



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 July 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 30 June 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 Nex as per below which relate to results of drilling and work done by Metalicity over the Kookynie Gold Project during the quarter.

Links to Nex announcements with respect to results of work done by Metalicity below for Shareholders convenience;

2 June 2020

<https://www.asx.com.au/asxpdf/20200602/pdf/44j9sncdyhdhwo.pdf>

9 June 2020

<https://www.asx.com.au/asxpdf/20200609/pdf/44jh5yt8m5tqnr.pdf>

25 June 2020

<https://www.asx.com.au/asxpdf/20200625/pdf/44jybbb8zhkzt6.pdf>

Metalicity Ltd – June Quarterlies activities report.

<https://www.asx.com.au/asxpdf/20200730/pdf/44kz3lvrdvmhzhf.pdf>

Corporate

Capital Raising: The Company commenced a capital raising at the end of the quarter which subsequent to the end of the quarter raised \$2,445,000.

The Company received funds due from outstanding receivables during the quarter of \$580,000 (inclusive of interest and legal costs).

As per the Government Covid-19 guidelines the Company continues to have 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.

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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 30 June 2020

| NME SCHEDULE - As at 30 June 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 | McTavish Hill | Live | Nex Metals Explorations | 119.2 | |
| P40/1499 | Kookynie | Kookynie | Live | Nex Metals Explorations | 8.17 | |
| P40/1500 | Kookynie | Kookynie | Live | Nex Metals Explorations | 6.05 | |
| P40/1501 | Kookynie | 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 | Yundamindera | Live | Nex Metals Explorations | 10.26 | |
| P39/6127 | Yundamindera | Yundamindera | Live | Nex Metals Explorations | 5.49 | |

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Nex Metals Explorations Ltd

ABN

63124706449

Quarter ended ("current quarter")

30 June 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date 12 months \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 447 | 505 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (21) | (145) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (37) | (136) |
| (e) administration and corporate costs | (19) | (71) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 56 | 56 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 6 | 6 |
| 1.8 Other (provide details if material) | 85 | 85 |
| 1.9 Net cash from / (used in) operating activities | 517 | 300 |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 12 months \$A'000 |
|--------------------------------------|---|----------------------------|--------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | 132 |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | 26 | 75 |
| 2.6 | Net cash from / (used in) investing activities | 26 | 207 |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 50 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 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 (provide details if material) | - | - |
| 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 | 27 | 13 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 517 | 300 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 26 | 207 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 50 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 12 months \$A'000 |
|---|---|------------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | -- | - |
| 4.6 | Cash and cash equivalents at end of period | 570 | 570 |

| 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 | 570 | 27 |
| 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) | 570 | 27 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 0 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 0 |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | 77 |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | 77 |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 570 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 570 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 7.40 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 30 July 2020

Authorised by: By The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.