



30 April 2010

Quarterly Report

Third Quarter

Period Ending 31 March 2010

The Directors of Nex Metals Explorations Ltd. (Nex or the Company) are pleased to report on the company's activities during the March quarter 2010.

Highlights

Phase 1 - Swift Low Cost Gold Production

- Final metallurgical results provide excellent results.
- Orient Well Laterite Mineral Resource Estimate increased to 2.82Mt for 41,600 ounces of gold.

Phase 2 - Optimisation of previously mined shallow open pits

- QA-QC drilling at the Admiral Prospect provides results consistent with previous drilling.
- 44% (53,000 ounces) of the 120,000 ounce Mineral Resource Estimate for the Admiral Prospect has been converted to a Measured status.

Phase 3 - Development of an Underground Goldmine with Longevity of ore supply

- Kookynie Diamond Drilling results provide a best intersection of 1.5m @ 17.9 g/t.
- Initial Phase 3 Mineral Resource Estimate on the Diamantina Prospect, 96,000 tonnes @ 5.2 g/t for 16,100 ounces of gold.

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Corporate

Commencement of mining has been delayed due to factors such as permitting and fund raising however the directors believe that this small delay does not alter other production targets once production commences. Currently Nex is waiting on DEC Permit of Works (DEC have advised that written approval is expected early May). A capital raising of \$5m to start the project is currently being sourced from various parties including private equity funds, the Directors have not yet finalised the final makeup of these sources. The company raised \$717,000 during the quarter via a private placement at \$0.20/share with an attaching option (within the Company's 15% allowable). Nex has limited expenditure until permitting and additional funds are sourced. However work is continuing on getting the pit area ready to mine for Phase 1. Additional independent consultants have been engaged to expedite Resource calculations for phase 2 and Phase 3.

Phase 1 - 1a. Orient Well Laterite Final Metallurgical Results

- **The metallurgical 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.

1b. Orient Well Laterite Phase 1 Resource have been Increased to 2.77Mt for 40,000 ounces of Gold.

- Recent broad based drilling on the Double J Prospect, an extension of the Orient Well Laterite was completed during December.
- Independent consultants, Hellman and Schofield Pty Ltd have provided a Mineral Resource Estimate of 844,000 tonnes @ 0.46 g/t for 13,000 ounces of gold.

The Double J resource is based on a combination of broad spaced drilling on a 40m X 40 m drill pattern and more detailed drilling on a 20m X 20m drilling pattern in the central and northern portions of the project area. Nex believe that further drilling is warranted to raise the confidence in the mineralised geometry to a higher level. The resources delineated are open to the west and south. Further drilling in these areas is planned for April 2010.

Bulk density used in the previous resource estimate was 2.25 tonnes per m³. Amdel have since assessed the bulk density of a 200kg parcel of mineralisation from a representative sample of the Orient Well Laterite during recent metallurgical testwork and provided a bulk density of 2.35. The initial Mineral Resource Estimate for the Orient Well Laterite has increased from 1.84Mt to 1.98Mt @ 0.46g/t.

Total Phase 1 Mineral Resource Estimate is 2.77Mt for 40,000 ounces of gold.

The phase 1 resources, quoted above, are additional to the already announced Phase 2 resources of 17.24Mt for 575,00 ounces of gold.

Therefore the current Phase 1 and Phase 2 Combined Mineral Resource Estimate is **20Mt @ 0.96 g/t for 615,000 ounces of gold.**

Table 1: Double J - Summary Resource Estimates - at a 0.25g/t cut-off grade

Material Type	Indicated			Inferred			Total		
	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Laterite	173,000	0.51	3,000	672,000	0.45	10,000	844,000	0.46	13,000
Total	173,000	0.51	3,000	672,000	0.45	10,000	844,000	0.46	13,000

Assumed bulk density value of 2.35gm/cc

Assumed recovery and minimal supportive quality control and quality assurance

Geological continuity is defined with wide spaced drilling

Figures above may not sum due to rounding.



