

31 July 2019

Company Announcements Officer  
Australian Securities Exchange  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Sir/Madam

### Quarterly Report for the Period Ended 30 June 2019

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

The Company entered into a farm-in agreement with Metalicity Limited (ASX: MCT) (“MCT”) for the Kookynie and Yundamindra Projects<sup>1</sup> in the Eastern Goldfields, Western Australia during the quarter with exploration commencing in May with drilling commencing in June. Drilling results are expected in July. NME retains processing/milling rights for the projects.

The deal structure for the NME – MCT farm-in agreement is as follows:

- Initial Placements:
  - An initial placement amount of NME’s shares, taken by MCT for \$50,000 upon execution of the agreement at a 20-day VWAP per NME share preceding the date of execution, plus a premium of 20%.
  - A second initial placement of NME shares to MCT, 6 months post the execution date of the agreement for a further \$50,000 based on a 20-day VWAP preceding the 6-month anniversary.
- 51% Earn In:
  - An initial spend of minimum \$500,000 to drill test the Projects within and up to 12 months from date of the agreement execution.
  - A total of \$5 million spend within and up to 5 years to earn 51% of the Projects inclusive of the initial spend and time duration.

Metalicity has the right to withdraw from the farm-in at the completion of the initial \$500,000 spend and at any time after that event.

The Company has funds due from outstanding receivables at end of Quarter of \$446,505.

The Company received additional funding subsequent to the end of the Quarter to meet ongoing expenditure for the next quarter.

With respect to the applications for forfeiture lodged by MCA Nominees Pty Ltd over the Yundamindra tenements and the appearance in March in the Wardens Court for a special hearing on a request for particulars which the Warden reserved his decision, that decision is still pending at the end of the quarter. As previously advise the Company sees no merit in the claim and will defend in the usual course.

#### **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 2012 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.

<sup>1</sup> Includes tenements: Yundamindra L39/34,52,258 – M39/84,274,406,407,408,409,410,839,840. Kookynie E40/332,333 -G40/3 – L40/9 – M40/22,27,61,77.



**Nex Metals Explorations Ltd**  
**Consolidated Tenement Schedule as at 30 June 2019**

| Lease               | Nex Area         | Locality        | Status | Holder                  | Area Ha |
|---------------------|------------------|-----------------|--------|-------------------------|---------|
| <b>YUNDAMINDERA</b> |                  |                 |        |                         |         |
| L39/34              | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 1.00    |
| L39/52              | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 1       |
| L39/258             | Yundamindera     | Bore            | Live   | Nex Metals Explorations | 3.18    |
| M39/84              | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 378     |
| M39/274             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 230     |
| M39/406             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 124     |
| M39/407             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 896     |
| M39/408             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 785     |
| M39/409             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 966     |
| M39/410             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 978     |
| M39/839             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 7.3     |
| M39/840             | Yundamindera     | Yundamindera    | Live   | Nex Metals Explorations | 9.7     |
| <b>KOOKYNIIE</b>    |                  |                 |        |                         |         |
| E40/332             | Kookynie         | Kookynie        | Live   | Nex Metals Explorations | 600     |
| E40/333             | Kookynie         | Butterfly South | Live   | Nex Metals Explorations | 600     |
| G40/3               | Kookynie Central | Kookynie        | Live   | Nex Metals Explorations | 7.239   |
| L40/9               | Kookynie Central | Kookynie        | Live   | Nex Metals Explorations | 1.00    |
| M40/22              | Niagra           | Lubra Queen     | Live   | Nex Metals Explorations | 121.7   |
| M40/27              | Kookynie Central | Champion        | Live   | Nex Metals Explorations | 85.475  |
| M40/61              | Kookynie Central | Kookynie        | Live   | Nex Metals Explorations | 832.7   |
| M40/77              | Niagra           | Mc Tavish Hill  | Live   | Nex Metals Explorations | 119.2   |

