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**Nex Metals**  
Explorations Ltd

ABN 63 124 706 449

2012 ANNUAL REPORT





# Corporate Directory

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**ABN**

63 124 706 449

**DIRECTORS**

Thomas F Percy QC

Kenneth Allen

Kasit Phisitkul

Hock Hoo Chua

Raja Mohd Azmi Bin Raja Razali  
(Alternate to Hock Hoo Chua)

**COMPANY SECRETARY**

Kenneth Allen

**PRINCIPAL OFFICE**

Level 1, 95 Canning Highway  
SOUTH PERTH WA 6151

**REGISTERED OFFICE**

Level 1, 95 Canning Highway  
SOUTH PERTH WA 6151

**AUDITORS**

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000

**SHARE REGISTRY**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**STOCK EXCHANGE LISTING**

Australian Stock Exchange  
Home Exchange: Perth, Western Australia  
Code: NME

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## Directors' Report

The directors of Nex Metals Explorations Limited submit herewith the financial report for the financial year ended 30 June 2012.

The names of the directors of the company at any time during or since the end of the financial year are:

### Name

Thomas F Percy  
Kenneth M Allen  
Kasit Phisitkul  
Hock Hoo Chua  
Raja Mohd Azmi Bin Raja Razali (Alternative to Hock Hoo Chua)

## Directors Qualifications and Experience

### Thomas Percy QC (Chairman) B.Juris., LL.B.

Tom was born in Kalgoorlie where his family ran the Federal Hotel for over 60 years. Tom attended Kalgoorlie Central Primary School later Scotch College in Perth. After graduating from the University of W.A. in 1977 as Bachelor of Jurisprudence and Bachelor of Laws he completed his Articles in Kalgoorlie; where he practiced for the next 10 years. Tom became a partner in the firm Lalor & Co in 1981, and later practiced on his own as a Barrister. He joined the W.A. Bar Association in 1984 and was appointed Queen's Counsel in December 1997. Tom specialises in criminal trials and appeals and has been involved in many prominent cases over the past 25 years. He also has significant experience in mining litigation and Warden's Court cases.

He was a founding member and former Chairman of the Goldfields Credit Union, is currently a National Director of the Australian Lawyers Alliance and is a Director and Life Member of the East Perth Football Club.

Directorships held in other listed entities during the past 3 years:

Aurium Resources Limited – Non Executive Director – Appointed 2 October 2008, Resigned 25 June 2009.

### Kenneth M Allen (Managing Director - Company Secretary) B.Bus (Curtin), PNA, FNTAA, FTIA, FAICD

Ken has been a qualified accountant since 1988 and in his own Public Accounting Practice in Kalgoorlie-Boulder since 1991, and more recently in his Perth Office. He has been involved in mining for over 20 years both directly and via his family's prospecting interests. Ken is a Fellow of the Australian Institute of Company Directors and a Fellow of the Taxation Institute of Australia. Ken brings to the board extensive commercial experience in mining matters as well as a passion for sustainable and balanced environmental issues and practical carbon reductions for the mining industry.

Directorships held in other listed entities during the past 3 years:

Fairstar Resources Limited – Non Executive Director – Appointed 12 February 2006, Resigned 10 March 2008, Reappointed 7 May 2009, Resigned 18 December 2010.

### Kasit Phisitkul (Non-Executive Director) (Master of Public and Private Management (MPPM))

Kasit is of engineering background and a dynamic and successful Managing Director of Kenber Group based in Thailand for over 20 years. Kenber specializes in geological investigation, geotechnical engineering, dam construction and foundation treatment, mining and other related works with scope of business primarily covering Southeast Asian countries. He has various professional and civil functions such as Honorary Adviser to the Thai Senate and several government ministers, Executive Director to the Thai-Chinese Culture and Economy Association and Executive Board member of Maejo University Promotion Committee, among others. He has vast knowledge and extensive government and business connections in the region particularly in the field of mining and geotechnical-engineering works.

Directorships held in other listed entities during the past 3 years – None

### Hock Hoo Chua (Non-Executive Director)

Mr Chua qualified as a professional accountant from the Chartered Institute of Management Accountants in the 90's, his Master of Business Administration (MBA) from Oklahoma City University, USA in 1995, and currently pursuing his Doctorate in Business Administration (DBA) with University of Malaya. Mr Chua distinguished himself in practice in Malaysia as an auditor, licensed liquidator and tax consultant. He is the co-founder of Cheng & Co, one of the largest local chartered accounting firms in Malaysia, and currently is the Managing Partner of Cheng & Co.

He is a member of the Malaysia Institute of Accountants, Institute of Certificate Management Accountants (Australia), a Fellow Member of CPA, Australia, Fellow Member of the Chartered Institute of Management Accountants (UK), Malaysia Institute of Taxation, associate member of the Institute of Internal Auditors Malaysia, and member of Malaysian Institute Director. He was the President of the Persatuan Alumni Oklahoma City University Malaysia. He is also the CFP certification member of Financial Planning Association of Malaysia.

Directorships held in other listed entities during the past 3 years – None.



## **Directors' Report Continued**

### **Raja Mohd Azmi Bin Raja Razali** (Alternative representing Hock Hoo Chua)

Mr Razali is a former Group Chief Financial Officer of AirAsia and Chief Executive Officer of AirAsia between 2001 and 2007. Currently a director of Malaysia listed company Masterskill Education Group Berhad and Executive Chairman of private property development group Mainstay Holdings Sdn Bhd (owner of Space U8 Shopping Complex).

Directorships held in other listed entities during the past 3 years – None.

## **Principal Activities**

The principal activity of Nex Metals Explorations Limited is exploring for gold, copper and nickel. In February 2012, the company commenced gold mining at the Butterfly Open Pit at its Kookynie mine.

## **Operating Result**

The loss of the company after taxation for the year ended 30 June 2012 was \$9,189,989 (2011 : loss of \$3,376,719).

## **Dividends Paid or Recommended**

No dividends were paid during the year and no recommendation is made as to dividends.

## **Review of Operations for the year ended 30 June 2012**

### **Kookynie**

- Grade control drilling and engineering studies were completed on the Butterfly Pit to prepare for mining activities; mining permits and approvals were granted from the Department of Mines and Petroleum. Obtained approvals to remove stockpiled ore from the Champion and Puzzle mine sites.
- Mining from the Kookynie Project began with a 6-month campaign from the Butterfly Pit in which 88,070 tonnes of ore were mined and 53,021 tonnes were treated at Stone Resources Australia Limited's Brightstar Mill - 1,521 ounces of gold produced.
- Established a JORC-compliant gold inventory of 22.38 million tonnes for 769,000 ounces of gold by completing resource estimations for the Champion and McTavish deposits.
- Pit optimisation studies completed on the Butterfly, Admiral, King, Danluce, Clark, Orient Well, Orient Well Laterite, Diamantina, Sapphire, Leipold, Orion, McTavish, and Champion deposits.
- Structural geological studies were commenced to better understand the controls of mineralisation around the Admiral, Clark, King, Danluce and Butterfly deposits.
- Commissioned a report to detail the condition and necessary refurbishment of the Orient Well Carbon-in-Pulp plant.
- Annual Environmental Report submitted to the Department of Mines and Petroleum.
- Mining Proposals, Mine Closure Plans and Water Management Plans completed and submitted to proper authorities. Baseline environmental studies continued over much of the Kookynie Project including ongoing flora and fauna surveys to meet regulatory requirements.
- Field work included Differential Global Positioning System (DGPS) surveying of historic workings, drill holes, infrastructure and topography, sampling of historic drill spoil and sampling of waste dumps and stockpiles. Desktop studies included data entry and clean up of the extensive dataset.
- Issued a \$1,500,000 convertible note to Malayan United Industries Berhad (MUI Global).
- A placement to sophisticated shareholders raised \$1,262,000 for working capital.
- Entered into a standby subscription agreement with Gurney Capital Nominees Pty Limited worth a total value of \$7,000,000; no drawdown taken by 30 June 2012.



**Figure 1.** Active mining fleet in the Butterfly Pit marking the inaugural gold production for Nex Metals Explorations Limited.

