Nex Metals Explorations Ltd

ABN 63 124 706 449

Address: Level 2, 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

19 October 2009

NEX METALS EXPLORATIONS

Initial Mineral Resource Estimate for Orient Well Laterite Gold Project

Kookynie Gold Project Update

The board of Nex Metals Explorations Ltd (ASX; NME) ("Nex") is pleased to announce the following update on the Kookynie Gold Project.

Nex has completed initial drilling on the Orient Well Laterite Gold Project (Phase 1) of its 100% owned Kookynie Gold Project.

Hellman and Schofield (H&S), resource consultants of Perth, were commissioned to complete initial resource estimates to be reported in-line with the Joint Ore Reserve Committee (JORC) guidelines.

The Orient Well Laterite Resource Estimates, tabulated at a range of lower cut off grades are:

Orient Well Laterite Resource Estimates

Cut-off (Au g/t)	Classification	Tonnes (Million)	Grade (Au g/t)	Containg Gold (Ounces)
0.25	Indicated	0.67	0.53	11,300
	Inferred	1.2	0.41	15,300
	Total	**1.84**	**0.45**	**26,600**
0.5	Indicated	0.33	0.64	6,900
	Inferred	0.2	0.71	3,900
	Total	**0.51**	**0.66**	**10.800**

The mineralisation has potential for extension along and across strike, additional drilling is planned to test for these extensions. H&S have recommended further comparative drilling to assess and mitigate any uncertainties over the quality of the existing drilling data. This information is expected to raise the confidence category in the resource estimates and support the mining program.

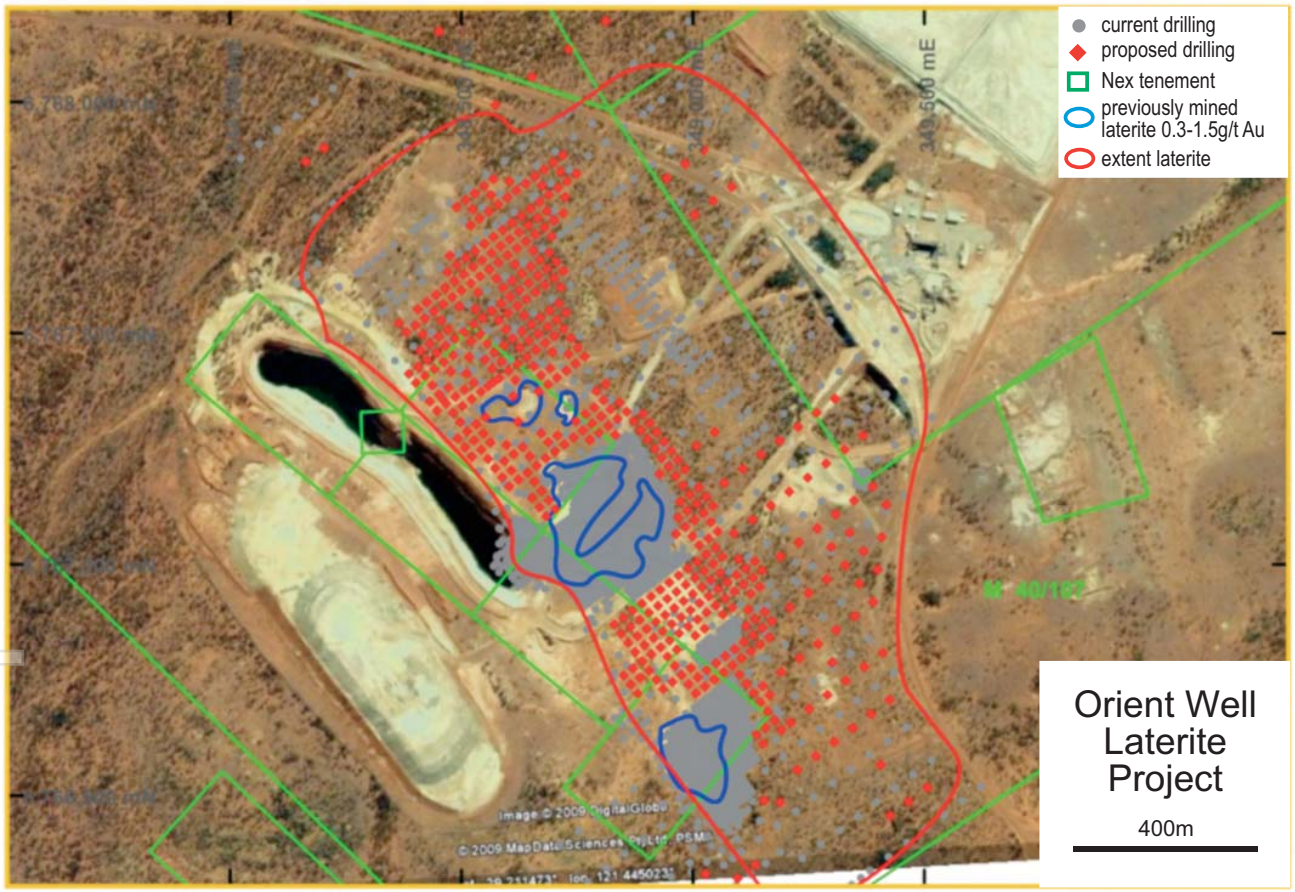
Drilling is expected to start within the next two weeks.

