



26 March 2010

## NEX METALS EXPLORATIONS LTD

### 44% of the 120,000 ounce Admiral Prospect converted to Measured Resource category - Phase 2 Kookynie Gold Project

#### Highlights:

- **44% of the 120,000 ounce Admiral Prospect converted to Measured Resource category - Phase 2 Kookynie Gold Project.**
- **Majority of Measured Resource shallower than 125m from surface with potential to be accessible from cutbacks to existing pits.**
- **Resource development drilling to commence in third quarter to test down dip extension to existing mineralisation with open cut potential.**

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

As reported to the ASX 15th March 2010 ("Nex Completes QA QC drilling at Admiral – Phase 2"), the recent confirmation Reverse Circulation (RC) drilling program at the Admiral Prospect has produced outcomes consistent with the historical drilling results.

In all, 8 RC drill holes were completed for a total of 599m over the Admiral main zone of mineralisation. The holes were targeted to twin existing historical drilling, intersect a range of mineralisation oxidation states and better define the local high grade mineralisation.

Independent consultants Hellman and Schofield Pty Ltd. have completed data validation, analysis (see notes attached at the end of this document), geological interpretation and subsequently undertaken a re-run of the Mineral Resource Estimates.

Of the 120,000 ounce Admiral Prospect Mineral Resource Estimate approximately **53,000 ounces has been raised into the Measured Resource category**. This represents 44% of the currently defined resources in the Admiral project area.

At the current gold price (AUS\$1,200), and with Nex's plans to fast track mining at its Butterfly projects, this represents a tangible asset for Nex's shareholders.

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Within the Phase 2 resource Nex Metals has an additional 3 prospects with combined Mineral Resource Indicated and Inferred Estimates of 340,000 ounces of gold. The prospects are Orient Well with 165,000 ounces, Butterfly with 94,000 ounces and Puzzle with 81,000 ounces of gold.

Drilling programs are scheduled at the prospects mentioned above, during the ensuing quarters with the expectation of an upgrade to the confidence of these resources consistent with that observed over the Admiral Prospect.

### Other Continuing Work

Nex Metals is working toward initiating mining on the Phase 1 resource, the Orient Well Dump Leach project which has a mineral resource estimate of 40,000 ounces of gold.

Once Phase 1 is commissioned, Nex will continue detailed metallurgy evaluation and planning to fast track the ambitious Phase 2 project. Nex Metals plans to targets a production scenario of 100,000 ounce per annum.

**Table 1 - Admiral Mineral Resource Estimates by multiple indicator kriging using 0.5g/t lower grade threshold**

Material Type	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Oxide	131,000	0.98	4,000	62,000	0.93	2,000	12,000	0.8	-	205,000	0.99	6,000
Transitional	402,000	1.14	15,000	245,000	1.02	8,000	23,000	0.8	1,000	670,000	1.12	23,000
Fresh	856,000	1.25	34,000	1,000,000	1.23	40,000	468,000	1.1	16,000	2,374,000	1.20	90,000
<b>Total</b>	<b>1,389,000</b>	<b>1.19</b>	<b>53,000</b>	<b>1,306,000</b>	<b>1.18</b>	<b>49,000</b>	<b>504,000</b>	<b>1.1</b>	<b>17,000</b>	<b>3,199,000</b>	<b>1.17</b>	<b>120,000</b>

*Note: Figures above may not sum due to rounding and significant figures do not indicate degree of precision.*

*Bulk densities applied to oxidation surfaces, oxide=2.2, transitional=2.50 and fresh=2.74.*

*Recovery and QAQC data available.*

*Good geological continuity established.*

**Table 2 - 100% Nex Metals Kookynie Gold Project Current Resource Inventory;**

Location	Measured	Indicated	Inferred	Total
Phase 1		14,700	25,300	40,000
Phase 2	53,000	397,000	115,000	565,000
Phase 3		7,700	8,400	16,100
<b>TOTAL</b>	<b>53,000</b>	<b>419,400</b>	<b>148,700</b>	<b>621,000</b>

For more information please visit the website [www.nexmetals.com](http://www.nexmetals.com).