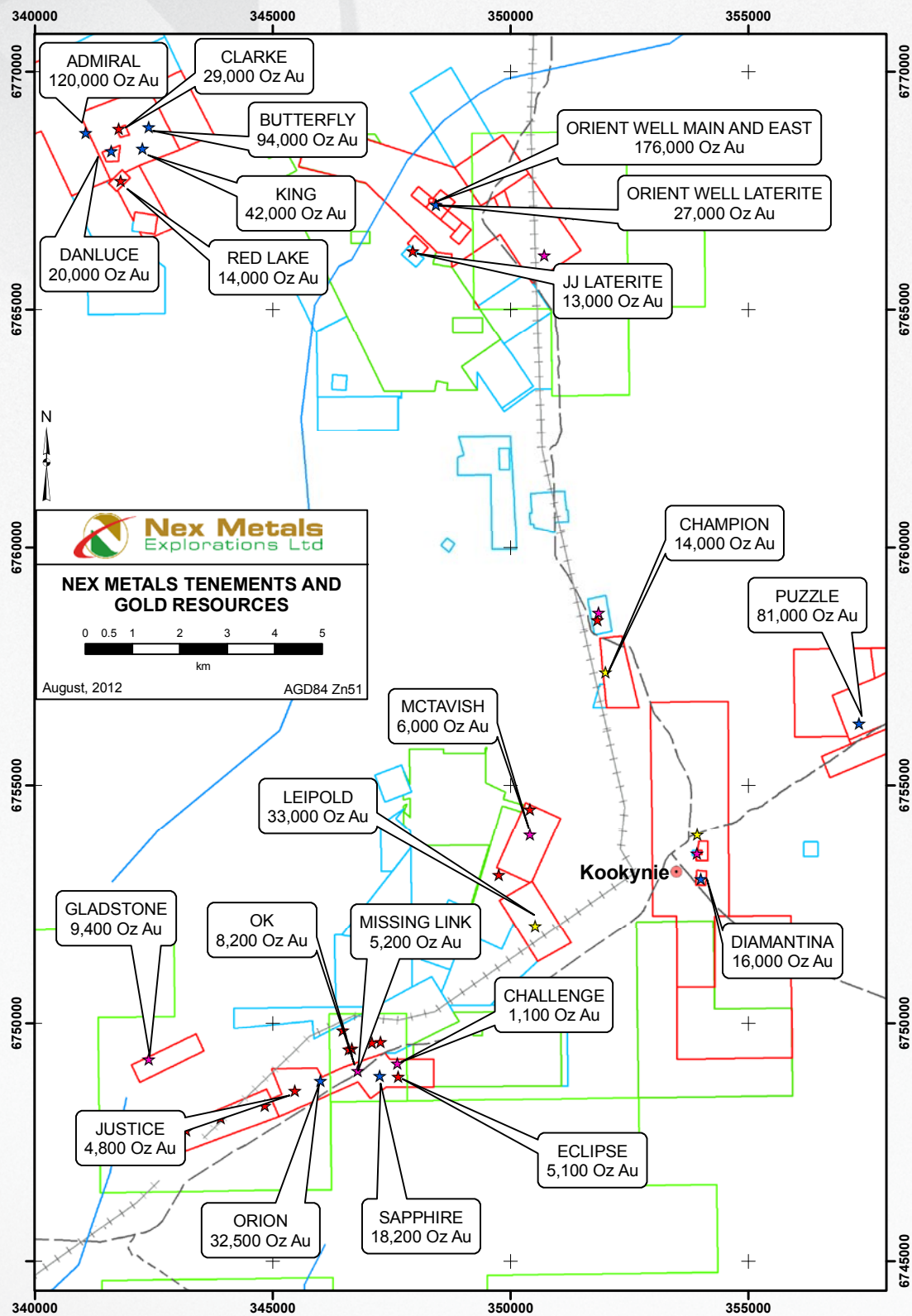


**Figure 2.** The first gold bar (NEX001) poured from the Butterfly Pit mining.





Figure 3. Map of the JORC-compliant gold resources in the Kookynie Project totalling 22.38 million tonnes for 769,000 ounces.





**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 Limited, 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.

**Significant Changes in the State of Affairs**

Except as above and otherwise set out in this report, mining of the butterfly open pit began in January 2012 with a drill and blast contractor starting a 6 month blast-hole drilling program. High grade ore was transported to Stone Resources' Brightstar Mill via triple road train. A total of 51,053 tonnes of high grade ore, 25,632 tonnes of low grade ore, 11,674 tonnes of mineralised waste and 279,638 tonnes of waste were mined during the period February 2012 to June 2012. Unfortunately mill breakdowns and improvement notices at the Brightstar Mill resulted in lower than budgeted production. As a result mining was suspended in early July 2012.

The total value of gold sold for the year ended 30 June 2012 was \$2,286,168.

The Directors are unaware of any significant changes in the state of affairs or principal activities of the company that occurred during the period under review.

**After Balance Date Events**

No matters or circumstance has arisen since 30 June 2012 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Future Developments**

Further information on likely developments in the operations of the company has not been included in this report because at this stage the directors believe it would be likely to result in unreasonable prejudice to the company. As Nex Metals Explorations Limited is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Nex Metals Explorations Limited's securities.

**Environmental Regulations**

The Company is aware of its environmental obligations and acts to ensure its environmental commitments are met. The Directors are not aware of any environmental regulation which has not been complied with.



## Directors' Report Continued

### Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 2 board meetings and 3 circular resolutions were passed by Directors.

Directors	Board of directors	
	A	B
Thomas F Percy	5	5
Kenneth Allen	5	5
Kasit Phisitkul	5	5
Hock Hoo Chua	5	5
Raja Mohd Azmi Bin Raja Razali	-	-

#### Notes

A – Number of meetings held during the time the director held office during the period, including circular resolutions.

B – Number of meetings attended.

Being a small executive Board, the Directors are in contact on a regular basis, minimising the requirement for numerous formal meetings throughout the year.

### Directors' Share and Option holdings

As at the date of this report the interests of the directors in the shares and options of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
T F Percy	1,000,000	3,000,000
K Allen	7,150,001	3,000,000
K Phisitkul	1,000,000	3,000,000
H H Chua	860,000	-
R Razali	7,600,000	-

### Share Options

Unissued ordinary shares of Nex Metals Explorations Limited under option as at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of options	Number under options
1 July 2007	30 November 2012	\$0.25	3,000,000
1 July 2007	30 November 2012	\$0.40	1,500,000
1 July 2007	30 November 2012	\$0.50	1,500,000
1 July 2007	30 November 2012	\$0.60	3,000,000
1 July 2007	30 November 2012	\$0.75	3,000,000
1 July 2007	30 November 2012	\$1.00	6,000,000
			18,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.



## Remuneration Report (Audited)

The information provided in this remuneration report have been audited as required by Section 308(3C) of the Corporations Act 2001.

### (a) Principles used to determine the nature and amount of remuneration

The remuneration policy of Nex Metals Explorations Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board of Nex Metals Explorations Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements.

The directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%. Some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting (currently \$350,000). Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in employee option plans.

### Performance based remuneration

The company has no performance based remuneration component built into director and executive remuneration packages, since the issue of options to Directors on 1 July 2007. These options expire on 30 November 2012.

The following table shows the gross revenue and losses and share price of the Company at the end of the respective financial years.

	30 June 2012	30 June 2011
Revenue	\$2,300,105	\$9,497
Net Loss	(\$9,189,989)	(\$3,376,719)
Share Price	\$0.06	\$0.10



## Directors' Report Continued

### Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

#### (b) Compensation of Directors and Key Management Personnel

The key management personnel of the Company are the Directors. There are no executives, other than Directors, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

##### Name of Director

Thomas F Percy	Chairman
Kenneth Allen	Managing Director
Kasit Phisitkul	Non-Executive Director
Hock Hoo Chua	Non-Executive Director
Raja Mohd Azmi Bin Raja Razali	Non-Executive Director

The emoluments for each director and key management personnel of the Company are as follows:

Year ended 30 June 2012	Short-term		Post employment	Total *
	Salary & Fees	Non Cash	Superannuation	
	\$	\$	\$	\$
<b>Directors</b>				
T Percy	37,500	2,997	3,375	43,872
K Allen	122,004	2,997	10,980	135,981
K Phisitkul	25,000	2,997	-	27,997
H Chua	25,000	2,997	2,250	30,247
R Razali	-	2,997	-	2,997
	209,504	14,985	16,605	241,094

\* Included above are amounts totalling \$154,907 payable to Directors at balance date for services rendered for year ended 30 June 2012.

Year ended 30 June 2011	Short-term			Post employment	Share-based payments	Total
	Salary & Fees	Consulting	Non Cash	Superannuation	Options	
	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
T Percy	37,500	-	2,997	3,375	-	43,872
K Allen	122,004	-	2,997	10,980	-	135,981
H Prumm	14,073	74,140	2,997	1,267	-	92,477
K Phisitkul	24,996	-	2,997	-	-	27,993
H Chua	20,000	-	2,997	1,800	-	24,797
R Razali	-	-	-	-	-	-
	218,573	74,140	14,985	17,422	-	325,120



**(c) Service agreements**

The agreements related to remuneration are set out below

- i. The Company has entered into an executive services agreement with Kenneth Malcolm Allen whereby the Company has agreed to employ Kenneth Malcolm Allen as managing director for a period of 4 years commencing on 6 December 2007 on a salary of \$220,000 per annum (exclusive of superannuation) and a fully maintained motor vehicle (up to the value of \$24,000 per year). In October 2008, Mr Allen agreed to reduce his total remuneration by 50% effective October 2008 until further notice. Mr Allen's term of agreement was extended on a monthly basis in November 2011.
- ii. The Company has entered into a letter agreement with Hock Hoo Chua, whereby the Company has agreed to pay Hock Hoo Chua \$25,000 per annum, plus statutory entitlements, payable monthly in arrears for acting as a Non-Executive Director of the Company.
- iii. The Company has entered into a letter agreement with Thomas Francis Percy whereby the Company has agreed to pay Thomas Francis Percy director's fees of \$75,000 per annum, plus statutory entitlements, payable monthly in arrears, for acting as the non-executive chairman of the Company. In October 2008 Mr Percy agreed to reduce his base remuneration by 50% effective October 2008 until further notice.
- iv. The Company has entered into a letter agreement with Kasit Phisitkul whereby the Company has agreed to pay Kasit Phisitkul \$50,000 per annum, plus statutory entitlements, payable monthly in arrears, for acting as a non-executive director of the Company. In October 2008 Mr Phisitkul agreed to reduce his base remuneration by 50% effective October 2008 until further notice.
- v. The Company has entered into a letter agreement with Raja Mohd Azmi Bin Raja Razali, whereby the Company has agreed to pay Raja Mohd Azmi Bin Raja Razali \$25,000 per annum, plus statutory entitlements, when Raja Mohd Azmi Bin Raja Razali stands in as an alternate for Hock Hoo Chua on a pro rata basis. No payments were made to Raja Mohd Azmi Bin Raja Razali during the year ended 30 June 2012.

**(d) Use of remuneration consultants**

The Company did not employ the services of remuneration consultants during the financial year.

**(e) Voting and comments made at the Company's 2011 Annual General Meeting**

The approval of the remuneration report was passed as indicated in the results of annual general meeting dated 30 November 2011. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**Indemnification of Officers and Auditors**

During the financial year, the Company paid a premium in respect of a contract of insurance insuring the directors and officers of the Company against certain liabilities specified in the contract. The contract prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

**Non-Audit Services**

No non-audit services were provided to the company by the company's external auditor during the financial year.

