



Nex Metals
Explorations Ltd

ABN 63 124 706 449

Address: 45 Guthrie St
Osborne Park, WA 6017, Australia

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

Phone: 61 8 9221 6813
Fax: 61 8 9474 9304
Email: admin@nexmetals.com

30 April 2020

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 31 March 2020

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

The Company has been working with Metalicity Limited (ASX: MCT) during the quarter on their drilling and exploration campaign at the Leipold, McTavish, Champion and Cosmopolitan projects under the farm-in agreement dated 6 May 2019 (see ASX announcement of the same date). The Company refers shareholders to ASX announcements of Metalicity Ltd dated 21 January 2020, 12 March 2020 and for further details the MCT Quarterly dated 30 April 2020.

Links to Metalicity Ltd announcements for Shareholders convenience;

21 January 2020

<https://www.asx.com.au/asxpdf/20200121/pdf/44ddhklbtwn82n.pdf>

12 March 2020

<https://www.asx.com.au/asxpdf/20200312/pdf/44fzixphwz8v1.pdf>

30 April 2020

Metalicity Ltd – March Quarterlies activities report.

<https://www.asx.com.au/asxpdf/20200430/pdf/44hdxfmz5006rt.pdf>

Conversion of Convertible Note

The Company announced on 12 November 2019 that the Convertible Noteholder has elected to convert the outstanding Note of \$1,500,000 with accrued interest of \$272,506.85 to 1 November 2019. The process of Independent Experts report is in process and a shareholders meeting will be convened once completed.

Corporate

The Company has funds due from outstanding receivables at the end of the Quarter of \$634,282.

The Company announced on 12 February 2020 that initial discussions between Metalicity Ltd (ASX:MCT) and Nex had commenced with respect to a proposed Corporate transactions. These are early stage discussions and there can be no assurance at this stage whether a transaction will eventuate. The intent, however, is to unlock the value of both Kookynie and Yundamindera gold projects and fast track the farm-in agreement (as noted above dated 6 May 2019).

As per the Government Covid-19 guidelines the Company has limited personnel movements and interactions with external parties where non-essential.

With respect to the applications for forfeiture lodged by MCA Nominees Pty Ltd over the Yundamindera tenements these are an ongoing matter. As previously advise the Company sees no merit in the claim and will defend in the usual course.

For personal use only

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.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward looking statements are subjected to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's annual reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Nex Metals Explorations Ltd

Consolidated Tenement Schedule as at 31 March 2020

| NME SCHEDULE - As at 31 March 2020 | | | | | | |
|---|------------------|-----------------|---------------|-------------------------|----------------|--|
| Lease | Nex Area | Locality | Status | Holder | Area Ha | |
| KOOKYNIIE | | | | | | |
| E40/332 | Kookynie | Kookynie | Live | Nex Metals Explorations | 600 | |
| G40/3 | Kookynie Central | Champion | 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 | |
| P40/1499 | Kookynie | | Live | Nex Metals Explorations | 8.17 | |
| P40/1500 | Kookynie | | Live | Nex Metals Explorations | 6.05 | |
| P40/1501 | Kookynie | | Live | Nex Metals Explorations | 21.05 | |
| YUNDAMINDERA | | | | | | |
| 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 | 978.00 | |
| M39/839 | Yundamindera | Yundamindera | Live | Nex Metals Explorations | 7.3 | |
| M39/840 | Yundamindera | Yundamindera | Live | Nex Metals Explorations | 9.7 | |
| P39/6126 | Yundamindera | | Live | Nex Metals Explorations | 10.26 | |
| P39/6127 | Yundamindera | | Live | Nex Metals Explorations | 5.49 | |

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")

31 March 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | 58 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (101) | (124) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (31) | (99) |
| (e) administration and corporate costs | (15) | (52) |
| 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) | - | - |
| 1.9 Net cash from / (used in) operating activities | (147) | (217) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|--|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | 132 | 132 |
| | (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) | 19 | 49 |
| 2.6 | Net cash from / (used in) investing activities | 151 | 181 |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | 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) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 50 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 23 | 13 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (147) | (217) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 151 | 181 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 50 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 27 | 27 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|----------------------------|---------------------------------------|
| | | |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Bank balances | 27 | 23 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 27 | 23 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter \$A'000 |
|----------------------------|
| 0 |
| 0 |

NIL directors fees and salaries paid during the quarter

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter \$A'000 |
|----------------------------|
| 0 |
| 0 |

For personal use only

Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 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. | | |

A letter of support has been provided by a Director of \$400,000 to meet ongoing expenditure as advised in the December 2019 half year report and June 2019 full year report.

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 0 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 30 |
| 9.5 Administration and corporate costs | |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 30 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | E40/333 | Disposal 12/03/2020 | 100% | Nil |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | P39/6126 Yundamindera | Granted 10/03/2020 | Nil | 100% |
| | P39/6127 Yundamindera | Granted 10/03/2020 | Nil | 100% |
| | P40/1499 Kookynie | Granted 10/03/2020 | Nil | 100% |
| | P40/1500 Kookynie | Granted 10/03/2020 | Nil | 100% |
| | P40/1501 Kookynie | Granted 10/03/2020 | Nil | 100% |

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: 30/04/2020

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.