Nex Metals Explorations Ltd

ANNUAL REPORT 2009

Corporate Directory

DIRECTORS
Thomas F Percy
Kenneth Allen
Horst Prumm
Kasit Phisitkul

COMPANY SECRETARY
Kenneth Allen

ABN
63 124 706 449

PRINCIPAL OFFICE
Level 2, 533 Hay Street
PERTH WA 6000

REGISTERED OFFICE
Level 2, 533 Hay Street
PERTH WA 6000

AUDITORS
RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

SHARE REGISTRY
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

STOCK EXCHANGE LISTING
Australian Stock Exchange
Home Exchange: Perth, Western Australia
Code: NME, NMEO

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Directors' Report

The directors of Nex Metals Explorations Ltd submit herewith the financial report for the financial year ended 30 June 2009.

The names of the directors of the company at any time during or since the end of the financial period are:

Name

Thomas F Percy		
Kenneth M Allen		
Horst Prumm		
Kasit Phisitkul		
Shashwat Nigam	-	Resigned 13 February 2009
Sharad Nigam	-	Resigned 13 February 2009

Directors Qualifications and Experience

Thomas Percy QC (Chairman) B.Juris., LL.B.

Tom was born in Kalgoorlie where his family ran the Federal Hotel for over 60 years. Tom attended Kalgoorlie Central Primary School later Scotch College in Perth. After graduating from the University of W.A. in 1977 as Bachelor of Jurisprudence and Bachelor of Laws he completed his Articles in Kalgoorlie; where he practiced for the next 10 years. Tom became a partner in the firm Lalor & Co in 1981, and later practiced on his own as a Barrister. He joined the W.A. Bar Association in 1984 and was appointed Queen's Counsel in December 1997. Tom specialises in criminal trials and appeals and has been involved in many prominent cases over the past 25 years. He also has significant experience in mining litigation and Warden's Court cases.

He was a founding member and former Chairman of the Goldfields Credit Union, is currently a National Director of the Australian Lawyers Alliance and is a Director and Life Member of the East Perth Football Club.

Directorships held in other listed entities during the past 3 years – None.

Kenneth M Allen (Executive Director - Company Secretary) B.Bus (Curtin), PNA, FNTAA. FTIA, FAICD

Ken has been a qualified accountant since 1988 and in his own Public Accounting Practice in Kalgoorlie-Boulder since 1991, and more recently in his Perth Office. He has been involved in mining for over 20 years both directly and via his family's prospecting interests. Ken is a Fellow of the Australian Institute of Company Directors and a Fellow of the Taxation Institute of Australia. Ken brings to the board extensive commercial experience in mining matters as well as a passion for sustainable and balanced environmental issues and practical carbon reductions for the mining industry.

Directorships held in other listed entities during the past 3 years:

Fairstar Resources Ltd – Non Executive Director – Appointed 12 February 2006, Resigned 10 March 2008, Reappointed 7 May 2009.
Kalgoorlie Boulder Resources Ltd – Non Executive Director – Appointed 14 January 2005, Resigned 20 April 2007.

Horst Edd Prumm (Technical Director) B.Sc.

Edd is a Geologist and has been a member of the AUSIMM for more than 20 years. His understanding of orebody morphology and high motivation has resulted in a successful 24 year career in exploration and mining with Australian and International Mining Companies in Western Australia, Africa and South America. He has a broad experience base having worked with a variety of commodities including Gold, Tin, Tantalum, Industrial Minerals and Base Metals.

Edd is the owner operator of the Westonia Magnesite and also consults for Serabi Mining and Macrae Clough in Australia and overseas as the Principal Geologist.

Directorships held in other listed entities during the past 3 years – None.

Kasit Phisitkul (Non-ExecutiveDirector)

Master of Public and Private Management (MPPM)

Kasit is of engineering background and a dynamic and successful Managing Director of Kenber Group based in Thailand for over 20 years. Kenber specializes in geological investigation, geotechnical engineering, dam construction and foundation treatment, mining and other related works with scope of business primarily covering Southeast Asian countries. He has various professional and civil functions such as Honorary Adviser to the Thai Senate and several government ministers, Executive Director to the Thai-Chinese Culture and Economy Association and Executive Board member of Maejo University Promotion Committee, among others. He has vast knowledge and extensive government and business connections in the region particularly in the field of mining and geotechnical-engineering works.

Directorships held in other listed entities during the past 3 years – None.

Principal Activities

The principal activity of Nex Metals Explorations Ltd is exploring for gold, copper and nickel.

Operating Result

The loss of the company after taxation for the year ended 30 June 2009 was $1,977,773 (2008 : $2,709,890).

Dividends Paid or Recommended

No dividends were paid during the year and no recommendation is made as to dividends.

Review of Operations

Kookynie

- Acquired 100% ownership of kookynie tenements from FMR investments June 2009.
- Historic (NON-JORC) gold estimates of 424,000 oz Au
- In excess of 16,400 drillholes and 380,000 assays in database
- Comprehensive and ongoing review of hardcopy historic data
- Low-strip ratio ore ready to be mined from half mined Butterfly open pit.
- Butterfly ore tested for leach recovery potential with excellent results.
- Cosmopolitan last mined 1912, to a depth of 350m @ average 16g/t. 320,000 oz recovered.

Yundamindera

- Farm-In agreement signed with Saracen Mineral Holdings, February 2009, to earn 70% of Yundamindera Project over 3 years. (Nex currently at 50%).
- 1,500 drillholes and 100,000 assays in a digital dataset.
- Ex – Sons of Gwalia project including Landed at Last; a shallow oxide Au deposit in granitic host. 2002 JORC-Compliant resource of 189,000 tonnes @ average 1.34g/t for 79,600oz (0.6 g/t cut)
- 2 diamond drillholes completed at Landed at Last to test continuity of mineralisation
- 2 Diamond drillholes also used for heap leach test work analysis currently being undertaken by Ammtec in Balcatta Perth

Kalgoorlie West (Binduli)

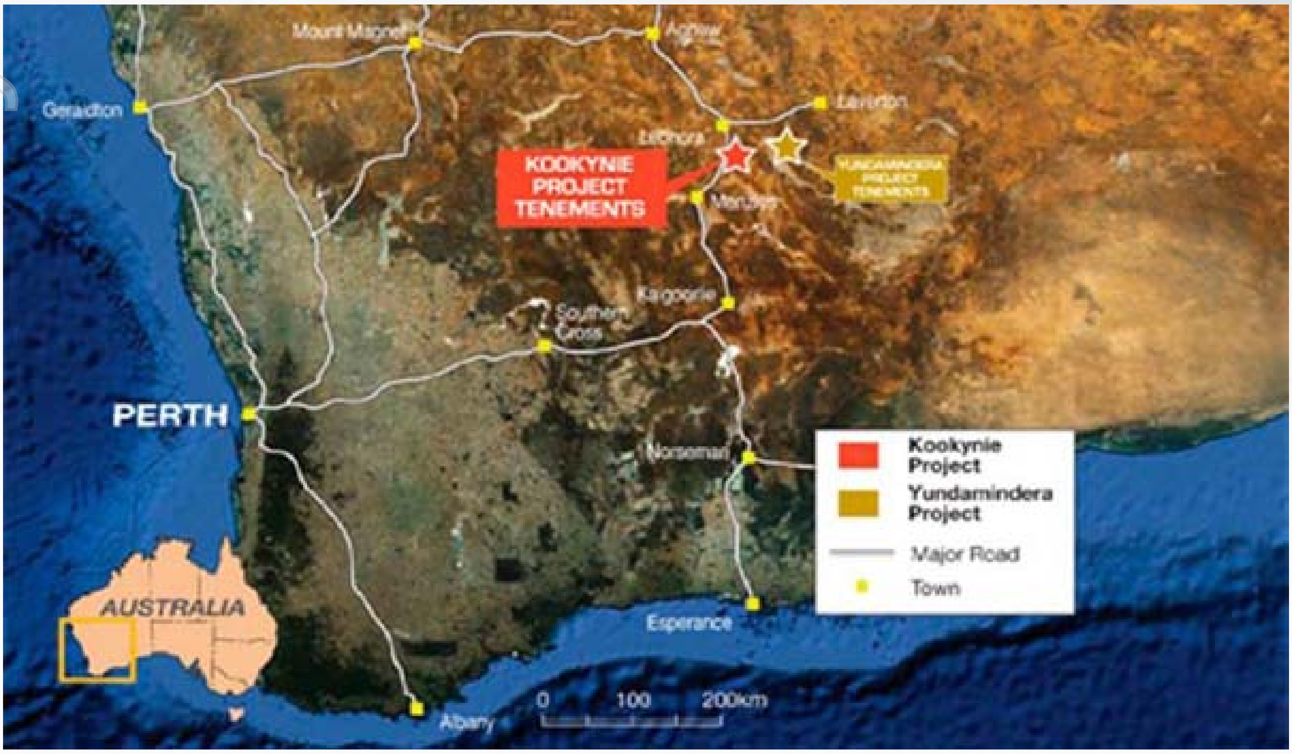
- Continuing Desktop review of project
- Rationalisation of tenement holdings.