**Auditor's Independence Declaration**

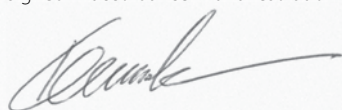
The lead auditor's independence declaration for the year ended 30 June 2012 has been received and is set out within this financial report.

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors.



**Kenneth Allen**

**Managing Director**

Perth, 30th September 2012



## Auditor's Independence Declaration



**RSM Bird Cameron Partners**  
8 St George's Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Nex Metals Explorations Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS

A handwritten signature in black ink, appearing to read 'J A KOMNINOS'.

Perth, WA  
Dated: 30 September 2012

J A KOMNINOS  
Partner

Liability limited by a  
scheme approved  
under Professional  
Standards Legislation

Major Offices in:  
Perth, Sydney, Melbourne,  
Adelaide and Canberra  
ABN 36 965 185 036

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## Independent Auditor's Report



**RSM Bird Cameron Partners**  
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### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF

#### NEX METALS EXPLORATIONS LIMITED

#### Report on the Financial Report

We were engaged to audit the accompanying financial report of Nex Metals Explorations Limited, which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nex Metals Explorations Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



## Independent Auditor's Report (continued)



### *Basis for Disclaimer of Opinion*

#### **Going concern**

As disclosed in Note 2 to the financial statements, the company incurred a loss of \$9,189,989 and had net cash outflows from operating activities and investing activities of \$2,587,435 and \$1,878,419 respectively for the year ended 30 June 2012. As at that date, the company had net current liabilities of \$7,737,585. The ability of the company to continue as a going concern is contingent on a number of future events, the most significant of which is the ability of the company to obtain additional funding to continue mining its exploration and mine assets. There is significant uncertainty regarding the ability of the company to raise sufficient capital and hence the probability of successfully mining its exploration and mine assets. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

#### **Recoverability of assets**

In addition, the company has a number of assets where the ability to realise the carrying value of those assets is directly related to the ability of the company to raise sufficient funds to enable the successful mining of its exploration and mine related assets. These assets are:

##### *Plant and Equipment*

Disclosed at Note 8 is property, plant and equipment carried at a value of \$1,292,857. We have been unable to perform audit procedures in respect of any requirement for impairment of these assets due to an inability to test cash flows generated by these assets, because without sufficient funds being raised the company will not be able to continue its mining activities.

##### *Exploration and evaluation expenditure*

Disclosed at Note 9 is exploration and evaluation expenditure carried at a value of \$284,664 which was recognised as a result of its mineral exploration activities. If the company does not raise sufficient funds to continue its mineral exploration and mining activities, it will not be able to realise the carrying value of this asset.

##### *Mine Development Expenditure*

Disclosed at Note 10 is mine development expenditure carried at a value of \$6,750,575 which was recognised as a result of its mining activities. If the company does not raise sufficient funds to continue its mining activities, it will not be able to realise the carrying value of this asset.

The ability of the company to realise the carrying value of these assets is directly related to the ability of the company to raise sufficient funds to continue its mining activities. There is significant uncertainty regarding the ability of the company to raise sufficient capital and therefore the ability to continue its mineral exploration and mining activities.

As a result of the uncertainties relating to the adoption of the going concern basis of accounting, future capital raising and the continuation of its mineral exploration and mining activities, we have been unable to obtain sufficient appropriate audit evidence regarding the valuation of property, plant and equipment, evaluation and exploration expenditure and mine development expenditure, carried at values of \$1,292,857, \$284,664 and \$6,750,575 respectively. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.



## Independent Auditor's Report (continued)

*Disclaimer of Opinion*

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on whether:

- (a) the financial report of Nex Metals Explorations Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion the Remuneration Report of Nex Metals Explorations Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS

A handwritten signature in black ink, appearing to read 'J A Komninos', written over a circular stamp or seal.

J A KOMNINOS  
Partner

Perth, WA  
Dated: 30 September 2012



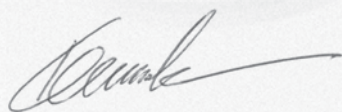
## Directors' Declaration

The directors of the company declare that, in the opinion of the directors:

- (a) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year then ended; and
  - ii. complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;
- (b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;
- (c) the directors have been given the declarations required by s 295A of the Corporations Act 2001; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Directors:



**KENNETH ALLEN**

**Managing Director**

Dated at Perth this 30th day of September 2012



# Statement of Comprehensive Income For the Year Ended 30 June 2012

	Note	30 June 2012 \$	30 June 2011 \$
Revenue	3(a)	2,300,105	9,497
Cost of sales		(9,128,559)	-
Gross profit		(6,828,454)	9,497
Other income	3(b)	222,003	81,051
Occupancy expenses		(46,940)	(17,581)
Administration expenses		(485,961)	(447,771)
Consultants expenses		(265,497)	(324,908)
Depreciation expenses	3(c)	(336,441)	(237,874)
Employment and contractor expenses		(716,408)	(529,084)
Other operating expenses		-	(2,351)
Travel expenses		(83,734)	(54,650)
Exploration and evaluation expenses		(665,263)	(1,778,048)
Tenement acquisition expenses written off		(130,105)	(75,000)
<b>Loss before income tax benefit</b>		(9,336,800)	(3,376,719)
Income tax benefit	4	146,811	-
<b>Loss for the year</b>		(9,189,989)	(3,376,719)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		(9,189,989)	(3,376,719)
<b>Loss per share:</b>			
Basic and diluted loss (cents per share)	16	(6.49) cents	(3.10) cents

The accompanying notes form part of this financial report



**Statement of Financial Position**  
**As at 30 June 2012**

	<b>Note</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	21(a)	16,017	626,260
Trade and other receivables	6	376,352	430,185
Other assets	7	17,790	92
<b>Total current assets</b>		<b>410,159</b>	<b>1,056,537</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	1,292,857	1,600,524
Exploration and evaluation expenditure	9	284,664	414,769
Mine development expenditure	10	6,750,575	4,167,700
<b>Total non-current assets</b>		<b>8,328,096</b>	<b>6,182,993</b>
<b>Total assets</b>		<b>8,738,255</b>	<b>7,239,530</b>
<b>Current liabilities</b>			
Trade and other payables	11	7,897,744	736,534
Borrowings	12	250,000	-
<b>Total current liabilities</b>		<b>8,147,744</b>	<b>736,534</b>
<b>Non-current liabilities</b>			
Borrowings	12	1,500,000	-
<b>Total non-current liabilities</b>		<b>1,500,000</b>	<b>-</b>
<b>Total liabilities</b>		<b>9,647,744</b>	<b>736,534</b>
<b>Net liabilities / (Assets)</b>		<b>(909,489)</b>	<b>6,502,996</b>
<b>Equity</b>			
Contributed equity	13(a)	18,889,807	17,112,303
Option reserve	14	2,260,245	2,260,245
Accumulated losses	15	(22,059,541)	(12,869,552)
<b>Total equity</b>		<b>(909,489)</b>	<b>6,502,996</b>

The accompanying notes form part of this financial report.



# Statement of Changes in Equity For the Year Ended 30 June 2012

	Attributable to equity holders			Total Equity
	Ordinary Shares	Option Reserve	Accumulated Losses	
	\$	\$	\$	\$
Balance at 1 July 2010	10,771,207	2,234,964	(9,492,833)	3,513,338
Loss for the year	-	-	(3,376,719)	(3,376,719)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(3,376,719)	(3,376,719)
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares for working capital	6,409,650	-	-	6,409,650
Issue of shares in consideration for services rendered	271,958	-	-	271,958
Issue of options for services rendered	(25,281)	25,281	-	-
Share issue costs	(315,231)	-	-	(315,231)
<b>Total contributions by owners</b>	6,341,096	25,281	-	6,366,377
Balance at 30 June 2011	17,112,303	2,260,245	(12,869,552)	6,502,996
	Attributable to equity holders			Total Equity
	Ordinary Shares	Option Reserve	Accumulated Losses	
	\$	\$	\$	\$
Balance at 1 July 2011	17,112,303	2,260,245	(12,869,552)	6,502,996
Loss for the year	-	-	(9,189,989)	(9,189,989)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(9,189,989)	(9,189,989)
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares for working capital	1,902,000	-	-	1,902,000
Share issue costs	(124,496)	-	-	(124,496)
<b>Total contributions by owners</b>	1,777,504	-	-	1,777,504
Balance at 30 June 2012	18,889,807	2,260,245	(22,059,541)	(909,489)

The accompanying notes form part of this financial report.



**Statement of Cash Flows**  
**For the Year Ended 30 June 2012**

	Note	30 June 2012 \$	30 June 2011 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,286,168	-
Payments to suppliers and employees		(5,107,804)	(3,153,908)
Sundry receipts		221,896	81,051
Interest received		12,305	9,497
Net cash used in operating activities	21(b)	(2,587,435)	(3,063,360)
<b>Cash flows from investing activities</b>			
Payments for acquisition of mineral interests		-	(86,849)
Payments for plant and equipment		(28,774)	(1,045,721)
Payments for mine development		(1,849,645)	(1,740,905)
Loan – Other		-	27,054
Net cash used in investing activities		(1,878,419)	(2,846,421)
<b>Cash flows from financing activities</b>			
Proceeds from issues of equity securities		2,230,000	6,409,650
Payment for share issue costs		(124,496)	(315,231)
Proceeds from convertible notes		1,500,000	-
Proceeds from unsecured loans		250,000	-
Net cash provided by financing activities		3,855,504	6,094,419
<b>Net (decrease) / increase in cash and cash equivalents</b>		(610,350)	184,638
<b>Effects of exchange rate on cash and cash equivalents</b>		107	(2,351)
<b>Cash and cash equivalents at the beginning of the financial year</b>		626,260	443,973
<b>Cash and cash equivalents at the end of the financial year</b>	21(a)	16,017	626,260

The accompanying notes form part of this financial statements.