Phase 2 - 2a. QAQC Drilling Results and the subsequent re-appraisal of the Mineral Resource Estimate for the Admiral Prospect provide;

- **Recent QAQC drilling results provide results consistent with the historical drilling results.**
- **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.**

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 Orient Well and Admiral-Butterfly projects, this represents a tangible asset for Nex's shareholders.

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 target a production scenario of 100,000 ounce per annum.



Table 2 - 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
Total	1,389,000	1.19	53,000	1,306,000	1.18	49,000	504,000	1.1	17,000	3,199,000	1.17	120,000

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 QA-QC data available.

Good geological continuity established.

Table 3 - 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
TOTAL	53,000	419,400	148,700	621,000

Notes:

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.

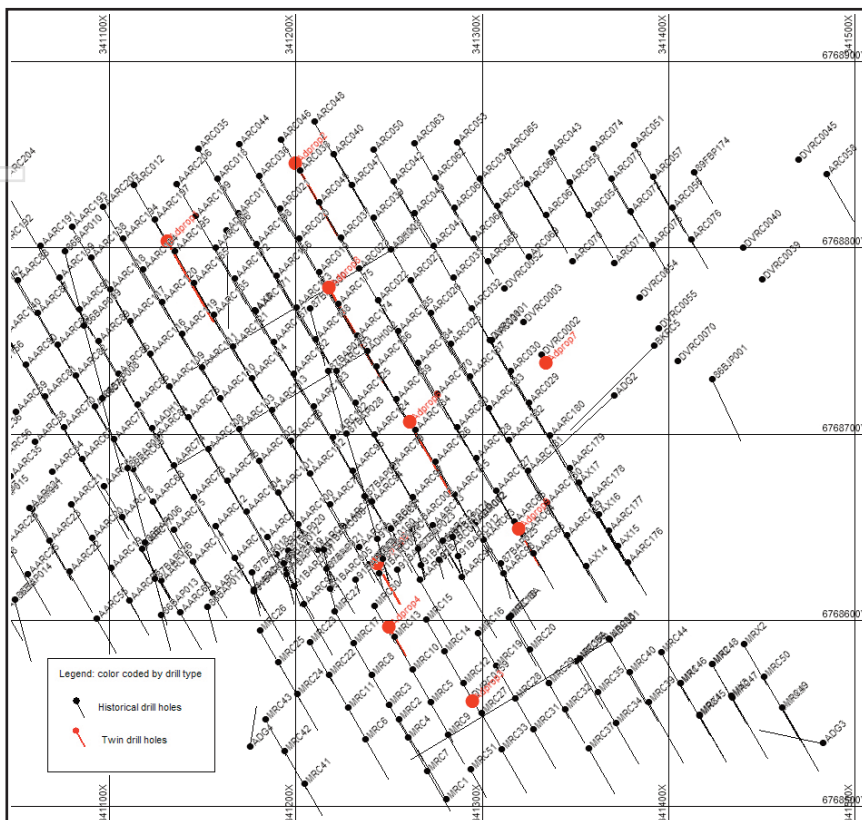
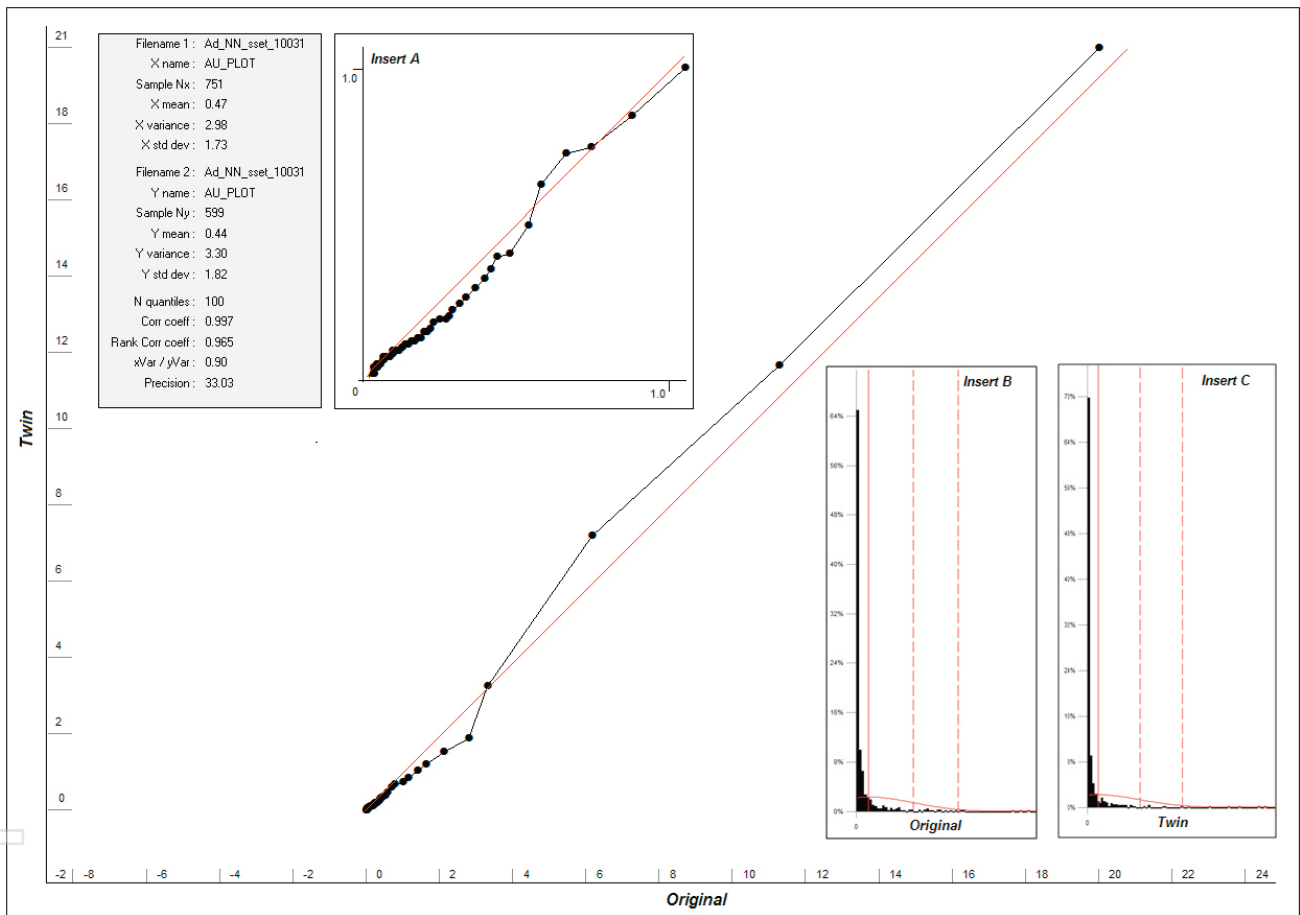