Euro Project (Laverton)

- Independent Geological report suggests that non contiguous nature of the leases and the type of leases make this a difficult are to create a mining operation.
- Negotiations are underway sell this project to Crescent Gold.

Randalls / Collurabbie / Reef Dam

- The majority of these areas were relinquished in April 2009. Retained areas are being assessed and Nex are looking to offload these tenements.



Kookynie

In June 2009, Nex Metals Explorations Ltd ("Nex" or "the Company") acquired 100% ownership of the Kookynie Project from FMR investments. For $150,000 cash and 7.8 million shares (escrowed for 6 months).

Nex received a tenement package comprising over 70 mining, exploration, prospecting and miscellaneous licences that include 12 known Au deposits, with an historical (NON-JORC) compliant estimated 424,000 ounces. This tenement package lies adjacent to Nex's currently held Tampa and Jungle Well Projects, which during December 2008 returned very good rock chip samples up to 14.63 g/t Au. These two projects have been incorporated in the Kookynie Project tenement holding.

Highlights of the package include the Cosmopolitan Mine, which last produced in 1912, and was only mined to a depth of 350m. This mine produced in excess of 320,000 oz of gold, at an average grade of 16 g/t. The Cosmopolitan sits between the Cumberland (north) and Diamantina (south) deposits. Both of these smaller deposits were exploited by open pit for oxide mineralisation in the early 1990's, with the Diamantina still containing approximately 16,000 oz of Au drilled on a close spaced 20X20m drilling pattern.

The Cosmopolitan mineralised strike extends in excess of 1.5 km on the surface and is underexplored, with few drillholes at a depth greater than 120m. The Cosmopolitan structure remains open at depth and along strike.

Other highlights include the Butterfly –Admiral – Clark deposits, which contains 25m of readily available, low strip ratio ore in the half mined Butterfly pit. A pit-shell for the Butterfly deposit, optimised at ca. AUD$500 / oz, with a total depth of ~55m was mined to ~25m by Sons of Gwalia in 2003, prior to their placement into administration.

Yundamindera

In April 2009, Nex Metals Explorations Ltd secured the rights to earn up to 70% of the Yundamindera Project (over three years) from Saracen Mineral Holdings.

An ex – Sons of Gwalia project; this area hosts the Landed at Last deposit, which in 2002 was modelled to a JORC compliant resource of 189,000 tonnes at an average of 1.34 g/t (0.6 gram cut), for a contained 79,600 ounces Au. This shallow oxide deposit is hosted by granite and is mineralised almost to surface. Other known historic deposits in the project include Great Bonaparte, Queen of the May and Pennyweight Point.

In June 2009, Nex completed two diamond holes to test the continuity of mineralisation at Landed at Last and to use for heap leach test work with Ammtec in Balcatta.

Ongoing work on the Yundamindera Project is including re-sampling of historic battery sands and heap leach pads remnant from post-war mining operations to test for potential extra heap leach feed, and resampling of historic drillholes targeting the other known deposits within the project area.

Binduli and Euro

Nex now considers these projects to be non-core, and throughout the 2008/09 financial year has been undertaking continuous desktop reviews of both projects with a view to rationalising the Company's current tenement holding, and search for potential farm-out opportunities.

Collurabbie / Reef Dam / Randalls

During the 2008/09 financial year, and subsequent to a comprehensive independant geological review of these projects, Nex intend to farm out and relinquished their tenement holdings in each.

Significant Changes in the State of Affairs

Except as otherwise set out in this report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the company that occurred during the period under review.

After Balance Date Events

No matters or circumstance has arisen since 30 June 2009 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Future Developments

Further information on likely developments in the operations of the company has not been included in this report because at this stage the directors believe it would be likely to result in unreasonable prejudice to the company. As Nex Metals Explorations Ltd is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Nex Metals Explorations' securities.

Environmental regulations

The Company is aware of its environmental obligations and acts to ensure its environmental commitments are met. The Directors are not aware of any environmental regulation which has not been complied with.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 10 board meetings were held (including circulating resolutions passed by Directors).

		Board of directors
Directors	**A**	**B**
Thomas F Percy	10	10
Sharad Nigam - Resigned 13 February 2009	7	7
Kenneth Allen	10	10
Horst Prumm	10	10
Shashwat Nigam - Resigned 13 February 2009	7	7
Kasit Phisitkul	10	8

Notes

A - Number of meetings held during the time the director held office during the period.

B - Number of meetings attended.

Directors' Share and Option holdings

As at the date of this report the interests of the directors in the shares and options of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
T Percy	1,000,000	3,500,000
K Allen	6,650,001	6,250,000
H Prumm	2,080,000	4,040,000
K Phisitkul	1,000,000	3,500,000

Share Options

Unissued ordinary shares of Nex Metals Explorations Ltd under option as at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of options	Number under options
29 May 2008	30 November 2011	$0.25	38,471,646
6 December 2007	6 December 2011	$0.25	5,000,000
1 July 2007	30 November 2012	$0.25	3,000,000
1 July 2007	30 November 2012	$0.40	1,500,000
1 July 2007	30 November 2012	$0.50	1,500,000
1 July 2007	30 November 2012	$0.60	3,000,000
1 July 2007	30 November 2012	$0.75	3,000,000
1 July 2007	30 November 2012	$1.00	6,000,000
			61,471,646

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Remuneration Report

The information provided in this remuneration report have been audited as required by Section 308(3C) of the Corporations Act 2001.

(a) Principles used to determine the nature and amount of remuneration

The remuneration policy of Nex Metals Explorations Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board of Nex Metals Explorations Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements.

The directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%. Some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting (currently $350,000) Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in employee option plans.

Performance based remuneration

The company has no performance based remuneration component built into director and executive remuneration packages.

The following table shows the gross revenue and losses and share price of the Company at the end of the respective financial years.