## Notes To The Financial Statements For the Year Ended 30 June 2012

### 1. Corporate Information

The financial report of Nex Metals Explorations Limited (the Company) for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 30 September 2012.

Nex Metals Explorations Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

### 2. Summary of Significant Accounting Policies

#### Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

In the year ended 30 June 2012, the Company has reviewed all of the new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Company that there is no impact, material or otherwise, of the new Standards and Interpretations on its business and therefore, no changes are required to its accounting policies. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

#### Going concern

As disclosed in the financial statements, the Company recorded a loss of \$9,189,989 (2011: \$3,376,719) and net cash outflows from operating activities of \$2,587,435 (2011: \$3,063,360) and for mine development activities of \$1,849,645 (2011: \$1,740,905) for the year ended 30 June 2012. The Company at balance date had a net current liabilities of \$7,737,585 (2011: net current assets of \$320,003). These financial conditions indicate significant uncertainty whether the Company will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe, after taking account of these financial conditions, that the going concern basis of accounting for the Company is appropriate, which has been determined after consideration of the following factors:

- In June 2012, the Company secured a \$7 million standby subscription agreement with Gurney Capital Nominees Pty Ltd. No amounts have been drawn down on this facility at the date of this report;
- As at the date of this report a foreign unrelated entity had contracted to funding of \$3 million but has been unable to effect such transfer at this point. The same party via another entity has commenced contract discussions with respect to refurbishment and operation of the Company's Orient Well mill facility at their cost;
- The Company submitted a return to the Australian Taxation Office, claiming a net tax credit under the Research and Development regime of \$5.1 million. Interim funding from a Financial Institution is being negotiated on the basis of the success of this claim;
- A dispute with a significant creditor exists relating to satisfactory delivery of goods, which the Company expects to commence litigation about, for breach of contract, with any judgment in the Company's favor being offset against the liability presently recognized in these financial statements;
- \$328,000 of share application monies will be converted to equity once placement ability has been approved by shareholder at a General Meeting on 5 October 2012; and
- Whilst the Directors are confident in securing funds, if sufficient funding is not raised, the Board is able to reduce the Company's ongoing costs and commitments accordingly and, if necessary, will sell or farm out projects as required, to enable it to meet its ongoing commitments.

Accordingly, the Directors believe that the Company will obtain sufficient cash flows to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.



Summary of Significant Accounting Policies Continued

**(b) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employs may satisfy vesting requirements. Those cash flows are discounted using market yields on national government with terms to maturity that match the expected timing of cash flows.

**(c) Financial assets**

Financial instruments, incorporation financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and their fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in profit or loss.

**Classification and Subsequent Measurement**

**Financial assets at fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designed as such to avoid an accounting mismatch or enable performance evaluation where a group or financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently matured are amortised cost using the effective interest method. Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting periods. All other investments are classified as current assets.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial statements that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity not fixed or determinable payments.

**Financial Liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**Fair Value**

Fair value is determined based on the current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment of Assets**

At the end of each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**(d) Financial instruments issued by the company**

**Debt and equity instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

**Transaction costs on the issue of equity instruments**

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.



**(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST;

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(f) Impairment of assets**

At the end of each reporting year, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(g) Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movement in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognized outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a largely enforceable right of set-off exists and it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(h) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred by the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest is written off as incurred, except that it may be carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration activities in an area of interest have not, at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

The Company performs impairment testing when facts and circumstances suggest the carrying amount has been impaired. If it was determined that the asset was impaired it would be immediately written off to the income statement.

Expenditure is not carried forward in respect of any area of interest unless the Company's right of tenure to that area of interest is current. Expenditures incurred before the Company has obtained legal rights to explore a specific area is expensed as incurred. Amortisation is not charged on areas under development, pending commencement of production.



Summary of Significant Accounting Policies Continued

(i) **Mine Development**

Development expenditure incurred by or on behalf of the company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine, the related infrastructure and capitalised exploration and evaluation expenditure transferred from capitalised exploration and evaluation expenditure account.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of proved and probable reserves.

Mine properties are tested for impairment in accordance with the policy in note 1(f).

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs from that stage. Site restoration costs include obligations relating to dismantling and removing mining plant, reclamation, waste dump rehabilitation and other costs associated with restoration and rehabilitation of the site. Such costs have been determined using estimates of the future costs and current legal requirements and technology, discounted to present value. Any changes in the estimates for the costs are accounted for on a prospective basis.

(j) **Payables**

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(k) **Plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Plant and office equipment	6.67% to 100%
Motor Vehicle	13.33% to 30%

(l) **Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events for which it is probable that an outflow of economic benefits will result in that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting year.

(m) **Revenue recognition**

**Gold sales**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods based on management's best estimate, the price is fixed and generally title has passed.

**Interest revenue**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(n) **Equity based compensation**

The Company expenses equity based compensation such as share and option issues after ascribing a fair value to the shares and/or options issued. If options vest at date of grant, the expense is taken up at date of grant and a corresponding Option Reserve is credited.

(o) **Contributed equity**

Contributed equity is recognised at the fair value of the consideration received by the Company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(p) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that it transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease assets are depreciated on straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.



**(q) Earnings per share**

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(r) Trade and other receivables**

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

**(s) Critical accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with AIFRS required the use of certain critical estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

**Share based payment transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

**Exploration and evaluation expenditure**

The board of directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

**Impairment of assets**

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(t) New accounting standards applicable for the future**

At the date of this financial report the following accounting standards, which may impact the Company in the period of initial application, have been issued but are not yet effective:

**AASB 9: Financial Instruments**

Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.

*Application date (financial years beginning):* 1 January 2013 (likely to be extended to 2015 by ED 215)

**AASB 13: Fair Value Measurement**

Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.

*Application date (financial years beginning):* 1 January 2013

**AASB 119: Employee Benefits**

Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.

*Application date (financial years beginning):* 1 January 2013

**IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine**

This Interpretation clarifies the requirements for accounting for stripping costs in the production phase of a surface mine, such as when such costs can be recognised as an asset and how that asset should be measured, both initially and subsequently.

*Application date (financial years beginning):* 1 January 2013

The company has decided not to early adopt any of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

**(u) Comparative Figure**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



		30 June 2012 \$	30 June 2011 \$
<b>3. Loss before income tax</b>			
(a) Revenue			
Gold sales	2,286,168	-	
Interest revenue	13,937	9,497	
	<u>2,300,105</u>	<u>9,497</u>	
(b) Other Income			
Sundry income	107	13,034	
Fuel tax credits	221,896	68,017	
	<u>222,003</u>	<u>81,051</u>	
(c) Expenses			
Depreciation of plant and equipment	336,441	237,874	
<b>4. Income tax</b>			
(a) No Income tax is payable by the company as it has incurred losses for income tax purposes for the year.			
(b) The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:			
Loss from operations	(9,189,989)	(3,376,719)	
Income tax benefit calculated at 30%	<u>(2,756,997)</u>	<u>(1,013,016)</u>	
<b>Permanent differences</b>			
Capital raising costs allowable	(50,921)	(43,452)	
Non-deductible expenses	7,725	13,253	
	<u>(2,800,193)</u>	<u>(1,043,215)</u>	
Movements in unrecognised temporary differences	89,966	5,501	
Unused tax loss not recognised as a deferred tax asset	2,710,227	1,037,714	
R&D cash rebate claimed (see note 4(d))	146,811	-	
Income tax benefit	<u>146,811</u>	<u>-</u>	
(c) <b>Unrecognised deferred tax balances</b>			
The directors estimate that the potential deferred tax benefits (at 30%) not brought to account attributable to tax losses carried forward at balance date is approximately \$6,374,064 (2011: \$3,663,837). They will only be of a benefit to the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company is able to meet the continuity of ownership and/or continuity of business tests.			
(d) During the year ended 30 June 2012, the Company applied for and received in July 2012 a rebate from the Australian Taxation Office of \$146,811, representing the tax value of research and development costs for the year ended 30 June 2011. This amount is shown as an income tax benefit in the Statement of Comprehensive Income for the year ended 30 June 2012. The Company intends claiming the same rebate in respect of expenditure for the year ended 30 June 2012. The rebate applied for is estimated at \$5.1 million. If this is successful, the refund will be shown as an income tax benefit for the year ended 30 June 2013.			
<b>5. Remuneration of auditors</b>			
Audit and review of the financial report	37,000	34,000	
<b>6. Trade and other receivables</b>			
Taxation refund (Note 4(d))	146,811	-	
Sundry receivables	229,541	430,185	
	<u>376,352</u>	<u>430,185</u>	
<b>7. Other assets</b>			
Prepayments	17,790	92	



8.	Property, plant and equipment	Motor Vehicles	Plant and Office Equipment	Total
		\$	\$	\$
	Year ended 30 June 2012			
	Opening net book value	317,061	1,283,463	1,600,524
	Additions	-	134,946	134,946
	Disposals	(1,526)	(104,546)	(106,072)
	Depreciation charge for the year	(71,387)	(265,154)	(336,541)
	Closing net book value	244,148	1,048,709	1,292,857
	At 30 June 2012			
	Cost or fair value	418,105	1,616,674	2,034,779
	Accumulated depreciation	(173,957)	(567,965)	(741,922)
	Net book value	244,148	1,048,709	1,292,857
	Year ended 30 June 2011			
	Opening net book value	187,205	465,304	652,509
	Additions	187,902	997,987	1,185,889
	Depreciation charge for the year	(58,046)	(179,828)	(237,874)
	Closing net book value	317,061	1,283,463	1,600,524
	At 30 June 2011			
	Cost or fair value	419,732	1,586,274	2,006,006
	Accumulated depreciation	(102,671)	(302,811)	(405,482)
	Net book value	317,061	1,283,463	1,600,524
		30 June 2012	30 June 2011	
		\$	\$	
9.	Exploration expenditure			
	Opening Balance	414,769	2,829,714	
	Costs of acquisition of interests during the financial year	-	86,849	
	Writedown of acquired exploration assets	(130,105)	(75,000)	
	Transfer to mine development expenditure	-	(2,426,794)	
	Current year expenditure	665,263	1,646,258	
	Current year expenditure written off	(665,263)	(1,646,258)	
	Closing balance	284,664	414,769	
10.	Mine Development expenditure			
	Opening balance	4,167,700	-	
	Transfer from exploration expenditure	-	2,426,794	
	Capitalisation of costs	2,582,875	1,740,906	
	Amortisation (refer Note 10 (a))	-	-	
	Closing balance	6,750,575	4,167,700	

(a) Amortisation of mine development expenditure will commence once mining reaches a commercial level of production.