For personal use only

+Rule 5.5

## 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, 01/05/13, 01/09/16

### Name of entity

Nex Metals Explorations Ltd

### ABN

63124706449

### Quarter ended ("current quarter")

30 June 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (12 months)<br>\$A'000 |
|-----------------------------------------------------------|----------------------------|-------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                     |
| 1.1 Receipts from customers                               | -                          | 270                                 |
| 1.2 Payments for                                          |                            |                                     |
| (a) exploration & evaluation                              | (28)                       | (256)                               |
| (b) development                                           | -                          | -                                   |
| (c) production                                            | -                          | -                                   |
| (d) staff costs                                           | (79)                       | (309)                               |
| (e) administration and corporate costs                    | (19)                       | (122)                               |
| 1.3 Dividends received (see note 3)                       | -                          | -                                   |
| 1.4 Interest received                                     | -                          | -                                   |
| 1.5 Interest and other costs of finance paid              | -                          | -                                   |
| 1.6 Income taxes paid                                     | -                          | -                                   |
| 1.7 Research and development refunds                      | -                          | -                                   |
| 1.8 Other (provide details if material)                   | 57                         | 37                                  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(69)</b>                | <b>(380)</b>                        |
| <b>2. Cash flows from investing activities</b>            |                            |                                     |
| 2.1 Payments to acquire:                                  |                            |                                     |
| (a) property, plant and equipment                         | -                          | -                                   |
| (b) tenements (see item 10)                               | -                          | -                                   |
| (c) investments                                           | -                          | -                                   |
| (d) other non-current assets                              | -                          | -                                   |

For personal use only

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

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|----------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                        |
|                                      | (a) property, plant and equipment                     | -                          | -                                      |
|                                      | (b) tenements (see item 10)                           | -                          | -                                      |
|                                      | (c) investments                                       | -                          | -                                      |
|                                      | (d) other non-current assets                          | -                          | -                                      |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                      |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                      |
| 2.5                                  | Other (Loan from Other Entities)                      | (43)                       | 286                                    |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(43)</b>                | <b>286</b>                             |

|             |                                                                             |           |           |
|-------------|-----------------------------------------------------------------------------|-----------|-----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |           |           |
| 3.1         | Proceeds from issues of shares                                              | 50        | 50        |
| 3.2         | Proceeds from issue of convertible notes                                    | -         | -         |
| 3.3         | Proceeds from exercise of share options                                     | -         | -         |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | -         | -         |
| 3.5         | Proceeds from borrowings                                                    | -         | -         |
| 3.6         | Repayment of borrowings                                                     | -         | -         |
| 3.7         | Transaction costs related to loans and borrowings                           | -         | -         |
| 3.8         | Dividends paid                                                              | -         | -         |
| 3.9         | Other (Refundable R&D Tax Offset)                                           | -         | -         |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>50</b> | <b>50</b> |

|            |                                                                              |           |           |
|------------|------------------------------------------------------------------------------|-----------|-----------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |           |           |
| 4.1        | Cash and cash equivalents at beginning of period                             | 75        | 57        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (69)      | (380)     |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (43)      | 286       |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | 50        | 50        |
| 4.5        | Effect of movement in exchange rates on cash held                            | -         | -         |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>13</b> | <b>13</b> |

| <b>Consolidated statement of cash flows</b> | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---------------------------------------------|------------------------------------|-------------------------------------------------|
|                                             |                                    |                                                 |

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| 5.1 Bank balances                                                                                                                                                              | 13                                 | 75                                  |
| 5.2 Call deposits                                                                                                                                                              | -                                  | -                                   |
| 5.3 Bank overdrafts                                                                                                                                                            | -                                  | -                                   |
| 5.4 Other (provide details)                                                                                                                                                    | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                           | <b>13</b>                          | <b>75</b>                           |

| <b>6. Payments to directors of the entity and their associates</b>                                       | <b>Current quarter<br/>\$A'000</b> |
|----------------------------------------------------------------------------------------------------------|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2                                   | 0                                  |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3                       | 0                                  |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                                    |

NIL directors' fees and salaries paid during the quarter

| <b>7. Payments to related entities of the entity and their associates</b>                                | <b>Current quarter<br/>\$A'000</b> |
|----------------------------------------------------------------------------------------------------------|------------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2                                   | 0                                  |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3                       | 0                                  |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 |                                    |

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

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                             | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|
| 8.1 Loan facilities                                                                                                                                                                                                                                                                        | -                                                           | -                                                  |
| 8.2 Credit standby arrangements                                                                                                                                                                                                                                                            | -                                                           | -                                                  |
| 8.3 Other (please specify)                                                                                                                                                                                                                                                                 | -                                                           | -                                                  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |                                                             |                                                    |

|  |
|--|
|  |
|--|

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|----------------------------------------------------|----------------|
| 9.1 Exploration and evaluation                     | -              |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | 50             |
| 9.5 Administration and corporate costs             | 10             |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>60</b>      |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--------------------------------------------------------------------------------------------|----------------------------------------|---------------------------|-----------------------------------------|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |                                        |                           |                                         |                                   |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           |                                        |                           |                                         |                                   |

For personal use only

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31/07/2019

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.