	30 June 2009	2 April to 30 June 2008
Revenue	$114,856	$15,393
Net Loss	$1,977,773	$2,709,890
Share Price	$0.15	$0.28

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

(b) Compensation of Key Management Personnel

The key management personnel of the Company are the Directors. There are no executives, other than Directors, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

Name of Director	
Thomas F Percy	Chairman
Kenneth Allen	Managing Director
Horst Prumm	Non-Executive Director
Kasit Phisitkul	Non-Executive Director
Sharad Nigam	Non-Executive Director (Resigned 13 February 2009)
Shashwat Nigam	Non-Executive Director (Resigned 13 February 2009)

The emoluments for each director and key management personnel of the Company are as follows:

Year ended 30 June 2009	Short-term			Post employment	Share-based payments	Total
	Salary & Fees	Consulting	Non Cash	Superannuation	Options	
Directors						
T Percy	50,137	-	-	4,512	-	54,649
Sharad Nigam *	23,972	18,932	-	2,158	-	45,062
K Allen	161,786	-	-	14,561	-	176,347
H Prumm	33,425	59,865	-	3,008	-	96,298
Shashwat Nigam *	23,972	-	-	2,158	-	26,130
K Phisitkul	33,425	-	-	-	-	33,425
	326,717	78,797	-	26,397	-	431,911

* Resigned 13 February 2009

Period ended 30 June 2008	Short-term Salary & Fees	Consulting	Non Cash	Post employment Superannuation	Share-based payments Options	Total
Directors						
T Percy	42,308	-	-	3,831	213,150	259,289
Sharad Nigam	29,418	86,921	-	2,564	213,150	332,053
K Allen	133,698	42,385	-	12,322	213,150	401,555
H Prumm	28,493	34,072	-	2,564	213,150	278,279
Shashwat Nigam	28,493	-	-	2,564	213,150	244,207
K Phisitkul	28,426	10,830	-	-	213,150	252,406
	290,836	174,208	-	23,845	1,278,900	1,767,789

(c) Share-Based Compensation

On 1 July 2007 18,000,000 options were granted to Directors of the Company. All options expire on 30 November 2012. The options immediately vested and there are no performance standards or employment period required before exercise can take place. Details of the options granted are as follows:

	No. of options	Value per option (cents)	Total $
Directors options exercisable at 25 cents each	3,000,000	13.01	390,159
Directors options exercisable at 40 cents each	1,500,000	9.67	145,040
Directors options exercisable at 50 cents each	1,500,000	8.13	122,013
Directors options exercisable at 60 cents each	3,000,000	6.95	208,352
Directors options exercisable at 75 cents each	3,000,000	5.60	168,020
Directors options exercisable at $1.00 cents each	6,000,000	4.09	245,316
	18,000,000		1,278,900

The share options issued in the year ended 30 June 2008 have been valued using the Black Scholes valuation method and the following assumptions:

Share price	25 cents
Exercisable	25 cents to $1.00 per above
Risk free interest rate	6.11%
Volatility	50%
Time to expiry	5 years and 2 months

Details of options granted as compensation during the reporting period are as follows:

	No Granted 2009	No Granted 2008	Vested 2009	Vested 2008	Balance Unvested 2009	Balance Unvested 2008
Directors						
T Percy	-	3,000,000	-	3,000,000	-	-
Sharad Nigam *	-	3,000,000	-	3,000,000	-	-
K Allen	-	3,000,000	-	3,000,000	-	-
Shashwat Nigam *	-	3,000,000	-	3,000,000	-	-
K Phisitkul	-	3,000,000	-	3,000,000	-	-
H Prumm	-	3,000,000	-	3,000,000	-	-
	-	18,000,000	-	18,000,000	-	-

* Resigned 13 February 2009

(d) Service agreements

The agreements related to remuneration are set out below

i. The Company has entered into an executive services agreement with Kenneth Malcolme Allen whereby the Company has agreed to employ Kenneth Malcolme Allen as managing director for a period of 4 years commencing on 6 December 2007 on a salary of $220,000 per annum (exclusive of superannuation) and a fully maintained motor vehicle (up to the value of $24,000 per year). In October 2008, Mr Allen agreed to reduce his total remuneration by 50% effective October 2008 until further notice.

ii. The Company has entered into a letter agreement with Horst Edmund Prumm whereby the Company has agreed to pay Horst Edmund Prumm $50,000 per annum, payable monthly in arrears, for acting as a non-executive director of the Company in addition to consulting services provided by Horst Edmund Prumm to the Company at the request of the Company on normal terms and conditions. In October 2008 Mr Prumm agreed to reduce his base remuneration by 50% effective October 2008 until further notice.

iii. The company has entered into a letter agreement with Thomas Francis Percy whereby the Company has agreed to pay Thomas Francis Percy director's fees of $75,000 per annum, plus statutory entitlements, payable monthly in arrears, for acting as the non-executive chairman of the Company. In October 2008 Mr Percy agreed to reduce his base remuneration by 50% effective October 2008 until further notice.

iv. The Company has entered into a letter agreement with Kasit Phisitkul whereby the Company has agreed to pay Kasit Phisitkul $50,000 per annum, plus statutory entitlements, payable monthly in arrears, for acting as a non-executive director of the Company. In October 2008 Mr Phisitkul agreed to reduce his base remuneration by 50% effective October 2008 until further notice.

Indemnification of Officers and Auditors

During the financial period, the Company paid a premium in respect of a contract of insurance insuring the directors and officers of the Company against certain liabilities specified in the contract. The contract prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

Non-Audit Services

The directors are satisfied that the provision of non-audit services, during the period, by the auditor or a related practice of the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are also satisfied that the provision of non-audit services by the auditor, as set out in note 5 to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor's independence as set out in APES110: Code of Ethics for Professional Accountants.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this Financial Report.

Details of amounts paid or payable to the auditor, RSM Bird Cameron, for audit and non-audit services provided during the year are set out in note 5 to the financial statements.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors.

Kenneth Allen
Managing Director
Perth, 29th September 2009

Auditor Independence Declaration

RSM Bird Cameron Partners
Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Nex Metals Explorations Ltd for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 29 September 2009

J A KOMNINOS
Partner

Independent Auditor's Report

RSM! Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

NEX METALS EXPLORATIONS LTD

Report on the Financial Report

We have audited the accompanying financial report of Nex Metals Explorations Ltd ("the company"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Nex Metals Explorations Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the financial year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Nex Metals Explorations Ltd for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 29 September 2009

J A KOMNINOS
Partner

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes set out on pages 14 to 37 are in accordance with the Corporations Act 2001, including:

    (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    (b) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flow, for the period ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in the Directors Report (as part of the Remuneration Report) for the year ended 30 June 2009, comply with Section 300A of the Corporations Act 2001.

4. The Directors have been given the declarations by the Managing Director required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Kenneth Allen
Managing Director
Perth, 29th September 2009

Income Statement
For The Year Ended 30 June 2009

	Note	30 June 2009	2 April 2007 to 30 June 2008
		$	$
Revenue	3	114,856	151,393
Other income	3	48,153	-
Occupancy expenses		(17,261)	(79,978)
Administration expenses		(126,927)	(120,430)
Consultants expenses		(126,904)	(353,014)
Depreciation	3	(23,678)	(12,006)
Employment and contractor expenses		(482,887)	(390,444)
Other operating expenses		(18,443)	(16,936)
Travel expenses		(48,273)	(145,028)
Exploration and evaluation expenses		(587,405)	(464,547)
Tenement acquisition expenses written off		(709,004)	-
Share based payment	21	-	(1,278,900)
Loss from continuing operations before income tax expense		(1,977,773)	(2,709,890)
Income tax expense		-	-
Loss from continuing operations for the period		(1,977,773)	(2,709,890)
Loss per share:			
Basic (cents per share)	14	(2.57) cents	(4.95) cents
Diluted (cents per share)		(2.57) cents	(4.95) cents

The accompanying notes form part of this financial report.

Balance Sheet
As at 30 June 2009

	Note	30 June 2009 $	30 June 2008 $
Current assets			
Cash and cash equivalents	19(a)	3,194,256	4,893,840
Trade and other receivables	6	190,091	159,136
Other financial assets	7	55,018	60,094
Total current assets		3,439,365	5,113,070
Non-current assets			
Property, plant and equipment	8	296,748	45,553
Exploration and evaluation expenditure	9	3,942,164	2,352,754
Total non-current assets		4,238,912	2,398,307
Total assets		7,678,277	7,511,377
Current liabilities			
Trade and other payables	10	276,819	81,891
Total current liabilities		276,819	81,891
Total liabilities		276,819	81,891
Net assets		7,401,458	7,429,486
Equity			
Issued capital	11(a)	9,854,157	7,901,657
Option Reserve	12	2,234,964	2,237,719
Accumulated losses	13	(4,687,663)	(2,709,890)
Total equity		7,401,458	7,429,486

The accompanying notes form part of this financial report.

