



31 October 2010

Quarterly Report

First Quarter

Period Ending 30 September 2010

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

Highlights

- Resource estimations completed for the Niagara Mining Centre and the Gladstone deposit comprising 84,000 ounces gold
- Resource estimation completed for the Leipold deposit comprising 33,000 ounces gold
- Total Kookynie Project resources now stand at 749,000 ounces gold
- Planning and permitting for mining and construction of the heap leach facility continuing
- Purchase of mobile crushing and screening unit
- Ongoing field work assessing prospective areas within the Kookynie Project area

The Company continued its focus on the permitting and design of the Orient Well heap leach facility and Phase 1 laterite mining from the Orient Well and Double JJ deposits. Mine planning and engineering studies progressed as anticipated through the quarter with the initiation of construction expected soon. As part of the evolution of the Kookynie Project a mobile crushing and screening plant was purchased and moved to the Orient Well camp.

Resource estimations for 9 additional deposits were completed during the quarter adding 117,000 ounces of gold to the Kookynie Project inventory. These JORC-compliant resource calculations were conducted by APEX Geoscience Australia Pty Ltd (an independent consultancy). Total Kookynie resources now sit at **22,000,000 tonnes and 749,000 ounces of gold** with most lying within 110 vertical metres of surface.



Table 1: Resource Estimate Summary Total Kookynie Gold Project

Resource summary at a 0.35g/t cut-off grade

Phase 1 deposits	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Orient Well Laterite	-	-	-	0.67	0.53	11,000	1.17	0.4	15,000	1.84	0.5	27,000
Double J Laterite	-	-	-	0.17	0.51	3,000	0.67	0.5	10,000	0.84	0.5	13,000
Laterite Resources Subtotal	-	-	-	0.84	0.52	14,000	1.84	0.4	25,000	2.68	0.5	40,000

Resource summary at a 0.50g/t cut-off grade

Phase 2 deposits	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Admiral	1.39	1.19	53,000	1.31	1.18	49,000	0.50	1.1	17,000	3.20	1.2	120,000
Butterfly	-	-	-	1.85	1.12	67,000	0.86	1.0	27,000	2.71	1.1	94,000
Clarke	-	-	-	0.68	1.18	26,000	0.13	0.9	4,000	0.81	1.1	29,000
Red Lake	-	-	-	0.15	1.33	6,000	0.20	1.2	8,000	0.35	1.2	14,000
King	-	-	-	1.48	0.80	38,000	0.15	0.7	3,000	1.63	0.8	42,000
Danluce	-	-	-	0.48	1.01	16,000	0.13	0.9	4,000	0.61	1.0	20,000
Butterfly Project Areas Subtotal	1.39	1.19	53,000	5.95	1.06	202,000	1.97	1.0	63,000	9.31	1.1	319,000
Orient Well Main	-	-	-	4.15	1.03	137,000	0.84	1.0	28,000	4.99	1.0	165,000
Orient Well East	-	-	-	0.26	0.86	7,000	0.15	0.9	4,000	0.41	0.9	11,000
Orient Well Project Areas Subtotal	-	-	-	4.41	1.02	144,000	0.99	1.0	32,000	5.40	1.0	176,000
Puzzle Deeps	-	-	-	1.93	0.93	58,000	0.76	0.9	23,000	2.70	0.9	81,000
Puzzle Deeps Subtotal	-	-	-	1.93	0.93	58,000	0.76	0.9	23,000	2.70	0.9	81,000

Resource summary at a 3.00g/t cut-off grade

Phase 3 deposits	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Diamantina Deeps	-	-	-	0.04	5.47	8,000	0.05	5.0	8,000	0.10	5.2	16,000
Diamantina Deeps Subtotal	-	-	-	0.04	5.47	8,000	0.05	5.0	8,000	0.10	5.2	16,000