	Note	30 June 2012 \$	30 June 2011 \$
<b>11. Trade and other payables</b>			
<b>Current</b>			
Trade payables and accruals (i)		7,423,050	672,977
Employee entitlements		91,259	63,557
Accrued interest	12(a)	55,435	-
Share application monies		328,000	-
		<u>7,897,744</u>	<u>736,534</u>

(i) Trade payables are non-interest bearing and are normally settled on 30-60 day terms. The amount of payables at balance date exceeding normal trading terms is estimated at \$3,139,546.

<b>12. Borrowings</b>			
<b>Current</b>			
Unsecured Loans – unrelated party	12(b)	250,000	-
		<u>250,000</u>	<u>-</u>
<b>Non-current</b>			
Convertible note	12(a)	1,500,000	-
		<u>1,500,000</u>	<u>-</u>

(a) During the period January – March 2012, the company issued unsecured convertible notes with a face value of \$1,500,000. The notes are repayable on 12 February 2014, unless the noteholder elects to convert to ordinary share at the lower of \$0.08 per share or the 10 trading day volume weighted average price of shares traded on the ASX. Interest is payable at 10% per annum. Total interest accrued during the year ended 30 June 2012 was \$55,435.

(b) The unsecured loans represent loans from unrelated entities. During the year, the Company entered into a loan agreement for the amount of \$250,000. Interest is payable at 12% per annum. Total interest paid during the year ended 30 June 2012 on this loan was \$20,000. There is no fixed repayment date.

	2012 Number	2011 Number
<b>13. Contributed equity</b>		
152,716,956 fully paid ordinary shares (2011 :131,550,931)	18,889,807	17,112,303

(a) **Movements in contributed equity:**

	No of Shares	Issue Price	\$
<b>Year ended 30 June 2011</b>			
Balance at 1 July 2010	89,293,292		10,771,207
Shares issued for working capital	390,000	0.20	78,000
Shares issued for working capital	12,530,000	0.175	2,192,750
Shares issued for working capital	21,154,922	0.1575	3,331,900
Shares issued for working capital	6,456,000	0.125	807,000
Shares issued for services rendered	1,726,717	0.1575	271,958
Share issue costs	-		(315,231)
Share issue costs satisfied by issue of options	-		(25,281)
<b>Balance at 30 June 2011</b>	<u>131,550,931</u>		<u>17,112,303</u>



(a) **Movements in contributed equity (continued):**

	No of Shares	Issue Price	\$
<b>Year ended 30 June 2012</b>			
Balance at 1 July 2011	131,550,931		17,112,303
Shares issued for working capital	15,775,000	0.08	1,262,000
Shares issued for working capital	2,000,000	0.105	210,000
Shares issued for working capital	1,083,333	0.12	130,000
Shares issued for working capital	2,307,692	0.13	300,000
Share issue costs	-		(124,496)
<b>Balance at 30 June 2012</b>	<b>152,716,956</b>		<b>18,889,807</b>

(b) Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(c) **Movements in Options on Issue**

	2012 Number	2011 Number
Opening balance	83,726,889	64,656,646
Options issued for nil consideration to satisfy share issue costs	-	1,203,837
Options issued for nil consideration as part of share placement	-	17,866,406
Options expired during the year	(65,726,889)	-
Closing Balance	18,000,000	83,726,889

	30 June 2012 \$	30 June 2011 \$
<b>14. Reserves</b>		
Option reserve	2,260,245	2,260,245
<b>Option reserve</b>		
Balance at beginning of financial year	2,260,245	2,234,964
Issue of options	-	25,281
Balance at end of financial year	2,260,245	2,260,245

This option issue reserve is used to recognise both the fair value or issue price of options issued.

**15. Accumulated losses**

Balance at beginning of financial year	(12,869,552)	(9,492,833)
Loss attributable to members	(9,189,989)	(3,376,719)
Balance at end of financial year	(22,059,541)	(12,869,552)



	2012 Cents Per Share	2011 Cents Per Share
<b>16. Loss per share</b>		
Basic and diluted loss per share:	(6.49)	(3.10)
The loss for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:		
	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>
Loss for the year after income tax	(9,189,989)	(3,376,719)
Weighted average number of ordinary shares for the purposes of basic earnings per share	141,563,527	108,986,946
	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>
<b>17. Commitments for expenditure</b>		
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Not later than 1 year	37,500	38,125
Later than 1 year and not later than 2 years	37,500	41,340
Later than 2 years and not later than 5 years	62,466	28,938
	137,466	108,403
(b) Exploration commitments		
The company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:		
Not later than 1 year	1,498,355	1,564,385
Later than 1 year and not later than 2 years	1,271,997	1,416,004
Later than 2 years and not later than 5 years	3,219,224	3,394,197
	5,989,576	6,374,586
(c) Royalty Commitments		
(i) The Company has royalty obligations to Mr RW Allen pursuant to mining tenement acquisition agreements. The royalty under the agreements are as follows:		
(a) \$1.00 per tonne for any gold bearing ore extracted from the tenements;		
(b) for uranium, 5% of the sale price if the market price is up to USD50.00 per pound, 7.5% of the sale price if the market price ranges between USD50.01 to USD99.99 per pound, and 10% of the sale price if the market price is USD100.00 or above per pound, less selling costs in all cases; and		
(c) 1% of gross sales of extracted metals for any other mineral		
(ii) The Company has royalty obligations to Prumm Corporation Pty Ltd pursuant to a mining tenement acquisition agreement. The royalty under the agreement is as follows:		
(a) for gold, at the rate of \$1.00 per tonne for any gold bearing ore extracted from the tenements;		
(b) for uranium, at the rate of 5% of the sale price if the market price is up to USD50.00 per pound, 7.5% of the sale price if the market price ranges between USD50.01 to USD99.99 per pound, and 10% of the sale price if the market price is USD100.00 or above per pound, less selling costs in all cases;		
(c) for gypsum, at the rate of 5% of the sale price per tonne less selling costs; and		
(d) for nickel or any other base metal, at the rate of 5% of the gross production of the processed nickel or other base metal less selling costs.		
(iii) The Company has various royalty commitments in relation to tenements acquired in the Kookynie area during the year ended 30 June 2010. These commitments vary. Based on average grades and the budgeted areas to be mined, the Directors consider that royalties payable for the next 2-3 years will be immaterial.		



**18. Contingent liabilities**

During the year ended 30 June 2012, there is a bank guarantee facility of \$260,000 provided by National Australia Bank (2011: \$260,000) which remains unused as at 30 June 2012 (2011: \$253,000 was utilised).

There is also an indemnity guarantee facility of \$203,000 (2011: \$203,000) provided by Macquarie Bank during the year which remains unused as at 30 June 2012 (2011: unused). Other than the above, there were no other contingent liabilities as at 30 June 2012.

	30 June 2012	30 June 2011
	\$	\$

**19. Related party disclosures****(a) Other transactions with director related entities**

Transactions with director related entities are on commercial terms no more favourable than those available to other persons unless otherwise stated.

(i)	Accounting, administration, rent & labour hire fees paid to Allens Business Group Pty Ltd, a related company of Kenneth Allen	108,316	57,698
(ii)	Exploration consulting services paid to Mobile Gold Mining Pty Ltd and Prumm Corporation Pty Ltd, related companies of Horst Prumm *	-	74,140
(iii)	Tenement administration fees paid to Absolute Tenement Services, related entity of Horst Prumm	-	23,100
(iv)	Administration fees paid on behalf of International Mining Logistics Pty Ltd, a related entity of Kenneth Allen	76,610	1,385

\* These amounts are included in Key Management Personnel remuneration totals in Note 20, and in the remuneration report in the Director's Report.

**(b) Directors loans**

No loans existed during the year and as at balance date between the company and its directors.

	30 June 2012	30 June 2011
	\$	\$

**20. Key Management Personnel Disclosures****(a) Compensation of Key Management Personnel**

Short term employee benefits	224,489	307,698
Post employment benefits	16,605	17,422
	241,094	325,120

**(b) Option holdings of Key Management Personnel**

	Balance at 01/07/11	Balance held at appointment	Options Expired	Other Changes during the year	Balance at 30/06/12
2012	No.	No.	No.	No.	No.
<b>Directors</b>					
T F Percy	3,500,000	-	(500,000)	-	3,000,000
K Allen	5,850,000	-	(2,850,000)	-	3,000,000
K Phisitkul	3,500,000	-	(500,000)	-	3,000,000
H H Chua	430,000	-	(430,000)	-	-
R Razali +	3,800,000	-	(3,800,000)	-	-
	17,080,000	-	(8,080,000)	-	9,000,000

+ Indirect interests.



## Key Management Personnel Disclosures Continued

## (b) Option holdings of Key Management Personnel (continued)

	Balance at 01/07/10	Balance held at appointment	Exercise of Options	Balance held at resignation	Balance at 30/06/11
	No.	No.	No.	No.	No.
<b>2011</b>					
<b>Directors</b>					
T F Percy	3,500,000	-	-	-	3,500,000
K Allen	5,850,000	-	-	-	5,850,000
H Prumm	4,040,000	-	-	* (4,040,000)	-
K Phisitkul	3,500,000	-	-	-	3,500,000
H H Chua	-	430,000	-	-	430,000
R Razali +	-	3,800,000	-	-	3,800,000
	16,890,000	4,230,000	-	(4,040,000)	17,080,000

\* Represents balance held at date of resignation.