Statement Of Changes In Equity
For The Year Ended 30 June 2009

	Attributable to equity holders			
	Issued Capital	Option Reserve	Accumulated Losses	Total Equity
	$	$	$	$
Balance at incorporation				
Issue of shares	8,406,134	-	-	8,406,134
Share issue costs	(504,477)	-	-	(504,477)
Issue of options to Directors	-	1,278,900	-	1,278,900
Issue of options in consideration for acquisition of exploration prospects	-	574,003	-	574,003
Issue of options	-	384,816	-	384,816
Loss for the period	-	-	(2,709,890)	(2,709,890)
Balance at 30 June 2008	7,901,657	2,237,719	(2,709,890)	7,429,486
Balance at 1 July 2008	7,901,657	2,237,719	(2,709,890)	7,429,486
Issue of shares in consideration for acquisition of exploration interests	1,950,000	-	-	1,950,000
Conversion of options	2,500	(2,500)	-	-
Other adjustment	-	(255)	-	(255)
Loss for the period	-	-	(1,977,773)	(1,977,773)
Balance at 30 June 2009	9,854,157	2,234,964	(4,687,663)	7,401,458

The accompanying notes form part of this financial report.

Cash Flow Statement
For The Year Ended 30 June 2009

	Note	30 June 2009 $	2 April 2007 to 30 June 2008 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,321,652)	(1,707,716)
Interest received		114,856	151,393
Net cash used in operating activities	19(b)	(1,206,796)	(1,556,323)
Cash flows from investing activities			
Payment for acquisition of mineral interests		(348,414)	(360,001)
Payments for property, plant and equipment		(146,874)	(57,559)
Net cash used in investing activities		(495,288)	(417,560)
Cash flows from financing activities			
Proceeds from issues of equity securities		2,500	7,372,201
Payment for share issue costs		-	(504,478)
Net cash provided by financing activities		2,500	6,867,723
Net increase in cash and cash equivalents		(1,699,584)	4,893,840
Cash and cash equivalents at the beginning of the period		4,893,840	-
Cash and cash equivalents at the end of the period	19(a)	3,194,256	4,893,840

The accompanying notes form part of this financial report.

Notes To The Financial Statements
For The Year Ended 30 June 2009

1. Corporate Information

The financial report of Nex Metals Explorations Ltd (the Company) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 29 September 2009.

Nex Metals Explorations Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Company are the exploration for gold, copper, and nickel.

2. Summary of Significant Accounting Policies

The financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

(c) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Shares and options held by the company are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period.

Financial assets at fair value through profit or loss

The Company classifies certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(d) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST;

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the balance sheet where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

(i) Operating cycle

The operating cycle of the entity coincides with the annual reporting cycle.

(j) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Presentation currency

The entity operates entirely within Australia and the presentation currency is Australian dollars.

(l) Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Plant and office equipment	10% to 50%
Motor Vehicle	25% to 30%

(m) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(n) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(o) Equity based compensation

The Company expenses equity based compensation such as share and option issues after ascribing a fair value to the shares and/or options issued. If options vest at date of grant, the expense is taken up at date of grant and a corresponding Option Reserve is credited.

(p) Issued capital

Issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(q) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that it transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(r) Earnings per share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with AIFRS required the use of certain critical estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current.

These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(t) Comparative figures

The Company was incorporated on 2 April 2007. The comparative figures represent the 15 month period from incorporation to 30 June 2008.

(u) Adoption of New and Revised Accounting Standards

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:-

- AASB 3 : Business Combinations, AASB 127 : Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 Si 139 and interpretations 9 & 1071 (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (AASB 1, AASB 118, AASB 121, AASB 127 & AASB 1361 (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application, in this regard, its impact n the Group will be unable to be determined. The following changes to accounting requirements are included:

  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Company's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
  - where there is, in substance, no change to the Company's interests, parent entities inserted about existing Company's shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

  The Company will need to determine whether goodwill acquired based on the parent entity's share of net assets acquired or change its policy so good will recognised also reflects that of the non-controlling interest.to maintain its present accounting policy of calculating:

- AASB 8 : Operating Segments and AASB 2007 3 : Amendments to Australian Accounting Standards arising from AASB 8 (AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 1023 & AASB 1038 (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operation segments on the basis of internal reports that are regularly reviewed by the Company's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

- AASB 101 : Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123 : Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB1, AASB 101, AASB 107, AABS 111, AABS 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.

- AASB 208-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB2} (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purpose of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

		30 June 2009	2 April 2007 to 30 June 2008
		$	$
3	**Loss before income tax**		
(a)	Revenue		
	Interest revenue	114,856	151,393
	Gain on foreign exchange currency	48,153	-
(b)	Expenses		
	Depreciation of plant and equipment	23,678	12,006
4	**Income tax**		
(a)	No Income tax is payable by the company as it has incurred losses for income tax purposes for the year		
(b)	The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
	Loss from operations	(1,977,773)	(2,709,890)
	Income tax benefit calculated at 30%	(593,332)	(81,2967)
	Permanent differences		
	Capital raising costs allowable	(24,538)	-
	Share based payments	-	383,670
	Non-deductible expenses	19,131	6,351
		(598,739)	(422,946)
	Movements in unrecognised temporary differences	164,550	20,067
	Unused tax loss not recognised as a deferred tax asset	434,189	402,879
	Income tax attributable to operating loss	-	-
(c)	Unrecognised deferred tax balances		
	The following deferred tax assets (at 30%) have not been brought to account :		
	Unrecognised deferred tax asset - tax losses	963,117	402,879
	Unrecognised deferred tax asset - other temporary differences	76,254	20,067
	Net deferred tax assets	1,039,371	422,946

The net deferred tax assets not brought into account will only be of a benefit to the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company are able to meet the continuity of ownership and/or continuity of business tests.

		30 June 2009	2 April 2007 to 30 June 2008
5	**Remuneration of auditors**		
	Audit and review of the financial report	48,250	27,000
		48,250	27,000

		30 June 2009	2 April 2007 to 30 June 2008
		$	$
6	**Trade and other receivables**		
	Current		
	Sundry receivables	190,091	159,136
7	**Other financial assets**		
	Prepayments	55,018	60,094

		Motor Vehicles	Plant and Office Equipment	Total
		$	$	$
8	**Property, plant and equipment**			
	Year ended 30 June 2009			
	Opening net book value	-	45,553	45,553
	Additions	108,597	166,276	274,873
	Depreciation charge for the period	(3,557)	(20,121)	(23,678)
	Closing net book value	105,040	191,708	296,748
	At 30 June 2009			
	Cost or fair value	108,597	223,835	332,432
	Accumulated depreciation	(3,557)	(32,127)	(35,684)
	Net book value	105,040	191,708	296,748

	Plant and Office Equipment	Total
Year ended 30 June 2008	$	$
Opening net book value	-	-
Additions	57,559	57,559
Depreciation charge for the period	(12,006)	(12,006)
Closing net book value	45,553	45,553
At 30 June 2008		
Cost or fair value	57,559	57,559
Accumulated depreciation	(12,006)	(12,006)
Net book value	45,553	45,553

		30 June 2009	2 April 2007 to 30 June 2008
		$	$
9	**Exploration Expenditure**		
	Opening Balance	2,352,754	-
	Costs of acquisition of interests during the financial year	2,298,414	2,352,754
	Writedown of acquired exploration assets	(709,004)	-
	Current year expenditure	587,405	464,547
	Current year expenditure written off	(587,405)	(464,547)
	Closing balance	3,942,164	2,352,754