Resource summary at a 3.00g/t cut-off grade

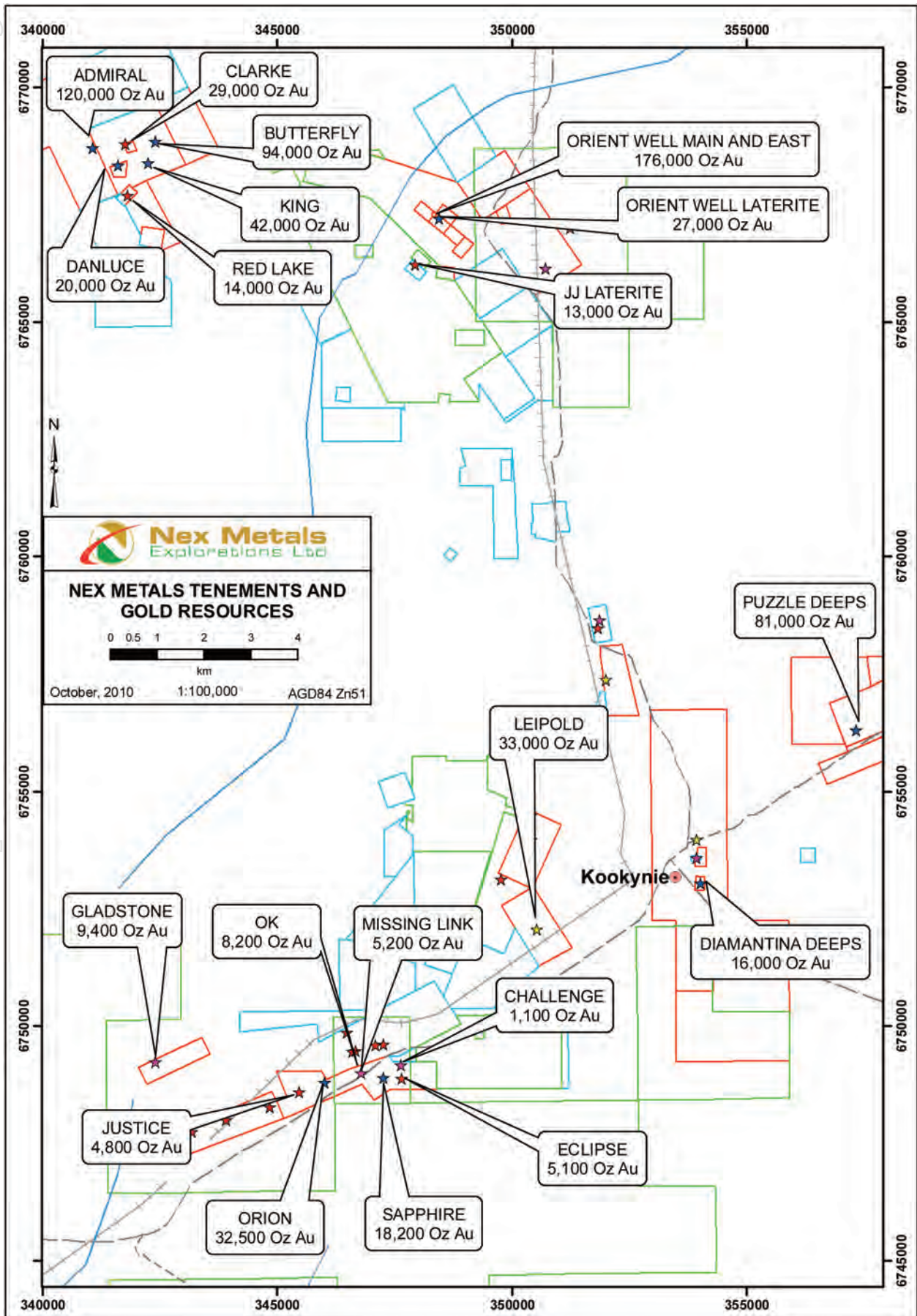
Phase 3 deposits												
Niagara total				0.7	2.40	52,000	0.67	1.3	32,000	1.46	1.8	84,000
West Kookynie (Leipold)				0.35	2.18	24,000	0.18	1.6	9,000	0.53	2.0	33,000
Combined Kookynie Projects Total	1.39	1.19	53,000	14.74	1.06	502,000	6.46	0.9	192,000	22.18	1.1	749,000

*Note: Figures above may not sum due to rounding
Significant figures do not indicate an added level of precision
Assumed bulk density values ox=1.8, tr=2.1 fr=2.7
Limited recovery and supportive QAQC
Well defined geological continuity*

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Figure 1. JORC-Compliant Resource Estimations for Nex Metals' Kookynie Project.