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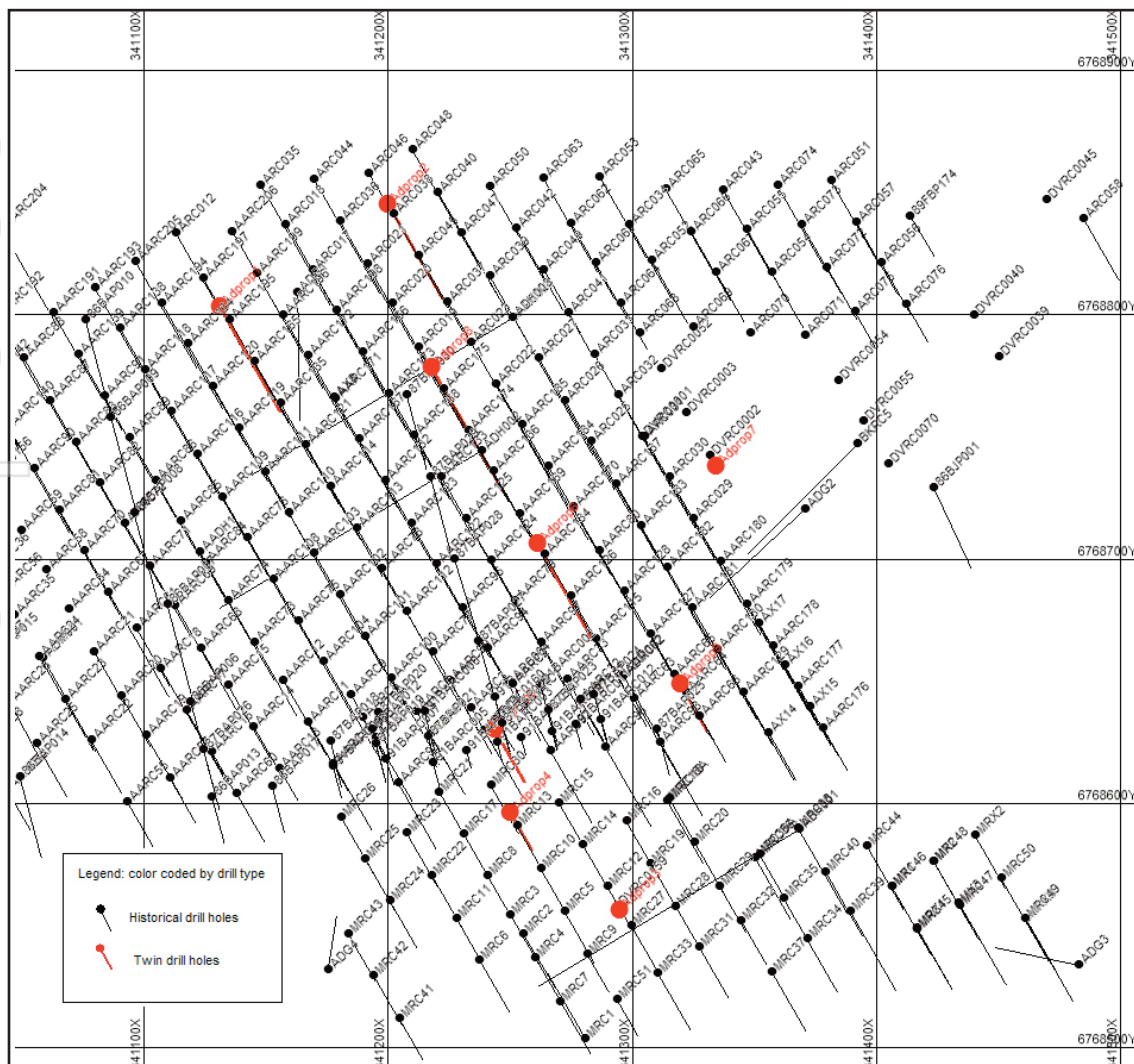
### Responsibility Statement

The information in this report which relates to exploration results, quality of data, geological interpretations, reasonable expectation of potential viability of quoted gold resources, comments on metallurgy and marketing and appropriateness of cut-off grades is based on information compiled by Edd Prumm who is the Exploration Manager of the Company and who is a Member of the Australasian Institute of Mining and Metallurgy. 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.

Information in this report that relates to mineral resource estimation reflects information compiled by Mr Robert Spiers. Resource estimation was undertaken by Mr Spiers who is a full time employee of Hellman and Schofield Pty Ltd. Mr Spiers is a Member of the Australian Institute of Geoscientists and 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 Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Spiers consents to the reporting of this information in the form and context in which it appears.

**Note:** Historical drilling over the Admiral prospect was undertaken on a 20mx20m grid pattern orientated consistent with the strike of the mineralisation (N50E).

Over the Admiral main mineralised zone 8 twin drill holes were planned and executed (see figure below) to provide comparative data for the assessment of the pre-existing historical dataset.