		30 June 2009	2 April 2007 to 30 June 2008
		$	$
10	**Trade and other payables**		
	Current		
	Trade payables (i)	256,819	81,891
	Employee entitlements	20,000	-
		276,819	81,891
	(i) Trade payables are non-interest bearing and are normally settled on 30-60 day terms		
11	**Issued capital**		
	84,873,292 fully paid ordinary shares (2008 : 76,843,292)	9,854,157	7,901,657

(a) Movements in issued capital:

Period ended 30 June 2008	**No of Shares**	**Issue Price**	**$**
Shares issued at incorporation – 2 April 2007	3	$1.00	3
Shares issued – 3 April 2007	28,000,000	$0.0001	2,800
Shares issued to Directors – 1 July 2007	3,000,000	$0.0001	300
Shares issued – 27 August 2007	11,140,129	$0.05	557,006
Shares issued – 27August 2007	1,600,000	$0.0001	160
Shares issued – 27 August 2007	2,866,160	$0.10	286,615
Shares issued pursuant to prospectus – 6 December 2007	24,000,000	$0.25	6,000,000
Shares issued as consideration for the acquisition of tenements – 6 December 2007	5,000,000	$0.25	1,250,000
Shares issued as consideration for the acquisition of tenements – 6 December 2007	675,000	$0.25	168,750
Share issued – 6 December 2007	162,000	$0.25	40,500
Issue of shares for consulting services – 6 December 2007	400,000	$0.25	100,000
Costs associated with the share issue pursuant to the initial public offering	-		(504,477)
Balance at 30 June 2008	76,843,292		7,901,657
Year ended 30 June 2009			
Balance at 1 July 2008	76,843,292		7901657
Reconciliation correction – 1 September 2008	220,000	$0.25	-
Conversion of options	10,000	$0.25	2,500
Shares issued as consideration for the acquisition of tenements – 30 June 2009	7,800,000	$0.25	1,950,000
Balance at 30 June 2009	84,873,292		9,854,157

(b) Fully paid ordinary shares carry one vote per share and carry the right to dividends.

***Issued Capital** Continued*

		2009 Number	2008 Number
(c)	Movements in Options on Issue		
	Opening balance	61,481,646	-
	Options issued to Directors (refer Note 21(a))	-	18,000,000
	Options issued at $0.01 pursuant to rights issue	-	38,481,646
	Exercise of options	(10,000)	-
	Options issued as part consideration for acquisition of mining interests	-	5,000,000
	Closing Balance	61,471,646	61,481,646

		30 June 2009 $	2 April 2007 to 30 June 2008 $
12	**Reserves**		
	Option reserve	2,234,964	2,237,719
	Option reserve		
	Balance at beginning of financial period	2,237,719	-
	Options issued at $0.01	-	384,816
	Options issued as part consideration for acquisition of mining interests (refer Note 21(b))	-	574,003
	Share based payments – Director options (refer Note 21(a))	-	1,278,900
	Exercise of options	(2,500)	-
	Other adjustment	(255)	-
	Balance at end of financial period	2,234,964	2,237,719

This option issue reserve is used to recognise both the fair value or issue price of options issued.

13	**Accumulated losses**		
	Opening Balance	(2,709,890)	-
	Loss attributable to members	(1,977,773)	(2,709,890)
	Balance at end of financial period	(4,687,663)	(2,709,890)

		2009 Cents Per Share	2008 Cents Per Share
14	**Loss per share**		
	Basic loss per share:	(2.57)	(4.95)

The loss for the period and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	30 June 2009 $	2 April 2007 to 30 June 2008 $
Loss for the period after income tax	1,977,773	2,709,890
Weighted average number of ordinary shares for the purposes of basic earnings per share	77,054,963	54,738,537

15 Commitments for expenditure

(a) Operating lease commitments

There was no operating leases through out the year.

(b) Exploration commitments

The company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

Not later than 1 year	1,518,450	733,473
Later than 1 year and not later than 2 years	1,226,390	728,716
Later than 2 years and not later than 5 years	2,786,964	764,997
	5,531,804	2,227,186

(c) Royalty Commitments

(i) The company has royalty obligations to Mr RW Allen pursuant to mining tenement acquisition agreements.

The royalty under the agreements are as follows:

(a) $1.00 per tonne for any gold bearing ore extracted from the tenements;

(b) for uranium, 5% of the sale price if the market price is up to USD50.00 per pound, 7.5% of the sale price if the market price ranges between USD50.01 to USD99.99 per pound, and 10% of the sale price if the market price is USD100.00 or above per pound, less selling costs in all cases; and

(c) 1% of gross sales of extracted metals for any other mineral

(ii) The company has royalty obligations to Prumm Corporation Pty Ltd pursuant to a mining tenement acquisition agreement .

The royalty under the agreement is as follows:

(a) for gold, at the rate of $1.00 per tonne for any gold bearing ore extracted from the tenements;

(b) for uranium, at the rate of 5% of the sale price if the market price is up to USD50.00 per pound, 7.5% of the sale price if the market price ranges between USD50.01 to USD99.99 per pound, and 10% of the sale price if the market price is USD100.00 or above per pound, less selling costs in all cases;

(c) for gypsum, at the rate of 5% of the sale price per tonne less selling costs; and

(d) for nickel or any other base metal, at the rate of 5% of the gross production of the processed nickel or other base metal less selling costs.

16 Contingent liabilities

There were no known contingent liabilities at balance date.

		30 June 2009	2 April 2007 to 30 June 2008
		$	$
17	**Related party disclosures**		
(a)	**Other transactions with director related entities**		
	Transactions with director related entities are on commercial terms no more favourable than those available to other persons unless otherwise stated.		
	(i) Accounting, administration, rent & labour hire fees paid to Allens Business Group Pty Ltd, a related company of Kenneth Allen *	-	42,385
	(ii) Office rent paid to Allens Business Group Pty Ltd	6,000	12,037
	(iii) Exploration consulting services paid to Mobile Gold Mining Pty Ltd and Prumm Corporation Pty Ltd, related companies of Horst Prumm *	59,865	34,072
	(iv) Tenement administration fees paid to Absolute Tenement Services, related entity of Horst Prumm	23,525	34,072
	(v) Consulting and administration fees paid to S C Nigam & Co and Silvero, related entities of Sharad Nigam *	18,932	86,921
	(vi) Tenements were acquired from Mr RW Allen, the father of Ken Allen pursuant to tenement acquisition agreements	-	2,074,003
	(vii) Administration costs paid to Kenber Geotechnic (Thailand) Co. Ltd, a related Company of Kasit Phisitkul *	-	10,830
	(viii) Tenements were acquired from Prumm Corporation Pty Ltd pursuant to tenement acquisition agreements	-	50,001

* These amounts are included in Key Management Personnel remuneration totals in Note 18, and in the remuneration report in the Director's Report

(b) Directors loans

No loans existed during the year and as at balance date between the company and its directors.

		30 June 2009	2 April 2007 to 30 June 2008
18	**Key Management Personnel Disclosures**		
(a)	Compensation of Key Management Personnel		
	Short term employee benefits	405,514	465,044
	Share based payments	-	1,278,900
	Post employment benefits	26,397	23,845
		431,911	1,767,789

(b) Option holdings of Key Management Personnel

2009	Balance at 01/07/08 No.	Net Sales & Purchases No.	Options issued at $0.01	Balance held as at resignation 13/02/09	Balance at 30/06/09 No.
Directors					
T F Percy	3,500,000	-	-	-	3,500,000
Sharad Nigam	6,250,000	-	-	6,250,000	-
K Allen	6,250,000	-	-	-	6,250,000
H Prumm	4,040,000	-	-	-	4,040,000
Shashwat Nigam	6,035,000	-	-	6,035,000	-
K Phisitkul	3,500,000	-	-	-	3,500,000
	29,575,000			12,285,000	17,290,000

2008	Granted as remuneration No.	Net Sales & Purchases No.	Options issued at $0.01	Balance at 30/06/08 No.
Directors				
T F Percy	3,000,000	-	500,000	3,500,000
Sharad Nigam	3,000,000	-	3,250,000	6,250,000
K Allen	3,000,000	-	3,250,000	6,250,000
H Prumm	3,000,000	-	1,040,000	4,040,000
Shashwat Nigam	3,000,000	-	3,035,000	6,035,000
K Phisitkul	3,000,000	-	500,000	3,500,000
	18,000,000	-	11,575,000	29,575,000

During the financial period, no options were exercised by specific directors for ordinary shares in Nex Metals Explorations Ltd. All options vested on issue. There are no service conditions attached to the options granted as compensation.

