



# Nex Metals Explorations Ltd

ABN 63 124 706 449

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31 January 2014

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

Dear Sir/Madam

## Quarterly Report for the Period Ended 31 December 2013

Nex Metals Explorations Ltd (Nex or the Company) provides the following update on recent Company activities.

- Kookynie Gold Project Sale.
- Research and Development application lodged of \$2,100,000.00
- Significant Creditor settlement.
- Yundamindera Exploration Continues.

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

Effective settlement occurred during the December quarter with the receipt of an additional \$2,500,000 with the balance of \$1,000,000 and pro-rata rates and taxes of approx \$80,000 to be transferred on clearing 3 caveats on tenements (these funds are held in trust by the purchaser's legal representative's trust account for which the formal agreement provides for automatic transfer on lifting the caveats). The Company does not foresee any reason that the caveats will not be lifted. At the time of this report signatures have been received from each of the Caveators with the Company now awaiting signatures from the purchaser to finalise this transaction.

### **Research and Development application**

The Company lodged with the assistance of international accounting firm Deloitte Tax Services with respect to the Federal Government Research and Development rebate the 2013 application along with an amendment for 2012 tax year totalling approximately \$2,100,000.00. At the time of writing this report the Company has now received the refunds.

### **Significant Creditor Settlement**

As communicated to the market in previous announcements the December Quarter included a settlement from a Creditor that reduced liabilities by approximately \$1,500,000. This is a significant step towards the Company stabilising its Balance Sheet.

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### **Yundamindera Exploration**

The Company has been conducting a thorough review of the Yundamindera Project and the suitability of a JORC-compliant resource estimation; drilling has been planned to further this endeavour. In excess of 2,000 drill holes have been drilled within the current tenement package to date; all of the previous producing mines and known gold occurrences remain largely open to depth and along strike – exploration drilling to expand this mineralization is considered a second priority to any resource definition/clarification drilling.

Further analysis of the structural framework of gold mineralization at Yundamindera was also underway involving the detailed airborne magnetic and Light Detection and Ranging (LiDAR) surveys flown by Nex in 2011, recent mapping of outcrops and the three-dimensional geological model generated by the extensive drillhole database. This work complements the planning of the aforementioned drilling programs.

#### **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 Australia Pty Ltd., has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. L'Heureux consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.



**Nex Metals Explorations Ltd**  
**Consolidated Tenement Schedule as at 31 December 2013**

Lease	Nex Area	Locality	Tstatus	Holder	Area Hectares
P26/3615	Mt Monger	Mt Monger	Live	NEX METALS EXPLORATIONS LTD	4.86
G40/3	Kookynie Central	Kookynie	Live	FMR INVESTMENTS PTY LTD	7.239
M40/27	Kookynie Central	Champion	Live	FMR INVESTMENTS PTY LTD	85.475
E39/1329	Yundaminda	Yundaminda	Live	ARCHIMEDES MINING PTY LTD	2,400
M39/410	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	978
E39/1584	Yundaminda	Yundaminda	Live	NEX METALS EXPLORATIONS LTD KOOKYNIE RESOURCES PTY LTD	4,800
L40/9	Kookynie Central	Kookynie	Live	FMR INVESTMENTS PTY LTD	1.00
M39/274	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	230
M39/839	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	7.3
M39/840	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD KOOKYNIE RESOURCES PTY LTD	9.7
M40/0061	Kookynie Central	Kookynie	Live	FMR INVESTMENTS PTY LTD	832.7
P26/3839	Mt Hunt	Mt Monger	Live	NEX METALS EXPLORATIONS LTD	159.00
E25/462	Mt Monger	Seabrook Hills	Live	NEX METALS EXPLORATIONS LTD	1,500
P26/3838	Mt Hunt	Mt Hunt 1	Live	NEX METALS EXPLORATIONS LTD	189
M40/22	Niagra	Lubra Queen	Live	FMR INVESTMENTS PTY LTD HALLMARK MINING LTD	121.7
M40/0077	Niagra	Mc Tavish Hill	Live	KOOKYNIE RESOURCES PTY LTD FMR INVESTMENTS PTY LTD	119.2
M39/84	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	378
M39/407	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	896
M39/408	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	785
M39/409	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	966
M39/406	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	124
L39/34	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	1
L39/51	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	2
L39/52	Yundaminda	Yundaminda	Live	SARACEN GOLD MINES PTY LTD	1
E39/1648	Yundaminda	Yundaminda	Live	NEX METALS EXPLORATIONS LTD	300