Figure 1a - Admiral main mineralised zone showing 8 twin drill holes drilled to provide comparison data for assessment of pre-existing historical dataset



Figure 1b - Comparisons of the original and twin data sets



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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Phase 3 - Kookynie Gold Project Phase 3 Diamond Drilling Results

- The Cosmopolitan Goldmine produced 320,000 ounces of gold @ 16g/t ave grade to a total depth of 340metres, prior to 1912. The mine closed with the onset of World War 1.
- Nex has drilled the first holes beneath the old workings.

The results are very encouraging because every hole intersected the mineralised structure. Hole NXDD003, the hole displaying visible gold, provided a best intersection of 1.5m @ 17.9g/t.

Results of the recent diamond drilling under the Historical Cosmopolitan Goldmine are as follows;

Table 4: Table of Best Diamond Drilling Intersections: Cosmopolitan Goldmine Kookynie

Sample Number	Depth From	Depth To	Length (cm)	Weight (grams)	Au (30gm) g/t	Au (Screen) g/t
NXDD 003						
43047	338.5	339	50	1222	55.7	48.1
43048	339	339.5	50	1405	0.38	2
43050	340	340.5	50	1149	0.21	0.61
43051	340.5	341	50	1275	0.28	0.21
43054	342	342.5	50	1075	1.26	1.02
NXDD 004						
43005	243	243.5	50	1472	2.92	2.01
NXDD 005						
43065	240	240.5	50	1103	3.67	3.44
43066	240.5	241	50	830	0.34	0.44
43076	245.5	246	50	1245	0.27	0.68
43077	246	246.5	50	1282	1.25	1.31
NXDD 006						
43096	409	410	100	2528	1.81	0.5
NXDD 002						
43162			100		0.71	0.71
43163			100		0.44	0.61

The Cosmopolitan Goldmine produced 320,000 ounces of gold @ 16g/t ave grade to a total depth of 340metres, prior to 1912. The mine closed with the onset of World War 1.

Nex has drilled the first holes beneath the old workings.

The results are very encouraging because every hole intersected the mineralised structure. Hole NXDD003, the hole displaying visible gold, provided a best intersection of 1.5m @ 17.9g/t.

The Nex board deemed drilling of these diamond holes a high priority as it was essential to establish at an early stage that Phase 3 was a credible long term option for the company.

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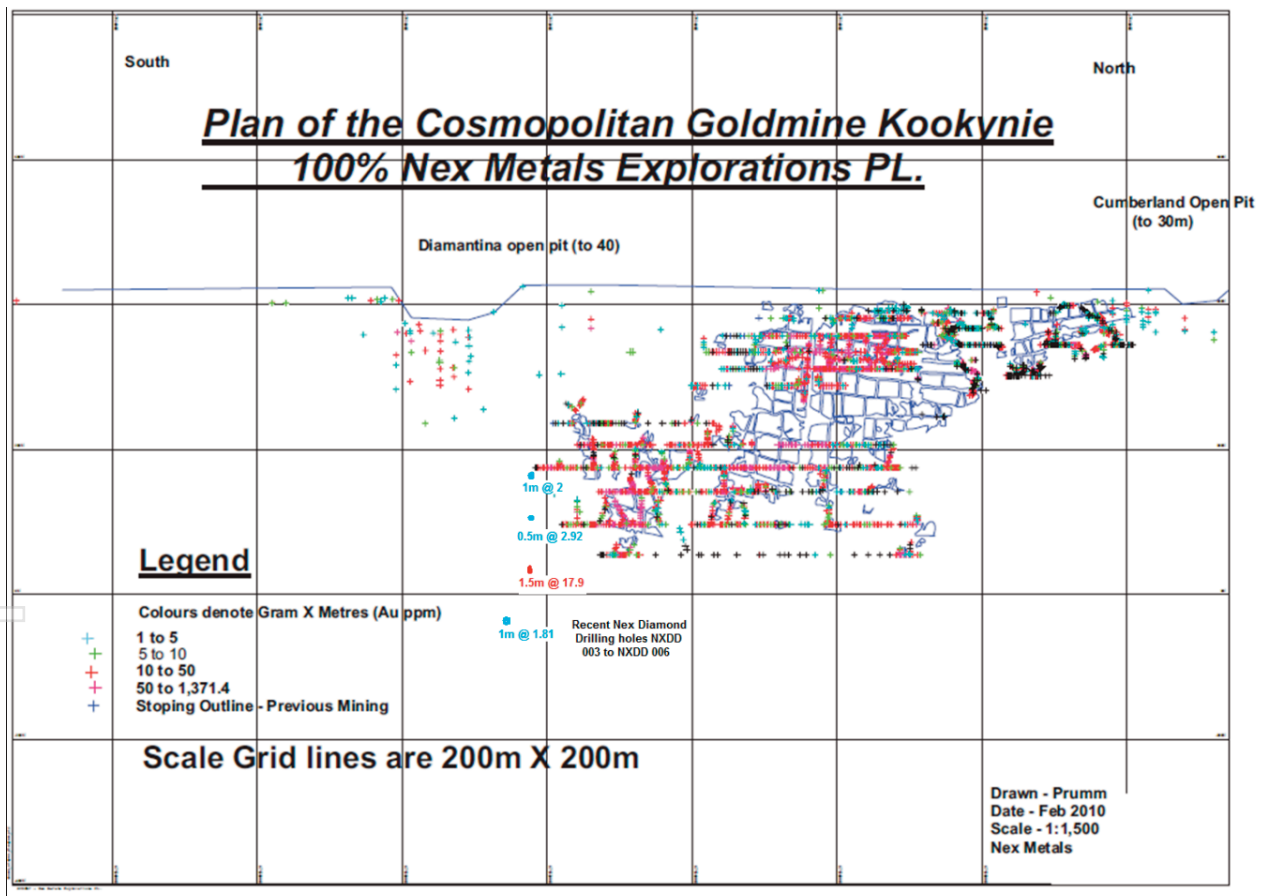
Thus;