(c) Shareholdings of Key Management Personnel

2009	Balance at 01/07/08 No.	Net Sales and Purchases No.	Balance held as at resignation 13/02/09	Balance at 30/6/09 No.
Directors				
T F Percy	1,000,000	-	-	1,000,000
Sharad Nigam	6,500,001	-	6,500,001	-
K Allen	6,500,001	150,000	-	6,650,001
H Prumm	2,080,000	-	-	2,080,000
Shashwat Nigam	6,070,001	-	6,070,001	-
K Phisitkul	1,000,000	-	-	1,000,000
	23,150,003	150,000	12,570,002	10,730,001

2008	Share issues to directors No.	Net Sales and Purchases No.	Balance at 30/6/08 No.
Directors			
T F Percy	1,000,000	-	1,000,000
Sharad Nigam	6,500,001	-	6,500,001
K Allen	6,500,001	-	6,500,001
H Prumm	2,080,000	-	2,080,000
Shashwat Nigam	6,070,001	-	6,070,001
K Phisitkul	1,000,000	-	1,000,000
	23,150,003	-	23,150,003

(d) Other transactions with Key Management Personnel

Other transactions with Key Management Personnel are included in Note 17.

		30 June 2009 $	2 April 2007 to 30 June 2008 $
19	**Notes to the cash flow statement**		
(a)	**Reconciliation of cash and cash equivalents**		
	Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
	Cash and cash at bank	3,194,256	4,893,840
		3,194,256	4,893,840
(b)	**Reconciliation of loss for the year to net cash flows from operating activities**		
	Loss for the year	(1,977,773)	(2,709,890)
	Depreciation	23,678	12,006
	Share-based payment	-	1,278,900
	Capitalised exploration written off	709,004	-
	Changes in assets and liabilities		
	Trade and other receivables	(30,955)	(159,136)
	Prepayments	5,076	(60,094)
	Trade and other payables	64,174	81,891
	Net cash (used) in operating activities	(1,206,796)	(1,556,323)
(c)	**Non cash financing and investing activities**		
	Consideration for the acquisition of mining tenements partly satisfied by the issue of shares and options	1,950,000	1,992,753

	30 June 2009	2 April 2007 to 30 June 2008
	$	$

20 Financial risk management and policies

Nex Metals Exploration Ltd's exploration activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.

The Company holds the following financial instruments:

	30 June 2009 $	2 April 2007 to 30 June 2008 $
Financial assets		
Cash and cash equivalents	3,194,256	4,893,840
Trade and other receivables	190,091	159,136
Other	55,018	60,094
	3,439,365	5,113,070
Financial liabilities		
Trade and other payables	276,819	81,891
	276,819	81,891

The Company's principal financial instruments comprise cash and short-term deposits. The Company does not have any borrowings.

The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company are cash flow (interest rate risk, foreign currency risk, liquidity risk and credit risk). The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Foreign Currency

Nex Metals Exploration Ltd operates internationally and is exposed to foreign exchange risk arising from currency exposure to the Laos Kip and the US Dollar. Exposure is limited to maintaining sufficient funds in the particular countries to meet expenditure commitments.

Management does not actively manage foreign exchange risk.

The Group's exposure to foreign currency risk at the reporting date was limited to an amount of $3,065 (2008 : $83,451) held in a bank account denominated in US Dollars.

The carrying amount of the parent entity's financial assets and liabilities are denominated in Australian dollars.

The foreign currency risk is immaterial in terms of the possible impact on profit or loss or total equity. No sensitivity analysis has therefore been disclosed in these financial statements.

None of the foreign denominated balances are accounted for as hedges in accordance with AASB 139 therefore all foreign exchange movements would be recognised within the current period income statements and within retained earnings.

(b) Credit risk

Management does not actively manage credit risk.

Nex Metals Exploration Ltd has no significant exposure to credit risk from external parties at period end. The maximum exposure to credit risk at the reporting date is equal to the carrying value of financial assets at 30 June 2009.

Cash at bank is held with internationally regulated banks.

Other receivables are of a low value and all amounts are current. There are no trade receivables.

(c) Capital risk

Nex Metals Exploration Ltd's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year ended 30 June 2009, Nex Metals Exploration Ltd's strategy was to keep borrowings to a minimum. The company's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(d) Liquidity risk

Maturity profile of financial instruments

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

The directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Company had sufficient cash reserves to meet its requirements. The Company has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Company had at reporting date were trade payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2009	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	3,194,256	-	-	3,194,256	3.0
Receivables & other	245,109	-	-	245,109	-
	3,439,365	-	-	3,439,365	
Financial Liabilities:					
Trade payables and Advance deposits	276,819	-	-	276,819	0
	276,819	-	-	276,819	

Financial risk management and policies *Continued*

As at 30 June 2008	**<1 year**	**1 – 5 years**	**Over 5 years**	**Total**	**Weighted average effective interest rate %**
Financial Assets:					
Cash	4,893,840	-	-	4,893,840	4.0
Receivables & other	219,230	-	-	219,230	-
	5,113,070	-	-	5,113,070	
Financial Liabilities:					
Trade payables and Advance deposits	81,891	-	-	81,891	0
	81,891	-	-	81,891	

Sensitivity analysis – interest rates

At 30 June 2009, if interest rates had changed by -/+ 80 basis points from the year end rates with all variables held constant, post-tax result for the year would have been approximately $30,000 lower/higher mainly as a result of higher/lower interest income from cash and cash equivalents.

(e) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The consolidated entity's principle financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

21. Share based payments

(a) (i) Options in 2009

There were no directors options issued in the year ended 30 June 2009

(ii) Directors Options issued in the period ended 30 June 2008

During the period ended 30 June 2008 18,000,000 options were granted to Directors of the Company. All options expire on 30 November 2012. Details of the options that were granted as compensation during the reporting period ended 30 June 2008 are as follows:

	No. of options	**Value per option (cents)**	**Total $**
Directors options exercisable at 25 cents each	3,000,000	13.01	390,159
Directors options exercisable at 40 cents each	1,500,000	9.67	145,040
Directors options exercisable at 50 cents each	1,500,000	8.13	122,013
Directors options exercisable at 60 cents each	3,000,000	6.95	208,352
Directors options exercisable at 75 cents each	3,000,000	5.60	168,020
Directors options exercisable at $1.00 cents each	6,000,000	4.09	245,316
	18,000,000		1,278,900

The fair value of these options has been recognised as an expense in the income statement.

The share options issued have been valued using the Black Scholes valuation method and the following assumptions:

Share price	25 cents
Exercisable	25 cents to $1.00 per above
Risk free interest rate	6.11%
Volatility	50%
Time to expiry	5 years and 2 months

The weighted average remaining contractual life of share options outstanding at 30 June 2009 was 3.4 years (2008 : 4.4 years).

The weighted average exercise price is 34.5 cents.

No options were exercised during year ended 30 June 2008 and 2009, and 18,000,000 options remain on issue at the date of this report.

(b) Shares and options issued in consideration of assets and services

Year ended 30 June 2009

(i) On 30 June 2009 7,800,000 shares valued at $1,950,000 were issued to vendors as part consideration for the acquisition of mineral tenements. The fair value of these tenements has been capitalised as exploration expenditure on the balance sheet.