+ Indirect interests.

## (c) Shareholdings of Key Management Personnel

	Balance at 01/07/11	Balance held at appointment	Exercise of Options	Other changes during the year	Correction of discrepancy	Balance at 30/6/12
	No.	No.	No.	No.	No.	No.
<b>2012</b>						
<b>Directors</b>						
T F Percy	1,000,000	-	-	-	-	1,000,000
K Allen	7,150,001	-	-	-	-	7,150,001
K Phisitkul	1,000,000	-	-	-	-	1,000,000
H H Chua	860,000	-	-	-	-	860,000
R Razali +	7,600,000	-	-	-	-	7,600,000
	17,610,001	-	-	-	-	17,610,001

+ Indirect interests.

	Balance at 01/07/10	Balance held at appointment	Exercise of Options	Other changes during the year	Correction of discrepancy	Balance at 30/6/11
	No.	No.	No.	No.	No.	No.
<b>2011</b>						
<b>Directors</b>						
T F Percy	1,000,000	-	-	-	-	1,000,000
K Allen	7,030,001	-	-	120,000	-	7,150,001
H Prumm	2,080,000	-	-	* (2,080,000)	-	-
K Phisitkul	1,000,000	-	-	-	-	1,000,000
H H Chua	-	860,000	-	-	-	860,000
R Razali +	-	7,600,000	-	-	-	7,600,000
	11,110,001	8,460,000	-	(1,960,000)	-	17,610,001

\* Represents balance held at date of resignation.

+ Indirect interests.

## (d) Other transactions with Key Management Personnel

Other transactions with Key Management Personnel are included in Note 19.



	30 June 2012 \$	30 June 2011 \$
<b>21. Notes to the cash flow statement</b>		
(a) <b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash at bank	16,017	626,260
	<u>16,017</u>	<u>626,260</u>
(b) <b>Reconciliation of loss for the year to net cash flows from operating activities</b>		
Loss for the year	(9,189,989)	(3,376,719)
Depreciation	336,441	237,874
Share based payment	-	131,790
Capitalised exploration written off	130,105	75,000
(Gain) / Loss on foreign exchange currency	(107)	2,351
Changes in assets and liabilities		
Trade and other receivables	109,267	(384,743)
Prepayments	(17,694)	56,362
Trade and other payables	6,044,542	194,725
Net cash (used) in operating activities	<u>(2,587,435)</u>	<u>(3,063,360)</u>
(c) <b>Non cash financing and investing activities</b>		
Consideration for the acquisition of plant and equipment partly satisfied by the issue of shares	-	140,168
	<u>-</u>	<u>140,168</u>
<b>22. Financial risk management and policies</b>		
Nex Metals Explorations Limited's exploration activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.		
The Company holds the following financial instruments:		
<b>Financial assets</b>		
Cash and cash equivalents	16,017	626,260
Trade and other receivables	376,352	430,185
	<u>392,369</u>	<u>1,056,445</u>
<b>Financial liabilities</b>		
Trade and other payables	7,897,744	736,534
	<u>7,897,744</u>	<u>736,534</u>

The Company's principal financial instruments comprise cash and short-term deposits. The Company does not have any borrowings.

The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company are foreign currency risk, capital risk, credit risk, liquidity risk, and interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.



Financial risk management and policies Continued

(a) **Foreign Currency**

Nex Metals Explorations Limited operates internationally and is exposed to foreign exchange risk arising from currency exposure to the US Dollar. Exposure is limited to maintaining sufficient funds in the particular countries to meet expenditure commitments.

Management does not actively manage foreign exchange risk.

The Company's exposure to foreign currency risk at the reporting date was limited to an amount of \$2,680 (2011: \$2,578) held in a bank account denominated in US Dollars.

The carrying amount of the Company's financial assets and liabilities are denominated in Australian dollars.

The foreign currency risk is immaterial in terms of the possible impact on profit or loss or total equity. No sensitivity analysis has therefore been disclosed in these financial statements.

None of the foreign denominated balances are accounted for as hedges in accordance with AASB 139 therefore all foreign exchange movements would be recognised within the current period statement of comprehensive income and within equity.

(b) **Credit risk**

Management does not actively manage credit risk.

Nex Metals Explorations Limited has no significant exposure to credit risk from external parties at year end. The maximum exposure to credit risk at the reporting date is equal to the carrying value of financial assets at 30 June 2012.

Cash at bank is held with internationally regulated banks.

Other receivables are of a low value and all amounts are current. There are no trade receivables.

(c) **Capital risk**

Nex Metals Explorations Limited's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year ended 30 June 2012, Nex Metals Explorations Limited's strategy was to keep borrowings to a minimum. The company's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(d) **Liquidity risk**

**Maturity profile of financial instruments**

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

The directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date, the Company had a shortfall of working capital of \$7,737,585. In June 2012, the Company entered into a standby subscription agreement with Gurney Capital Nominees Pty Ltd. The total facility, of which drawdowns can be made subject to certain terms and conditions, is \$7 million. Nil amounts have been drawn down on this facility as at the date of this report.

The financial liabilities the Company had at reporting date were trade payables incurred in the normal course of the business. These were non interest bearing and were generally due within the normal 30-60 days terms of creditor payments. As at 30 June 2012 it is estimated an amount of \$3.1 million in payables exceeding their normal trading terms.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2012	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	16,017	-	-	16,017	4.34
Receivables & other	376,352	-	-	376,352	-
	392,369	-	-	392,369	
Financial Liabilities:					
Trade payables and advance deposits	7,897,744	-	-	7,897,744	-
Borrowings – Unsecured loan	250,000	-	-	250,000	12.0
Borrowings – Convertible note	-	1,500,000	-	1,500,000	10.0
	8,147,744	1,500,000	-	9,647,744	



As at 30 June 2011	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	626,260	-	-	626,260	4.0
Trade and other receivables	430,185	-	-	430,185	-
	1,056,445	-	-	1,056,445	
Financial Liabilities:					
Trade payables and advance deposits	736,534	-	-	736,534	-
	736,534	-	-	736,534	

**Sensitivity analysis – interest rates**

The effect on profit and equity as a result of changes in interest rates on a net financial assets is immaterial.

**(e) Fair value estimation**

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The Company's principal financial instruments consist of cash and deposits with banks, accounts receivable and trade payables. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

**23. Share based payments****(a) (i) Directors Options**

There were no directors options issued in the year ended 30 June 2012 (2011: Nil).

**(ii) Directors Options Outstanding**

During the year ended 30 June 2008, 18,000,000 options were granted to Directors of the Company. All options expire on 30 November 2012. Details of the options that were granted as compensation during the reporting period ended 30 June 2008 are as follows:

	No. of options	Value per option (cents)	Total \$
Directors options exercisable at 25 cents each	3,000,000	13.01	390,159
Directors options exercisable at 40 cents each	1,500,000	9.67	145,040
Directors options exercisable at 50 cents each	1,500,000	8.13	122,013
Directors options exercisable at 60 cents each	3,000,000	6.95	208,352
Directors options exercisable at 75 cents each	3,000,000	5.60	168,020
Directors options exercisable at \$1.00 each	6,000,000	4.09	245,316
	18,000,000		1,278,900

The fair value of these options has been recognised as an expense in the statement of comprehensive income during the year ended 30 June 2008 as they were fully vested.

The weighted average remaining contractual life of share options outstanding at 30 June 2012 was 0.4 years (2011: 1.4 years).

The weighted average exercise price is 34.5 cents.

No director options were exercised during years ended 30 June 2008 to 2012 and 18,000,000 director options remain on issue at the date of this report.



**Share based payments** *Continued*

- (b) Shares and options issued in consideration of assets and services

**Year ended 30 June 2012**

No shares or options were issued in consideration for the acquisition of assets or services rendered for the year ended 30 June 2012.

**Year ended 30 June 2011**

On 12 January 2011, 836,762 shares valued at \$131,790 were issued to vendors as part consideration for services rendered, and 889,955 shares valued at \$140,168 were issued to vendors as part consideration for acquisition of plant and equipment.

No shares were issued during the year for acquisition of mineral tenements.

In January 2011, 1,203,837 options valued at \$25,281 were issued for nil consideration to vendors as part consideration for services rendered. These options are due to expire on 30 November 2011 and have an exercise price of \$0.25.

**24. Segment Reporting**

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates predominantly in one business segment which is mineral mining and exploration and predominantly in one geographical area which is Western Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located predominantly in Australia. Segment assets are allocated to countries based on where the assets are located.

**25. Subsequent events**

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected the operations of the Company or the results of those operations or the state of affairs of the Company, nor are there any such matters or circumstances or likely developments which may significantly affect the future operations or the results of those operations or the state of affairs of the Company, in subsequent financial years.

**26. Company Details**

The registered office of the Company is:

Nex Metals Explorations Limited  
Level 1  
95 Canning Highway  
South Perth WA 6151

The principal place of business is:

Nex Metals Explorations Limited  
Level 1  
95 Canning Highway  
South Perth WA 6151



## Corporate Governance

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable; the Company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

Further information about the Company's corporate governance practices is set out on the Company's website at [www.nexmetals.com](http://www.nexmetals.com). In accordance with the recommendations of the ASX, information published on the Company's website includes charters (for the Board and its sub-committees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

## Explanations for Departures from Best Practice Recommendations

### *Principle 1: Lay solid foundations for management and oversight*

**Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.**

#### *Notification of Departure:*

The Company has not formally disclosed the functions reserved to the Board and those delegated to management. The appointment of the Non-Executive Chairman to the Board is formalised in writing by way of a letter of engagement.