Phase 1 has a Mineral Resource Estimate of 41,500 ounces in the Orient Well Laterite. Exploitation will occur when written Department of Environment and Conservation approval is obtained. Tacit verbal approval has already been provided.

Phase 2 has potential for 3 large, low strip ratio, low grade open pits with reported resources of 17.24Mt for 575,000 ounces of gold from the surface to a maximum depth of 120 vertical metres. Nex targets production of 100,000 ounces per annum.

Phase 3 has intersected the Cosmopolitan mineralised structure in each of the 6 diamond drillholes completed with a best intersection displaying visible gold (1.5m@17.9g/t). This means Phase 3 is credible and will play a big part in the long term growth of Nex Metals.

Figure 2 - Underground Assay Results Cosmopolitan - Recent & Historical.



The diagram above shows the location and importance of the recent Nex Diamond Drilling. Note the grades displayed on the plan from underground bulk sampling.

Discussion

The Nex DD samples were initially submitted for a 30gram fire assay. The samples were then re-assayed using the screen fire method hence the time delay for final assay results.



The coarse gold fraction +75um averaged 3.83 times greater than the fine gold fraction -75um for the samples tested, highlighting the coarse gold nature of these samples.

The Cosmopolitan gold mineralisation is very similar in nature and style to the Higginsville and Norseman gold deposits.

3b. Kookynie Phase 3 Initial Mineral Resource Estimate

- Phase 3 - 96,000 tonnes @ 5.23 for 16,100 ounces of Gold.

Independent consultants, Hellman and Schofield (Perth) have provided an initial Mineral Resource Estimate of for the Diamantina Prospect (strike extension of the Cosmopolitan Goldmine) of **96,000 tonnes @ 5.23 for 16,000 ounces of Gold.**

The resource is based on close spaced 20m X 20m drilling and has been calculated from historical Reverse Circulation (RC) Diamond (DD) drillholes.

This is the initial Mineral Resource Estimate for Phase 3 and it brings the combined total for the the **100% Nex Three Phase Kookynie Gold Project up to 20.155Mt for 622,600 ounces of gold.**