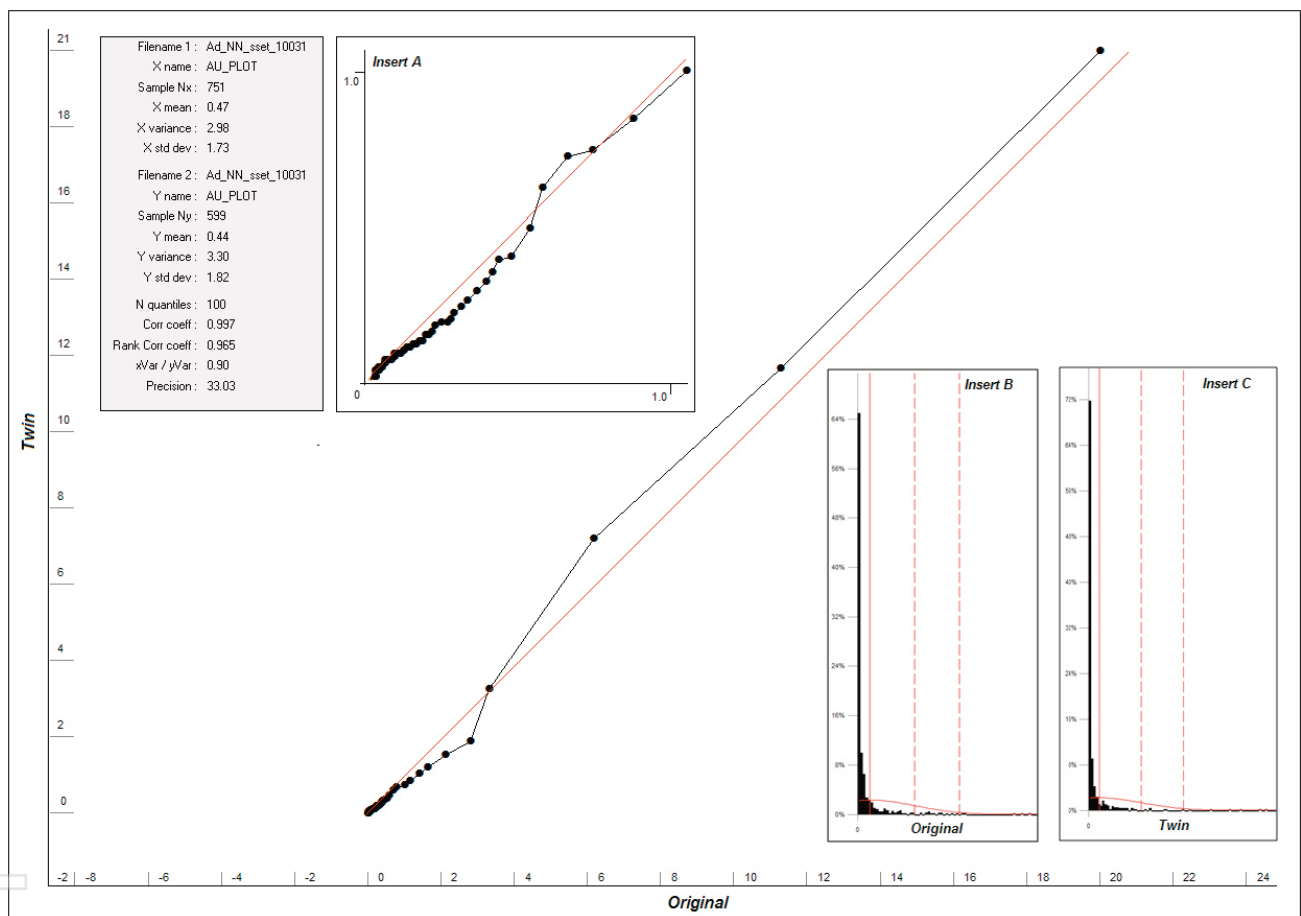




Comparative statistics of original drill holes data against the comparative twin drill hole data indicates that the two data sets are very strongly correlated with a correlation coefficient of 0.997 and a rank correlation coefficient of 0.965.

As can be observed in insert A, the lower portion of the grade population (between 0.0g/t Au and 0.7g/t Au) shows that the original values are consistently higher than the twin values. As the population transcends through to greater than 3g/t Au the twin dataset tends to be higher however this portion of the population is not supported by a large number of data.

The two data sets display a 6% difference in mean values of 0.47g/t Au and 0.44g/t Au for the original and twin data respectively.



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