#### *Explanation for Departure:*

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The Board has established a framework for the management of the Company and the roles and responsibilities of the Board and management.

Due to the small size of the Board and of the Company, the Board does not consider it necessary to formally document the roles of the Board and management as these roles were clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the financial performance of the Company, ensuring that shareholder value is increased and providing the overall corporate governance of the Company.

**Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.**

The Chairperson and/ or Managing Director is responsible for reviewing the performance of executive management at least once every calendar year with reference to the terms of their employment contract.

**Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.**

During the reporting year, an evaluation of the Managing Director, executive directors and senior executives took place as disclosed at Recommendation 1.2.

### *Principle 2: Structure of the board to add value*

**Recommendation 2.1: A majority of the board should be independent directors.**

The Board of the Company currently consists of three non-executive directors and one executive director.

Mr Thomas Percy QC is a non-executive director and satisfies the tests of independence.

Mr Ken Allen is an executive director and currently fills the role of managing director and company secretary.

Mr Kasit Phistikul is a non-executive director and satisfies the tests of independence.

Mr Hock Hoo Chua is a non-executive director and satisfies the tests of independence.

The skills, experience, expertise, qualification and terms of office of each director in office at the date of the annual report is included in the Directors' Report.

The board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. The directors have the relevant industry experience and specific expertise relevant to the Company's business and operations.

**Recommendation 2.2: The chair should be an independent director**

Mr Thomas Percy is the non-executive chairman and meets the Company's criteria for independence.

**Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.**

The role of Managing Director is separate from the chairman and therefore the company has complied with this Recommendation.

**Recommendation 2.4: The board should establish a nomination committee**

#### *Notification of Departure:*

There is no separate Nomination Committee.

#### *Explanation for Departure:*

The board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee. The board currently serves the role of nomination committee. Terms and conditions of employees are negotiated by the Managing Director for recommendation to the board. The board deals with any conflicts of interest that may occur when convening in the capacity of nomination committee, ensuring the director with conflicting interest is not party to the relevant discussions.



**Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.**

Evaluation of the board, its committees and individual directors is held via ongoing discussions regarding the performance of the board and its directors. The Company has adopted policies and procedures concerning the evaluation and development of its directors and executives and seeks external advice where appropriate.

**Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.**

**Skills, experience, expertise and term of office of each director**

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors report.

**Identification of independent directors and materiality thresholds**

The independent directors of the Company are Thomas Percy QC, Kasit Phistikul and Hock Hoo Chua. These directors are independent as they are non-executive directors who are not members of management and are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles and Recommendations. The Company did not measure independence against set materiality thresholds due to the fact that during the reporting year the Company had not determined its materiality thresholds. However, when considering materiality the Company would consider the key factors of financial impact and market perception.

**Statement concerning availability of independent professional advice**

To assist independent decision making, a director may consider it necessary to obtain independent professional advice. With the consent of the Chairperson to incur such expenses, the Company will pay the reasonable expenses associated with the director obtaining such advice.

**Nomination matters**

The board carries out the role of the Nomination Committee. The board did not officially convene as a nomination committee during the reporting year however nomination-related matters were discussed by the board from time to time as required.

**Performance evaluation**

During the reporting year, the performance of executive management was reviewed with reference to the terms of their employment contract.

**Selection and (re) appointment of directors**

In determining candidates for the board, all directors are involved in evaluating the range of skills, experience and expertise of the existing board, considering the balance of independent directors on the board as well as skills and qualifications of potential candidate which will increase the board's effectiveness. Any appointment made by the board is subject to ratification by shareholders at the next annual general meeting.

The board recognises that board renewal is important to performance and the impact of board tenure on succession planning. Each director other than the Managing Director; must not hold office without retiring and submitting themselves for re-election past the third annual general meeting following that director's appointment or three years, whichever is longer. Re-appointment of directors is not automatic.

**Principle 3: Promote ethical and responsible decision-making.**

**Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:**

- the practices necessary to maintain confidence in the company's integrity
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and;
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has complied with this recommendation.

A copy of the Company's code of conduct is available on the Company's website.

**Recommendations 3.2, 3.3 and 3.5: Companies should establish a policy concerning diversity and disclose a policy or summary of that policy, and in each annual report disclose the measurable objectives for achieving diversity.**

The Company has not complied with this recommendation.

The Board considers that at this time no efficiencies or other benefits would be gained by introducing a formal diversity policy. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of a formal diversity policy.

The Company has five (5) female employees who represent approximately 50% of total employees. There are currently no female members on the Board of the Company.

**Principle 4: Safeguard integrity in the financial reporting**

**Recommendation 4.1 – 4.4: Audit committee**

**Notification of Departure:**

There is no separate Audit Committee.

**Explanation for Departure:**

The full Board carries out the role of the Audit Committee in accordance with the Audit Committee Charter.

The Company's financial statements are prepared by external accountants and are reviewed in detail by the full Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. While the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it will continue to monitor whether any further safeguards are required and make changes as appropriate.



**Principle 5: Make timely and balanced disclosure**

**Recommendation 5.1:** Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has complied with this recommendation.

A disclosure policy is available on the Company's website.

**Principle 6: Respect the rights of shareholders**

**Recommendation 6.1:** Companies should design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Company has designed a communication policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

**Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Company is committed to open and effective communications with holders of the Company's shares, ensuring all shareholders are informed of all significant developments concerning the Company.

**Principle 7: Recognise and manage risk**

**Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal control and compliance. Where necessary, the Company draws on the expertise of external consultants to assist in dealing with and mitigating risk.

**Recommendation 7.2:** The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

The board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The board also requires management to report to it confirming that those risks are being managed effectively. The board has also received a report from management regarding its effectiveness of the Company's management of its material business risks.

**Recommendation 7.3:** The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Managing Director has provided a declaration to the board in accordance with section 295A of the Corporations Act and has assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

**Principle 8: Remunerate fairly and responsibly**

**Recommendation 8.1:** The board should establish a remuneration committee

**Notification of Departure:**

There is no separate Remuneration Committee.

**Explanation for Departure:**

Given the current size and composition of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate to set aside time at two Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. The full Board will function in accordance with the Remuneration Committee Charter. Remuneration is currently in accordance with the general principals recommended by the ASX. Non-executive Directors receive a fixed fee for their services and do not receive performance based remuneration.



## Additional Information

### Statement of Quoted Securities

Shareholding at 12 October 2012

Distribution of Shareholders and their holdings as at 12 September 2012

Category (size of holding)	Number of Shareholders
1 – 1,000	15
1,001 – 5,000	81
5,001 – 10,000	208
10,001 – 100,000	438
100,001 – and over	171
Total on register	913

The number of shareholdings held in less than marketable parcels is 251.

Twenty Largest Shareholders – Ordinary Shares		No.	%
1	HSBC CUSTODY NOM AUST LTD	12,421,663	8.13%
2	UOB KAY HIAN PRIVATE LTD CLIENTS A/C	7,687,333	5.03%
3	ALLEN KENNETH M	6,620,001	4.33%
4	FMR INV PL	6,460,000	4.23%
5	WESTERN AUST HLDGS PL	6,000,001	3.93%
6	SILVERO PL NIGAM FAM A/C	5,800,001	3.80%
7	ALLEN ROYCE WILLIAM	3,900,000	2.55%
8	BARAC MATE	3,634,188	2.38%
9	ALLEN LEE	3,500,000	2.29%
10	ALLEN LEE KIANG	3,174,603	2.08%
11	JP MORGAN NOM AUST LTD CASH INCOME A/C	2,408,740	1.58%
12	NIGAM USHA SATYA	2,115,340	1.39%
13	HON AH TUANG	2,000,000	1.31%
14	YEO PECK CHONG	1,980,000	1.30%
15	KOW WONG SAM	1,952,380	1.28%
16	ROYLE BRETT	1,686,498	1.10%
17	CHUA HOCK PENG	1,650,000	1.08%
18	MAXWELL PETER JOHN + M R	1,641,000	1.07%
19	PRUMM S/F	1,425,000	.93%
20	WHITHAM ALAN WHITHAM S/M S/F A/C	1,400,000	.92%
		77,456,748	50.71%



**Restricted Securities**

There were no restricted securities to be included in the Annual Report.

**Substantial Shareholders**

In accordance with section 709(1) of the Corporations Act 2001, the Company had been notified of the following substantial shareholder:

- Royce William Allen has a relevant interest in 5,600,000 fully paid ordinary shares (Notice dated 19 December 2007).
- FMR Group has a relevant interest in 6,800,000 fully paid ordinary shares (Notice dated 2 July 2009)

**Voting Rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options have no voting rights until such options are exercised as fully paid ordinary shares.

**ASX Listing Rule 4.10.19**

In accordance with ASX Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

**Company Secretary**

The name of the company secretary is Kenneth M Allen.

**Statement of Unquoted Securities****(a) Options**

Number of Options	Number of Holders	Exercise Price	Date of Expiry
3,000,000	7	\$0.25	30/11/12
1,500,000	6	\$0.40	30/11/12
1,500,000	6	\$0.50	30/11/12
3,000,000	6	\$0.60	30/11/12
3,000,000	6	\$0.75	30/11/12
6,000,000	6	\$1.00	30/11/12

**(b) Convertible notes**

As at 12 October 2012, the Company had on issue 1 convertible note with Cesuco Trading Limited for a face value of \$1,500,000. This note matures in February 2014 together with a 6 monthly interest rate of 10%, unless the note holder elects to convert to ordinary shares at the lower of \$0.08 per share or the VWAP based on 10 trading days immediately prior to conversion.