Figure 3 - Diamantina Prospect - strike extension of the Cosmopolitan Goldmine

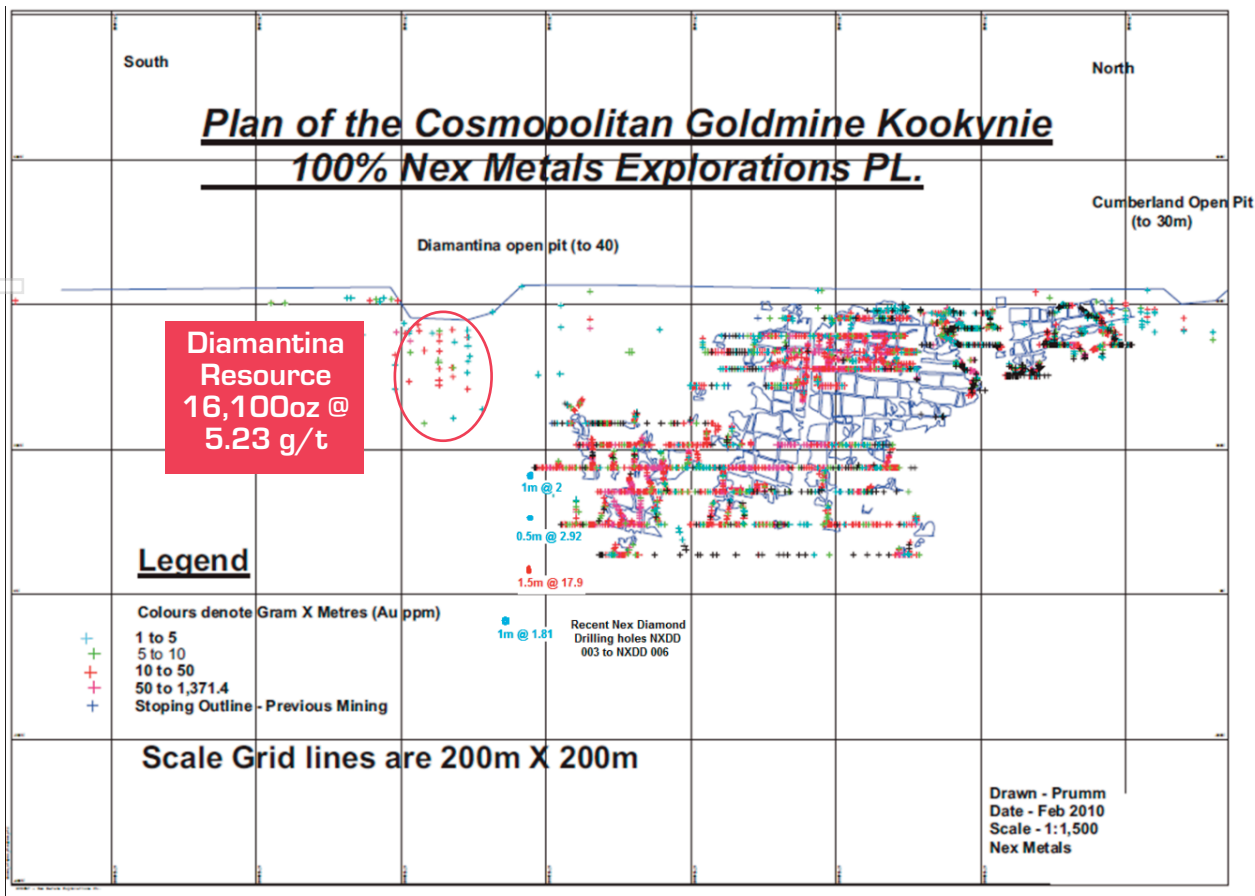




Table 5: Diamantina - H&S resource estimate summary table. Using a 3g/t Au cut-off grade and top cut to 27.49g/t Au.

Material Type	Indicated			Inferred			Total		
	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Oxide									
Transitional	13,849	5.32	2368	16,086	4.83	2497	29,935	5.05	4865
Fresh	29,682	5.54	5283	36,149	5.12	5954	65,832	5.31	11238
Total	43,531	5.47	7,651	52,236	5.03	8,451	95,767	5.23	16,102

Assumed bulk density values $\rho_x=1.8$, $\rho_r=2.1$ $\rho_f=2.7$

Assumed recovery and no supportive QAQC.

Top cut at 27.49g/t Au according to probability plot

Low drill density of unknown quality

Good geological continuity

For Further details please contact

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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.