Nex has assembled a steering committee of experienced industry professionals to provide recommendations on likely capital and operating costs of the Phase 1 Orient Well Heap Leach Project for;
  - a) Plant layout and equipment requirements.
  - b) Treatment and processing of the ore.
  - c) Mining.
  - d) Staffing and accommodation.

The board of Nex believe that, subject to regulatory approvals, mining of the laterites can be started within the December 2009 quarter and gold production within the March 2010 quarter.

Please view the website for a full briefing of the ambitious Nex Metals plans. [www.nexmetals.com](http://www.nexmetals.com)

#### *CODE COMPLIANCE STATEMENT*

*Horst Prumm B.Sc. AIG, AIMM is an Executive Director and the Exploration Manager for Nex Metals Explorations (ASX code NME) and has sufficient experience 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 Mineral Resources and Ore Reserves" and accepts the responsibility for the accuracy of the summary disclosed in 2 to 9 above.*