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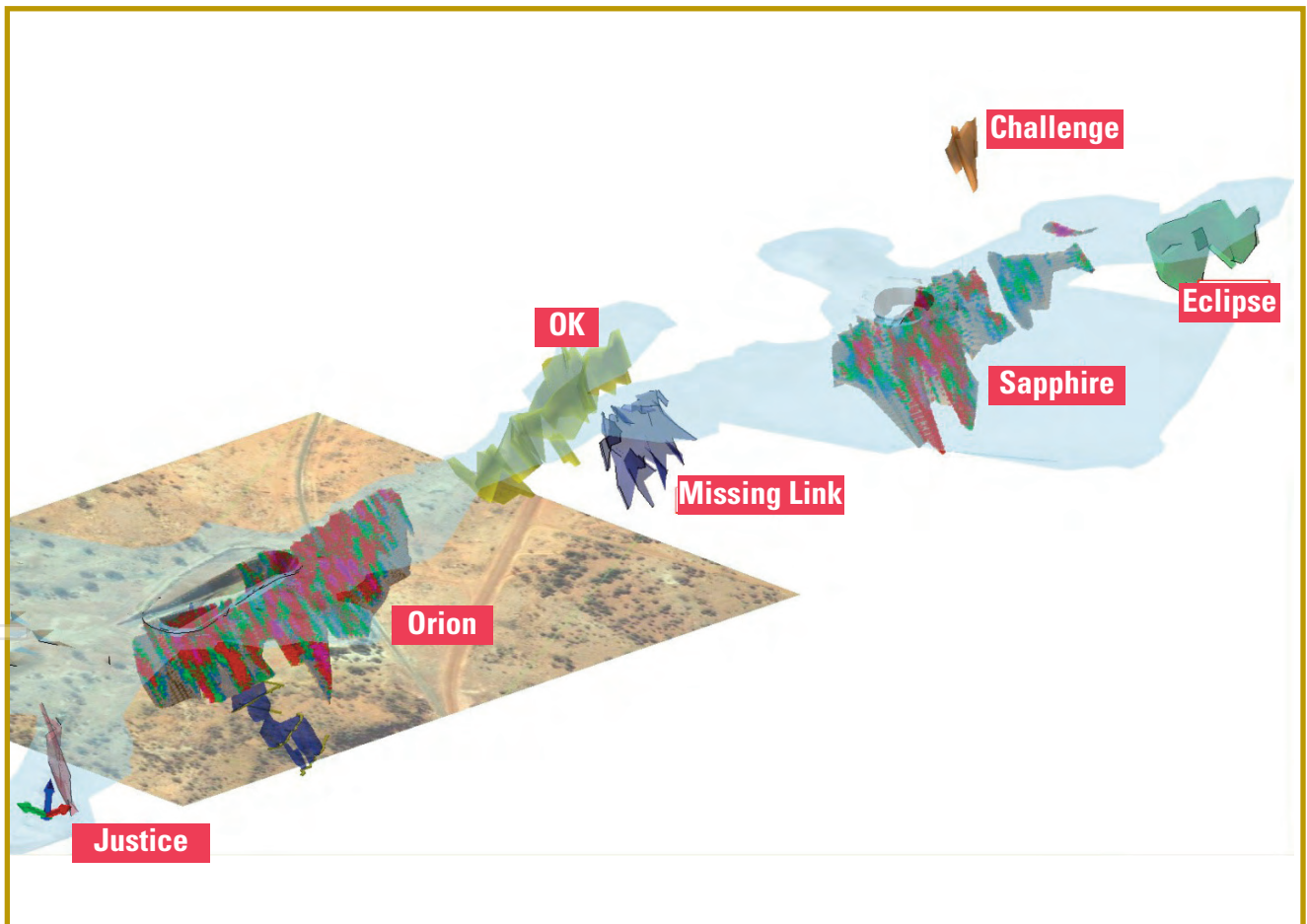


Niagara Mining Centre and Gladstone

The new resource estimates from the Niagara Mining Centre and the Gladstone deposit total 1,456,000 tonnes averaging 1.8 g Au/t for 84,000 ounces in the indicated and inferred categories. The block-modeling of several deposits indicates that excellent potential exists to expand the resources down-plunge and along strike. The modeling has also uncovered the possibility of previously unrecognized trends in the mineralisation and drill-ready areas to follow-up on historic successes.

Figure 2. Ore body models for the Niagara Mining Centre.

Figure 2 Note the down-plunge mineralisation trends, depicted by the red and purple blocks of >1 g Au/t, at Orion and Sapphire representing excellent resource expansion potential.





