



30 May 2011

## NEX METALS EXPLORATIONS LTD

### 100% Kookynie Gold Project

#### Update on activities.

Nex Metals Explorations Ltd is proud to provide the following update on recent company activities.

#### Highlights

- Progressing heap leach construction
- Discussions with various parties for toll treating ore
- Grade control drilling at Butterfly to commence shortly
- Discussions with mining contractors for underground mining of Champion

#### Heap Leach Facility

Work continues on the heap leach with extensive earthworks. The stormwater, and pregnant and barren solution ponds have been excavated and contoured in preparation for laying the plastic liners (Photos 1 and 2). The heavy haulage road for ore transportation has also been completed in conjunction with the flood bund along Dingo Creek.

**Photo 1. The Komatsu WA800-2 and one of the CAT 777Bs working in the stormwater pond with the pregnant and barren solution ponds in the foreground.**





**Photo 2. The CAT D11N on the edge of the pregnant solution pond with the flood bund and cyanide tank works in the background.**



### **Toll Treating**

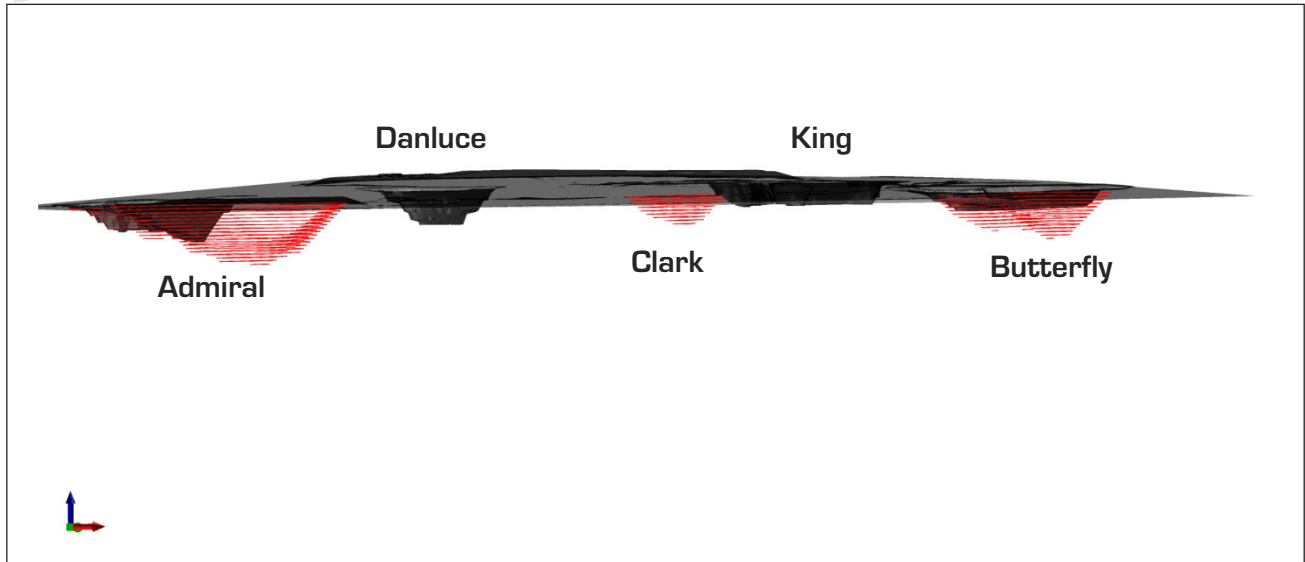
Nex has engaged in discussions with several local mill facilities to toll treat a portion of its current gold resources. Previously optimized ore remains within the current outlines of the Admiral and Butterfly pits and represents readily accessible tonnes of 2.2+ g/t Au material (Photos 3 and 4). Nex plans to toll treat approximately 200,000 tonnes of ore from the Butterfly pit to generate swift cash flow.

**Photo 3. The Butterfly pit with readily accessible ore available for toll treating. The Butterfly pit lies 6.5 kilometres from the Goldfields Highway with mill facilities to the north and south of Nex's Kookynie Project. Blast holes from 2002 that were never used can still be seen in the pit floor.**





**Photo 4. A bottom-side view of the 2002 pit optimizations (red) for Admiral, Clark and Butterfly versus the digital terrain model of actual mined ore (black), depicting the extent of unmined ore.**



#### **Grade Control at Butterfly**

Grade control drilling is being planned for the Butterfly pit so as to allow the definition of the higher grade areas for toll treating whilst lower grade material will be set aside for treatment at the heap leach facility.

#### **Mining at Champion**

Initial discussions have taken place with a contracting company to undertake small scale, underground mining of the past-producing Champion Mine. Western Mining Corporation (WMC) had dewatered the mine and refurbished the shaft in the late 1980s during exploration/evaluation programs. Nex is determining the remaining gold resource and underground exploration targets whilst costing the resumption of mining. Records indicate the Champion produced 33,758 ounces at a recovered grade of 17.35 g/t Au during the early 1900s.

#### **For further details please contact:**

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#### **Responsibility Statement**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Rob L'Heureux, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (Canada). Mr. L'Heureux M.Sc., P.Geol., who is a full time employee of APEX Geoscience Ltd., has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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. L'Heureux consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.*