Nex Metals Explorations Ltd

ABN 63 124 706 449

Orient Well Laterite Final Metallurgical Results

Phase 1 Kookynie Gold Project

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

The result is 55% gold recovery, low reagent usage and a 131.9% increase in the calculated head grade (1.09g/t) compared to the initial assayed head grade of 0.47g/t.

A bulk (181kg) metallurgical column test has been completed on the Orient Well Laterite Dump Leach ore, the sample consisting of large laterite chunks.

Mineral extraction did not plateau at the 90 day mark indicating leaching of gold was continuing and higher recoveries of gold ore could be expected.

The initial assayed head grade of the test parcel provided a 0.47 g/t result for the parcel of ore to be tested. The final calculated grade of the sample was **1.09 g/t** (confirmed by a separate laboratory.)

The reason for this upgrade in the gold grade is that using the larger sample assay technique provides a truer result.

Bigger samples and whole assay techniques provide more realistic sample results. The cost of sampling a deposit in this fashion is prohibitive. The metallurgy cost to assess the recovery and whole grade was approximately $35,000.

This 131.9% increase in grade result is likely due to small gold nuggets in the sample, this which are difficult to assess with a traditional 30gm fire assay. In recent history, the Orient Well Laterite has been a favourite metal detecting area for prospectors.

The result provides confidence that the resource analysis grade of 0.45 g/t for the Orient Well Laterite will be achievable and that there may be some upside.

The laterite tested was as collected from the surface as large chunks of ore. Nex will blast the ore prior to mining. This should mimic basic crushing, at a fraction of the cost. Reducing the sample size usually provides faster and greater recoveries from leached ores.

Fluid Flow Rates & Slumpage

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

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

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

Cyanide Consumption and Base & Transitional Metals

The consumption rate of cyanide was relatively low averaging around 1.37 kg per tonne of ore and estimates of lime usage of the order of 0.6 kg/tonne.

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

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

Mr Ken Allen
Managing Director
0448 447 472

Mr Edd Prumm
Technical Director
0448 966 377

Responsibility Statement

Mr E Prumm the Technical Director and Exploration Manager of the Company is a Member of the Australasian Institute of Mining and Metallurgy, and the Australian Institute of Geoscientists
Mr Prumm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Prumm consents to the reporting of this information in the form and context in which it appears.