*Note to the above Table.*

*Where tenement is not in the name of Nex Metals Explorations Ltd the Company has 100% beneficial ownership with transfers in process with Government Departments.*

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Nex Metals Explorations Ltd

ABN

63 124 706 449

Quarter ended ("current quarter")

31 December 2013

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(492) (250) (139) (605)	(906) (250) (139) (806)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- R & D tax offset received (net of professional fees)	-	-
- Other	3	7
- GST net	41	75
<b>Net Operating Cash Flows</b>	<b>(1,442)</b>	<b>(2,019)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (4)	- - (4)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	2,500 - -	2,500 - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>2,496</b>	<b>2,496</b>

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (carried forward)	1,054	477
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(600)	(600)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>(600)</b>	<b>(600)</b>
	<b>Net increase (decrease) in cash held</b>	<b>454</b>	<b>(123)</b>
1.20	Cash at beginning of quarter/year to date	491	1,068
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>945</b>	<b>945</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	0
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

NIL directors fees and salaries paid during the quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements	7,000	- (a)

(a) In June 2012, Nex Metals 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 \$7M. Nil amounts have been drawn down on this facility in the quarter ended 31 December 2013.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	90
<b>Total</b>	<b>240</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	945	491
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>945</b>	<b>491</b>

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**Changes in interests in mining tenements and petroleum tenements**

Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
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## Mining exploration entity and oil and gas exploration entity quarterly report

6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	<p>P39/5014  E 39/1584  E 39/1648  E 40/229  E 40/233  E 40/263  E 40/281  E 40/291  E 40/292  E 40/306  E 40/316  G 40/4  G 40/5  G 40/6  G 40/7  L 40/7*  L 40/10  L 40/11  L 40/12  L 40/14*  L 40/15*  L 40/17  L 40/18  L 40/19*  L 40/20*  L 40/21  L 40/22  M 40/26*  M 40/56*  M 40/101  M 40/107  M 40/110  M 40/117  M 40/120  M 40/136*  M 40/137*  M 40/148*  M 40/151  M 40/163  M 40/164  M 40/174  M 40/192*  M 40/196*  M 40/2  M40/20</p>	Expired 7/12/2013 Balance of tenements in table was disposed under a sale agreement to A & C Mining Investments Pty Ltd as previously disclosed to the market. Some tenements at the time of this report were not under the name of the Company. The agreement provides that where tenements are not under the name of Nex Metals Explorations Ltd all reasonable efforts are to be made to affect a transfer of title. Nex Metals Explorations Ltd interest for each tenement has changed from 100% at the beginning of the quarter to 0% at end of quarter.	100%	0%
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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

6.2 Interests in mining tenements and petroleum tenements acquired or increased

- M 40/209\*
- M 40/288
- M 40/289
- M 40/290
- M 40/291
- M 40/292
- M 40/293
- M 40/3
- M 40/8
- M 40/94
- P 40/1132
- P 40/1144
- P 40/1158
- P 40/1159
- P 40/1160
- P 40/1161
- P 40/1162
- P 40/1163
- P 40/1164
- P 40/1169
- P 40/1172
- P 40/1175
- P 40/1176
- P 40/1179
- P 40/1180
- P 40/1182
- P 40/1184
- P 40/1188
- P 40/1189
- P 40/1190
- P 40/1191
- P 40/1195
- P 40/1196
- P 40/1240
- P 40/1242
- P 40/1243
- P 40/1246
- P 40/1271
- P 40/1272
- P 40/1275
- P 40/1276
- P 40/1277
- P 40/1300
- P 40/1301
- P 40/1302
- P 40/1303

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**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	152,716,956	152,916,956		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> (description)	1 convertible note (face value of \$1,500,000)		Convertible at the lower of \$0.08 per share or the VWAP based on 10 trading days prior to conversion.	Maturity date – February 2014. Conversion price – \$0.08 or VWAP based on 10 trading days prior to conversion. Interest rate – 10%pa.
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 January 2014

(Company secretary)

Print name: KENNETH ALLEN

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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