Programmes of works have been submitted and subsequent Department of Minerals and Petroleum approval have been granted to test two additional zones of mineralised laterite already delineated within the lease area. These areas will be drill tested concurrently.

Nex are fast tracking gold production from its wholly owned Kookynie Gold Project. Recent metallurgical test work combined with this resource assessment shows that Phase 1 will be a low cost gold mining opportunity that can be exploited very quickly.

The Orient Well Laterite will be treated as a Dump Leach, located on the periphery of the existing Orient Well Waste Dump pictured below, with an expected treatment rate of 1.6 to 2.0 Mt per annum.

Mining proposals have been lodged with both the Department of Minerals and Petroleum (DMP) and the Department of Environment and Conservation (DEC). The scoping study is near completion with costs being in the lower range of existing mining producers. Earthmoving contractors are currently being sort.



JORC Code Compliance Statement

The information in the report which relates to Exploration Results, inclusive of but not limited to drilling and sampling historical data, bulk densities, cut off grades, and mineralisation potential is based on information compiled by Edd Prumm who is a Member of The Australasian Institute of Mining and Metallurgy and / or the Australian Institute of Geoscientists. Modelling and Resource estimation was undertaken by Mr Robert Spiers a full time employee of Hellman and Schofield Pty Ltd and who is a Member of the Australian Institute of Geoscientists. Mr Prumm and Mr Spiers have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 and Mr Spiers consent to the reporting of this information in the form and context in which it appears.

APPENDIX 1 – Notes to Accompany Orient Well Laterite Mineral Resource Estimate

- The estimates are based on a combination of reverse circulation (RC) and rotary air blast (RAB) drilling. There are 2146 vertical and angled drill holes with drilling at predominantly two drill densities, 10m x 10m spaced RAB/RC drilling pattern locally, and a 25m x 25m spaced rotary air blast (RAB) / (RC) drilling pattern regionally.
- RC drilling is predominantly by 5.5 inch face sampling hammer.
- Samples were historically riffle split on site to a nominally 2 kg sub sample.
- Sub samples were generally despatched to Kalgoorlie Analytical Laboratories for total sample preparation followed by 40 gram fire assay for gold.
- Drill-hole collars were surveyed by variety of methodologies including, hand held GSP, theodolite and more recently DGPS. Further work is required to finalise ground surveys.
- Bulk density measurements have been undertaken by a number of practitioners over the course of the development of the existing database, the full complement of data is yet to be realised by Nex Metals Exploration Ltd and continues to be compiled by Nex representatives. As such it was proposed by Nex that a value of 2.25 g/cc be applied to the tonnage calculation for the Resource Estimates until such a time as the final dataset is compiled. Densities of pisolitic and weakly indurated ferricreted laterites and interstitial clay filled laterite typical of this region are documented to be in the range of 2.35 to 2.55 g/cc.
- The resources were estimated by Ordinary Kriging of two metre composited gold grades within wire-frames representing the laterite.
- No upper cut has been used as highest gold assay within the laterite dataset is 7.78 g/t with only 6 samples above 2.66 g/t. Assays show little variability for a gold deposit of this nature.
- Figures are rounded to reflect the accuracy of estimates and exhibit rounding errors.
- Geological continuity is moderate and the geological solid within which the domaining of mineralisation was undertaken continues to evolve with further drilling.