Year ended 30 June 2008

(i) On 6 December 2007, 5,000,000 options were granted to Mr R M Allen. All options expire on 6 December 2012. Details of the options that were granted as part consideration for the acquisition of tenements are as follows:

	No. of options	Value per option (cents)	Total $
Options exercisable at 25 cents each	5,000,000	11.48	574,003

The fair value of these options has been capitalised as part of exploration and evaluation expenditure on the balance sheet.

The share options issued have been valued using the Black Scholes valuation method and the following assumptions:

Share price	25 cents
Exercisable	25 cents to $1.00 per above
Risk free interest rate	6.11%
Volatility	50%

(ii) On 6 December 2007, 5,000,000 shares valued at $1,250,000 were granted to Mr R W Allen as part consideration for the acquisition of tenements. The fair value of these shares has been capitalised as part of exploration and evaluation expenditure on the balance sheet.

(iii) On 6 December 2007, 675,000 shares valued at $168,750 were granted to Westex Resources Pty Ltd as consideration for the acquisition of tenements. The fair value of these shares has been capitalised as part of exploration and evaluation expenditure on the balance sheet.

(iv) On 6 December 2007, 400,000 shares valued at $100,000 were granted to consultants in respect of services to the initial public offering. The fair value of the shares issued was recorded as a capital raising cost.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2009	2008
	$	$
Options issued to Directors	-	1,278,900
	-	1,278,900

22 Segment Reporting

The Company operates predominantly in one geographical segment, being Western Australia, and in one business segment, mineral mining and exploration and substantially all of the entity's resources are employed for this purpose. During the year ended 30 June 2009 the Company entered into an agreement to acquire mining interests in Laos. The value of these interests was expensed in the year ended 30 June 2009. The net loss related to exploration activities in Laos for the year ended 30 June 2009 is $50,000 (2008 : $Nil). At balance date there were no material assets or liabilities attributable to these overseas segments.

23 Subsequent events

There are no other matters or circumstances that have arisen since 30 June 2009 that have or may significantly affect the operations, results, or state of affairs of the Company in future financials periods.

24 Company Details

The registered office of the Company is:

Nex Metals Explorations Ltd
Level 2
533 Hay Street
PERTH WA 6000

The principal place of business is:

Nex Metals Explorations Ltd
Level 2
533 Hay Street
PERTH WA 6000

Corporate Governance

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

Further information about the Company's corporate governance practices is set out on the Company's website at www.nexmetals.com. In accordance with the recommendations of the ASX, information published on the Company's website includes charters (for the Board and its sub-committees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Explanations for Departures from Best Practice Recommendations

Principle 2 Recommendation 2.1

Notification of Departure:

The Board does not have a majority of independent Directors. The Board currently consists of two independent and two non-independent Directors.

Explanation for Departure:

The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to the Company's business and level of operations.

The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint independent directors as it deems appropriate.

Principle 2 Recommendation 2.4

Notification of Departure:

There is no separate Nomination Committee.

Explanation for Departure:

The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee, in particular at this early stage of the Company's operations, where the Company's focus is on the retention of directors and senior executives.

Principle 4 Recommendation 4.1 and 4.2

Notification of Departure:

There is no separate Audit Committee.

Explanation for Departure:

The full Board carries out the role of the Audit Committee in accordance with the Audit Committee Charter.

The Company's financial statements are prepared by the company secretary and reviewed in detail by the full Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. While the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it will continue to monitor whether any further safeguards are required and make changes as appropriate.

Principle 8 Recommendation 8.1

Notification of Departure:

There is no separate Remuneration Committee.

Explanation for Departure:

Details of the Directors' Remuneration is setout in the Remuneration Report contained within the Directors' Report. Remuneration is currently in accordance with the general principals recommended by the ASX, non-executive Directors receive a fixed fee for their services and do not receive performance based remuneration. Due to the early stage of development and small size of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate to set aside time at two Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. The full Board will function in accordance with the Remuneration Committee Charter.

Additional Information

Statement of Quoted Securities

Shareholding and Option Holding at 23 October 2009

Distribution of Shareholders and their holdings as at 23 October 2009

Category (size of holding)	Number of Shareholders	Number of Option Holders
1 – 1,000	6	10
1,001 – 5,000	73	182
5,001 – 10,000	239	120
10,001 – 100,000	386	185
100,001 – and over	78	54
	782	551

The number of shareholdings held in less than marketable parcels is 22.

Twenty Largest Shareholders – Ordinary Shares		No.	%
1	ALLEN KENNETH M	6,500,001	7.66
2	FMR INV PL	6,460,000	7.61
3	WA INV PL SHASH NIGAM FAM A/	6,000,001	7.07
4	SILVERO PL NIGAM FAM A/C	5,800,001	6.83
5	ALLEN ROYCE WILLIAM	5,310,000	6.26
6	ALLEN LEE	3,500,000	4.12
7	NIGAM USHA	3,200,000	3.77
8	PRUMM HORST EDMUND	2,000,000	2.36
9	BARAC MATE	1,884,718	2.22
10	SILVERO PL NIGAM & ASSOC S/F	1,000,000	1.18
11	SANDHU HLDGS PL	1,000,000	1.18
12	PERCY THOMAS	1,000,000	1.18
13	ALLEN LEE ANDREA K ALLEN A/C	1,000,000	1.18
14	ALLEN LEE AMELIA V ALLEN A/C	1,000,000	1.18
15	ALLEN LEE ROYCE K ALLEN A/C	1,000,000	1.18
16	WHITHAM ALAN WHITHAM S/F A/C	1,000,000	1.18
17	TOPRANGE PL KEVDEN S/F A/C	1,000,000	1.18
18	ATLANTIC GOLD EXPL PL	1,000,000	1.18
19	PHISITKUL KASIT	1,000,000	1.18
20	MAYNE MATTHEW + LISA MAYNE SPER FUND A/	970,000	1.14
		51,624,721	60.84

Twenty Largest Listed Optionholders – 25 cents on or before 30 November 2011		No.	%
1	ALLEN KENNETH M	3,250,001	8.50
2	WA INV PL SHASH NIGAM FAM A/C	3,000,001	7.84
3	SILVERO PL NIGAM FAM A/	2,900,001	7.58
4	ALLEN ROYCE WILLIAM	2,800,000	7.32
5	ALLEN LEE	1,750,000	4.58
6	NIGAM USHA	1,600,000	4.18
7	PRUMM HORST EDMUND	1,000,000	2.61
8	BARAC MATE	625,000	1.63
9	PRUMM SAMANTHA LEANNE	587,042	1.54
10	SILVERO PL NIGAM & ASSOC S/F	500,000	1.31
11	SANDHU HLDGS PL	500,000	1.31
12	PERCY THOMAS	500,000	1.31
13	ALLEN LEE ANDREA K ALLEN A/C	500,000	1.31
14	ALLEN LEE AMELIA V ALLEN A/C	500,000	1.31
15	ALLEN LEE ROYCE K ALLEN A/C	500,000	1.31
16	WHITHAM ALAN WHITHAM S/F A/C	500,000	1.31
17	TOPRANGE PL KEVDEN S/F A/C	500,000	1.31
18	MAYNE MATTHEW + LISA MAYNE SPER FUND A/C	500,000	1.31
19	PHISITKUL KASIT	500,000	1.31
20	TOPSANDS PL	454,650	1.19
		22,966,695	60.07

Restricted Securities

The Company has issued the following restricted securities (in accordance with ASX Listing Rules):

Class of Equity Security	Number	Date Ceasing to be Restricted Security
Fully Paid Ordinary Shares	42,416,103	6/12/2009
25 cent option expiring 6/12/2011	5,000,000	6/12/2009
25 cent option expiring 30/11/2012	3,000,000	6/12/2009
40 cent option expiring 30/11/2012	1,500,000	6/12/2009
50 cent option expiring 30/11/2012	1,500,000	6/12/2009
60 cent option expiring 30/11/2012	3,000,000	6/12/2009
75 cent option expiring 30/11/2012	3,000,000	6/12/2009
$1.00 Option Expiring 30/11/2012	6,000,000	6/12/2009

Substantial Shareholders

In accordance with section 709(1) of the Corporations Act 2201, the Company had been notified of the following substantial shareholder:

Royce William Allen has a relevant interest in 5,600,000 fully paid ordinary shares (Notice dated 19 December 2007).

