



# Nex Metals Explorations Ltd

ABN 63 124 706 449

Address: Level 1, 95 Canning Highway  
South Perth, WA 6151, Australia

Postal: PO Box 6731,  
East Perth WA 6892, Australia

Phone: 61 8 9221 6813

Fax: 61 8 9474 9304

Email: admin@nexmetals.com

24 July 2013

Company Announcements Office  
Australian Securities Exchange  
2 The Esplanade  
Perth WA 6000

Dear Sir/Madam

## NEX METALS EXPLORATIONS LTD Shareholder Update

Nex Metals Explorations Ltd provides the following update on recent company activities.

- Kookynie Gold Project Sale.
- Application submitted for \$1.1m Environmental Bond refund.
- Application for R&D rebate.
- Possible Merger discussions cease.
- 100% of Yundermindra Gold Project secured at no cost.

### **Sale of Kookynie Gold Project**

The Company has received an offer, which is subject to Shareholder approval, for the sale of the majority of tenements, which form part of the Kookynie Gold project northern tenements being Orient Well/ Butterfly locations of \$4,000,000. The offer has come with a non-refundable deposit of \$500,000. Nex will retain all the principal southern tenements around Kookynie including Cosmopolitan, Leipold and Orion. The offer is from A & C Mining Investments Pty Ltd which will hold the offer as nominee for a yet to be designated special purpose vehicle.

The Company has received a number of suitors for the project but continually for terms and conditions that created uncertainty for the Company. A & C Mining has shown commitment via the non-refundable deposit even at a time of lower gold prices.

The offer also comes with a funding agreement for \$2,000,000 for cash injection into an Iron Ore project that Nex may have in return for all off take from the project and 10% discount on the CFR Platts price for a period of 5 years from first shipment. Nex has been reviewing a number of iron ore projects.

For personal use only



### **Environmental Bond Refund**

The Company has applied under the State Governments new Mining Rehabilitation Fund (MRF) for the return of environmental bonds held under the old system that ceased on 30 June 2013 with a voluntary scheme in place until 30 June 2014 at which point the MRF is mandatory. This application will allow the Company to free up approximately \$1m in cash after paying the upfront 1% levy. Macquarie Bank has currently funded the Bonds on the Company's behalf.

### **Research and Development Rebate Application**

As a continuation of the Research of the research and development rebate received for the 2012 financial year of \$5.1m under the Federal Tax System the Company is making a further application for the 2013 year, once accepted the rebate should allow the Company to receive a further \$900,000 cash refund.

### **Merger Discussions Discontinued**

Nex Metals has been involved in discussions with a large international unlisted Limited exploration/technology company to ascertain if a possible merger would be beneficial to Nex Metals Share Holders. Nex Metals has now ceased these discussions due to concerns of valuation of the other party's assets. Whilst initial expectation was that a merger would of provided Nex shareholders a significant uplift and access to capital with a clear path to dual listing on an international exchange the valuations of their assets between \$7b and \$59b by an independent international accounting firm could not be accepted under Australian standards of valuing assets. New valuations by an Australian accepted expert would be at a significant cost to the Company whilst leaving the outcome uncertain.

### **Yundermindra Gold Project**

Nex Metals has a Joint Venture agreement with Saracen Mineral Holdings Limited in which Nex successfully earned the rights to 70% ownership of the Yundermindera Project under the existing JV agreement.

We are pleased to announce that Nex Metals has been advised by Sarecen of its intention to transfer the remaining 30% giving Nex Metals 100% ownership of the Yundermindera Project. With 100% ownership Nex will be in a better position to review its options on this project.



### **Corporate Advisor**

The Company is pleased to advise the appointment of Quattro Capital to provide corporate advisory, equity raising services and to assist with project acquisition.

Combination of sale of part of Kookynie assets, Bond refunds and R & D rebate will leave Nex in a cash positive and certain position with assets with good exploration potential. This will also provide the Company the position to pursue its legal options over the breaches by the Toll Treating Company.

The Company will provide a Notice of Meeting and Short Form Prospectus (due to the period of suspension) in the coming week

----- ENDS-----

For personal use only