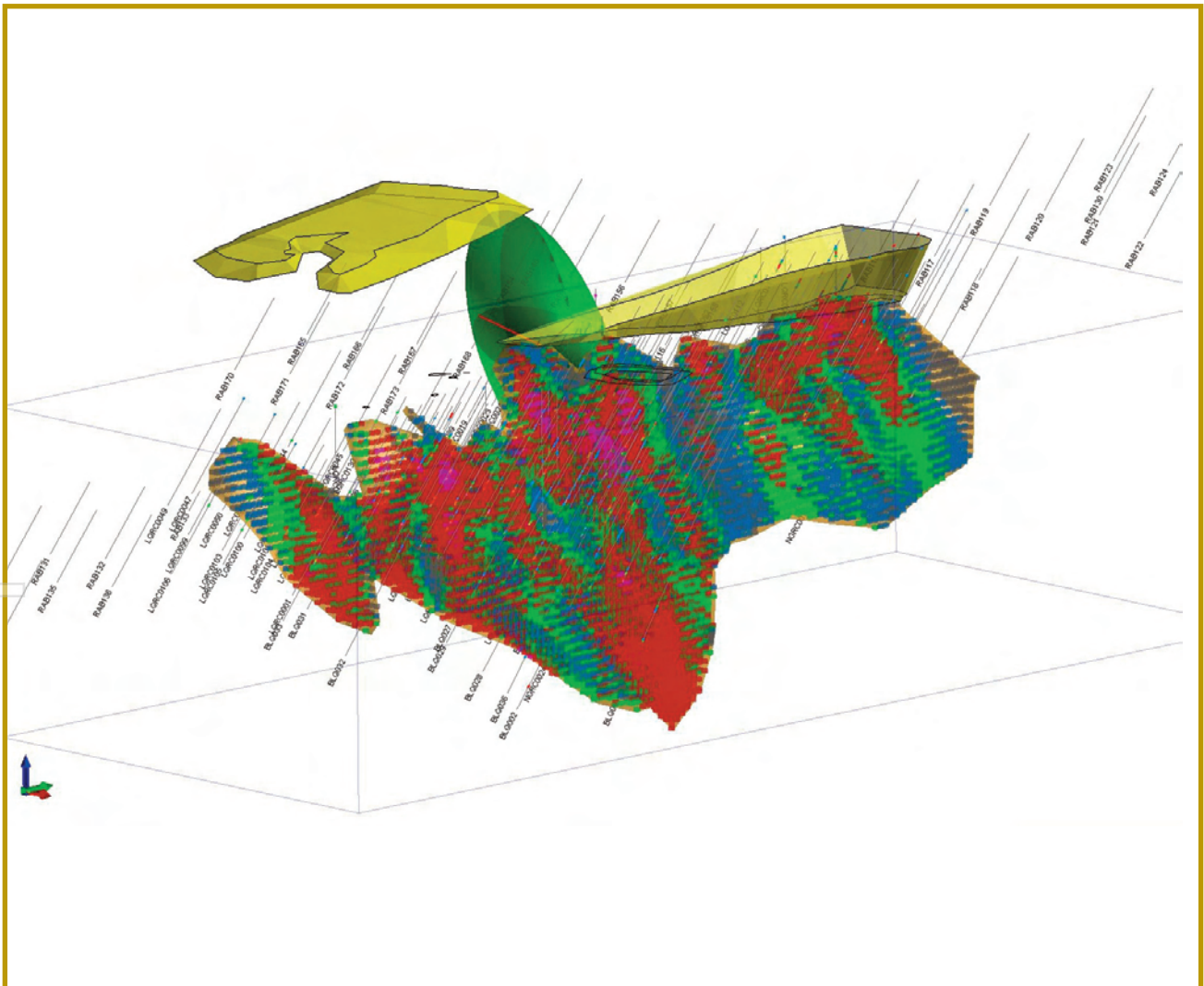
Leipold

Nex has renamed the Lubra Queen deposit to Leipold in recognition of the Leipold family who settled in the Kookynie area in the 1900s and were prominent in the development of the areas early gold production.

The Leipold resource was calculated at 530,000 tonnes at 2 g Au/t for 33,000 ounces, over 70% of which is in the indicated category. Similar to the Niagara Ming Centre modeling, the Leipold deposit shows excellent potential for expansion of resources down-plunge and along strike.

Figure 3. Block model of the Leipold deposit with the historic trial pit and waste dump

As with the Niagara Mining Centre, obvious trends of high-grade mineralisation represented by red and purple blocks indicate excellent resource expansion potential at depth and along strike.





Processing Equipment Purchased

A mobile crushing and screening plant capable of processing 1,200,000 tonnes per annum was purchased and moved to site during the quarter. The plant comprises a three stage crushing circuit, screening and feed sections, conveyor and dust-suppression systems and a large inventory of spare parts.

For Further details please contact

Mr Ken Allen

Managing Director, 0448447472

Responsibility Statement

The information in Table 1 & Figure 1 pertaining to the Leipold and Niagara deposits is based on information compiled by Mr. Michael Dufresne, M.Sc., P.Geol., who is a full time employee and President of APEX Geoscience Ltd. and a director of APEX Geoscience Australia Pty Ltd. and Mr Edd Prumm who is a full time employee of the Company. Mr Dufresne and Mr Prumm have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Dufresne and Mr. Prumm consent to the inclusion in this report of the matters based on their information in the form and context in which it appears. 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 Dufresne is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

The remainder of the Mineral Resource Estimate results displayed in Table 1 is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd and Mr Edd Prumm who is a full time employee of the Company. Mr. Spiers and Mr Prumm have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Spiers and Mr Prumm consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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 Spiers is a Member of the Australian Institute of Geoscientists.