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands

Options have no voting rights until such options are exercised as fully paid ordinary shares.

ASX Listing Rule 4.10.19

In accordance with ASX Listing Rule 4.10.9, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

Company Secretary

The name of the company secretary is Kenneth M Allen.

Statement of Unquoted Securities

Number of Options	Number of Holders	Exercise Price	Date of Expiry
5,000,000	1	$0.25	6/12/2011
3,000,000	6	$0.25	30/11/2012
1,500,000	6	$0.40	30/11/2012
1,500,000	6	$0.50	30/11/2012
3,000,000	6	$0.60	30/11/2012
3,000,000	6	$0.75	30/11/2012
6,000,000	6	$1.00	30/11/2012

ASX Listing Rule 4.10.16

In accordance with ASX Listing Rule 4.10.16, Royce William Allen holds 100 percent of the options with an exercise price of 25 cents expiring on 6 December 2011.

Nex Tenement Schedule

Project	Tenements	Holder	Shares
Lake Julia	E77/1219	Prumm Corp	100
Hampton Siding	E26/118	R W Allen	100
Gladstone	M40/26	FMR	100
Niagara	M40/117	Kookynie/FMR	5/95
Mt Monger	P26/3615	R W Allen	100
Orient Well	L40/12	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Kookynie	G40/3	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Dairy Corner Bore	L40/19	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Champion	M40/27	FMR	100
Yundamindera	E39/1329	Archimedes Mining Pty Ltd	100
Yundamindera	M39/410	Saracen Gold Mines Pty Ltd	100
Niagara	E40/233	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/ 95
Butterfly	M40/148	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	51/49
Kookynie	M40/136	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Lake Yindarlgooda	E28/1770	R W Allen	100
Niagara	E40/232	Kookynie Resources Pty Ltd/FMR Investments Pty Ltd	5/95
Euro	P38/3300	R W Allen	100
Euro	P38/3301	R W Allen	100
Butterfly	M40/3	Kookynie/ FMR / Atlantic Gold Exploration Pty Ltd	2.5/47.5/50
Laverton	P38/3182	WestEx.	100
Laverton	P38/3183	WestEx.	100
Laverton	P38/3184	WestEx.	100
Double Jay	M40/94	Trevor Charles MacPherson	100
Kookynie	L40/15	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Kookynie	L40/9	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Yundamindera	M39/274	Saracen Gold Mines Pty Ltd	100
Dunnsville	E16/333	R W Allen	100
Money JV	P40/1163	Latrobe Magnesium Ltd	100
Money JV	P40/1164	Latrobe Magnesium Ltd	100
Tampa	M40/120	Kookynie Resources Pty Ltd/FMR Investments Pty Ltd	5/95
Kookynie	L40/14	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Orient Well	L40/21	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Kookynie	M40/192	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Butterfly	M40/174	FMR/Kookynie	95/5
Yundamindera	M39/839	Saracen Gold Mines Pty Ltd	100
Yundamindera	M39/840	Saracen Gold Mines Pty Ltd	100
Kookynie	M40/61	Kook/FMR	5/95
Kookynie	M40/8	Kookynie Investments Pty Ltd/ FMR Investments Pty Ltd	5/95
Lake Yindarlgooda	E25/339	R W Allen	100
Fifty Mile Well	L40/17	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Tampa	P40/1144	R W Allen	100
Mt Jessop	M40/56	FMR	
Tampa	M40/107	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Butterfly	M40/110	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95

***Nex Tenement Schedule** Continued*

Project	Tenements	Holder	Shares
Desdemona	M40/151	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Kookynie	M40/163	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Kookynie	M40/164	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Orient Well	M40/288	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Orient Well	M40/289	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Orient Well	M40/290	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Orient Well	M40/291	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Orient Well	M40/292	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Orient Well	M40/293	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Euro	P38/3299	R W Allen	100
Binduli East	P26/3321	R W Allen	100
Binduli East	P26/3322	R W Allen	100
Binduli East	P26/3323	R W Allen	100
Binduli East	P26/3324	R W Allen	100
Binduli East	P26/3325	R W Allen	100
Binduli East	P26/3326	R W Allen	100
Binduli East	P26/3327	R W Allen	100
Binduli East	P26/3328	R W Allen	100
Lubra Queen	M40/22	FMR	
Kookynie	M40/196	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Tampa	M40/209	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Butterfly	L40/10	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Butterfly	L40/11	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Yundamindera	E39/1323	Wayne Craig VanBlitterswyk	100
Yundamindera	E39/1353	Wayne Craig VanBlitterswyk	100
Norseman	E63/990	R W Allen	100
Pipeclay Peaks	E25/362	Nex Metals Explorations	100
Kookynie	L40/7	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Grant Duff Range (Collurabbie Area)	E38/1781	R W Allen	100
Mc Tavish Hill	M40/77	Hallmark/FMR/ Kookynie	
Orient Well	M40/20	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5/95
Coronation Well	M40/137	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
South Transline	E25/263	Zeedam Enterprises Pty Ltd	100
Yundamindera	M39/84	Saracen Gold Mines Pty Ltd	100
Fifty Mile Well	L40/18	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Dairy Corner Bore	L40/20	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Afghan Hill	E40/229	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	51/49
Yundamindera	M39/407	Saracen Gold Mines Pty Ltd	100
Yundamindera	M39/408	Saracen Gold Mines Pty Ltd	100
Yundamindera	M39/409	Saracen Gold Mines Pty Ltd	100
Orient Well	G40/4	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Orient Well	G40/5	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Orient Well	G40/6	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Orient Well	G40/7	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	

***Nex Tenement Schedule** Continued*

Project	Tenements	Holder	Shares
Rise and Shine, Passby StLaw	P40/1240	Adam Frank Hill	100
Yundamindera	M39/406	saracen Gold Mines Pty Ltd	100
Kookynie East	E31/712	Westex.	100
Butterfly	M40/101	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	5.95
Niagara	P40/1158	Kookynie Resources Pty Ltd	100
Money JV	P40/1159	Kookynie Resources Pty Ltd/Latrobe Magnesium	
Money JV	P40/1160	Kookynie Resources Pty Ltd	100
Money JV	P40/1161	Kookynie Resources P/L,FMR Investments P/L, Latrobe Magnesium	
Money JV	P40/1162	Kookynie Resources P/L,FMR Investments P/L, Latrobe Magnesium	
Kookynie	P40/1172	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Butterfly	P40/1175	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Afghan Hill	P40/1189	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Niagara	P40/1169	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Puzzle	P40/1176	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Puzzle	P40/1179	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Niagara	P40/1180	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Afghan Hill	P40/1188	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Afghan Hill	P40/1190	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Afghan Hill	P40/1191	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Fenceline	P40/1195	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Fenceline	P40/1196	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	
Money JV, Desdemona	P40/1184	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Butterfly	P40/1182	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
Kiaki Soaks 3	E25/374	Nex Metals Explorations	100
Binduli East	P 26/3120	Westex.	100
Orient Well	L40/22	Kookynie Resources Pty Ltd/ FMR Investments Pty Ltd	
	P39/5013	Nex Metals Explorations	100
	P39/5014	Nex Metals Explorations	100
	M40/196	KR FMR Coleman	
	M40/209	Kookynie Resources Pty Ltd/Xstrata Nickel Australasia Pty Ltd	

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