## Nex Tenement Schedule

Project	Tenements	Holder	Status	Shares
Hampton Siding	E26/0118	Nex Metals Explorations Ltd	Live	100
Gladstone	M40/0026	Fmr Investments Pty Ltd	Live	100
Yundamindera	E39/1329	Archimedes Mining Pty Ltd	Live	100
Kookynie	G40/0003	Fmr Investments Pty Ltd	Live	100
Orient Well	L40/0012	Nex Metals Explorations Ltd	Live	100
Dairy Corner Bore	L40/0019	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Niagara	M40/0117	Nex Metals Explorations Ltd	Live	100
Champion	M40/0027	Fmr Investments Pty Ltd	Live	100
Mt Monger	P26/3615	Nex Metals Explorations Ltd	Live	100
Lake Yindarlgooda	E28/1770	Nex Metals Explorations Ltd	Live	100
Niagara	E40/0233	Nex Metals Explorations Ltd	Live	100
Yundamindera	M39/0410	Saracen Gold Mines Pty Ltd	Live	100
Kookynie	M40/0136	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Butterfly	M40/0148	Kookynie Resources Pty Ltd / Xstrata Nickel Australasia Operations Pty Ltd	Live	100
Kookynie	P40/1132	Nex Metals Explorations Ltd	Live	100
Butterfly	M40/0003	Nex Metals Explorations Ltd	Live	100
Tampa	P40/1242	Nex Metals Explorations Ltd	Live	100
Tampa	P40/1243	Nex Metals Explorations Ltd	Live	100
Butterfly South	P40/1246	Nex Metals Explorations Ltd	Live	100
Kookynie	L40/0015	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Kookynie	L40/0009	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Yundamindera	M39/0274	Saracen Gold Mines Pty Ltd	Live	100
Double Jay (Tampa)	M40/0094	Macpherson, Trevor Charles	Live	100
Money JV	P40/1163	Nex Metals Explorations Ltd	Live	100
Money JV	P40/1164	Nex Metals Explorations Ltd	Live	100
Kookynie	L40/0014	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Orient Well	L40/0021	Nex Metals Explorations Ltd	Live	100
Tampa	M40/0120	Nex Metals Explorations Ltd	Live	100
Butterfly	M40/0174	Nex Metals Explorations Ltd	Live	100
Kookynie	M40/0192	Fmr Investments Pty Ltd / Kookynie Resources Pty Ltd	Live	100
Tampa (Special Prospecting Licence)	P40/1244-s	Macpherson, Trevor Charles	Live	100
Lake Yindarlgooda	E25/0339	Nex Metals Explorations Ltd	Live	100
Fifty Mile Well	L40/0017	Nex Metals Explorations Ltd	Live	100
Mt Keith	M39/0839	Saracen Gold Mines Pty Ltd	Live	100
Mt Keith	M39/0840	Saracen Gold Mines Pty Ltd	Live	100
Tampa	M40/0107	Nex Metals Explorations Ltd	Live	100
Butterfly	M40/0110	Nex Metals Explorations Ltd	Live	100
Mt Jessop	M40/0056	Fmr Investments Pty Ltd	Live	100
Kookynie	M40/0061	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Kookynie	M40/0008	Nex Metals Explorations Ltd	Live	100
Tampa	P40/1144	Nex Metals Explorations Ltd	Live	100
Desdemona	M40/0151	Nex Metals Explorations Ltd	Live	100
Kookynie	M40/0163	Nex Metals Explorations Ltd	Live	100
Kookynie	M40/0164	Nex Metals Explorations Ltd	Live	100
Lubra Queen	M40/0022	Fmr Investments Pty Ltd	Live	100
Orient Well	M40/0288	Nex Metals Explorations Ltd	Live	100



Project	Tenements	Holder	Status	Shares
Orient Well	M40/0289	Nex Metals Explorations Ltd	Live	100
Orient Well	M40/0290	Nex Metals Explorations Ltd	Live	100
Orient Well	M40/0291	Nex Metals Explorations Ltd	Live	100
Orient Well	M40/0292	Nex Metals Explorations Ltd	Live	100
Orient Well	M40/0293	Nex Metals Explorations Ltd	Live	100
Pipeclay Peaks	E25/0362	Nex Metals Explorations Ltd	Live	100
Yundamindera	E39/1323	Nex Metals Explorations Ltd	Live	100
Yundamindera	E39/1353	Nex Metals Explorations Ltd	Live	100
Butterfly	L40/0010	Nex Metals Explorations Ltd	Live	100
Butterfly	L40/0011	Nex Metals Explorations Ltd	Live	100
Kookynie	L40/0007	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Kookynie	M40/0196	Fmr Investments Pty Ltd / Kookynie Resources Pty Ltd / Coleman, Susan Frances	Live	100
Tampa	M40/0209	Kookynie Resources Pty Ltd / Xstrata Nickel Australasia Pty Ltd	Live	100
Mt Margaret	M39/0084	Saracen Gold Mines Pty Ltd	Live	100
Coronation Well	M40/0137	Kookynie Resources Pty Ltd / Xstrata Nickel Australasia Operations Pty Ltd	Live	100
Tampa - Orient Well	M40/0020	Nex Metals Explorations Ltd	Live	100
Mc Tavish Hill	M40/0077	Hallmark Mining Ltd / Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Jungle Hill	E31/0712	Nex Metals Explorations Ltd	Live	100
Afghan Hill	E40/0229	Nex Metals Explorations Ltd	Live	100
Orient Well	G40/0004	Nex Metals Explorations Ltd	Live	100
Orient Well	G40/0005	Nex Metals Explorations Ltd	Live	100
Orient Well	G40/0006	Nex Metals Explorations Ltd	Live	100
Orient Well	G40/0007	Nex Metals Explorations Ltd	Live	100
Fifty Mile Well	L40/0018	Nex Metals Explorations Ltd	Live	100
Dairy Corner Bore	L40/0020	Kookynie Resources Pty Ltd / Fmr Investments Pty Ltd	Live	100
Yundamindera	M39/0406	Saracen Gold Mines Pty Ltd	Live	100
Yundamindera	M39/0407	Saracen Gold Mines Pty Ltd	Live	100
Yundamindera	M39/0408	Saracen Gold Mines Pty Ltd	Live	100
Yundamindera	M39/0409	Saracen Gold Mines Pty Ltd	Live	100
Rise and Shine, Passby St Law	P40/1240	Nex Metals Explorations Ltd	Live	100
Orient Well	L40/0022	Nex Metals Explorations Ltd	Live	100
Butterfly	M40/0101	Nex Metals Explorations Ltd	Live	100
Niagara	M40/0002	Wiltshire, Peter Andrew	Live	100
Yundamindera	P39/5014	Nex Metals Explorations Ltd	Live	100
Niagara	P40/1158	Nex Metals Explorations Ltd	Live	100
Money JV	P40/1159	Nex Metals Explorations Ltd	Live	100
Money JV	P40/1160	Nex Metals Explorations Ltd	Live	100
Money JV	P40/1161	Nex Metals Explorations Ltd	Live	100
Money JV	P40/1162	Nex Metals Explorations Ltd	Live	100
Niagara	P40/1169	Nex Metals Explorations Ltd	Live	100
Kookynie	P40/1172	Nex Metals Explorations Ltd	Live	100
Butterfly	P40/1175	Nex Metals Explorations Ltd	Live	100
Puzzle	P40/1176	Nex Metals Explorations Ltd	Live	100
Puzzle	P40/1179	Nex Metals Explorations Ltd	Live	100
Niagara	P40/1180	Nex Metals Explorations Ltd	Live	100
Butterfly	P40/1182	Nex Metals Explorations Ltd	Live	100



**Nex Tenement Schedule Continued**

Project	Tenements	Holder	Status	Shares
Money JV - Desdemona	P40/1184	Nex Metals Explorations Ltd	Live	100
Afghan Hill	P40/1188	Kookynie Resources Pty Ltd / Xstrata Nickel Australasia Pty Ltd	Live	100
Afghan Hill	P40/1189	Kookynie Resources Pty Ltd / Xstrata Nickel Australasia Pty Ltd	Live	100
Afghan Hill	P40/1190	Kookynie Resources Pty Ltd / Xstrata Nickel Australasia Pty Ltd	Live	100
Afghan Hill	P40/1191	Nex Metals Explorations Ltd	Live	100
Fenceline	P40/1195	Nex Metals Explorations Ltd	Live	100
Fenceline	P40/1196	Nex Metals Explorations Ltd	Live	100
Seabrook Hills	E25/0462	Nex Metals Exploration Ltd	Live	100
Christmas Well	E39/1584	Nex Metals Explorations Ltd	Live	100
Kookynie South	E40/0281	Nex Metals Explorations Ltd	Live	100
Desdemona	E40/0291	Nex Metals Explorations Ltd	Live	100
Donkey Rocks	E40/0292	Nex Metals Explorations Ltd	Live	100
Balancing Rock	P40/1271	Nex Metals Exploration Ltd	Live	100
Birmingham Hill	P40/1272	Nex Metals Exploration Ltd	Live	100
Mt Hunt 1	P26/3838	Nex Metals Exploration Ltd	Pending	100
Mt Hunt 2	P26/3839	Nex Metals Exploration Ltd	Pending	100
Kookynie	P40/1275	Nex Metals Explorations Ltd	Live	100
Niagra	P40/1276	Nex Metals Explorations Ltd	Live	100
Desdemona	P40/1277	Nex Metals Explorations Ltd	Live	100
Maori Queen Bore	E39/1648	Nex Metals Explorations Ltd	Live	100
Mt Barton	E40/0306	Nex Metals Explorations Ltd	Live	100
Desdemona	E40/0263	Nex Metals Explorations Ltd	Live	100
McTavish Hill	E40/0316	Nex Metals Explorations Ltd	Live	100
Kookynie	P40/1300	Nex Metals Explorations Ltd	Pending	100
Kookynie	P40/1301	Nex Metals Explorations Ltd	Pending	100
Kookynie	P40/1302	Nex Metals Explorations Ltd	Pending	100
Kookynie	P40/1303	Nex Metals Explorations Ltd	Pending	100



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