

31 July 2023

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

Quarterly Report for the Period Ended 30 June 2023

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

1. Discussions with Respect to Tailings and Processing

The Company has continued discussions during the Quarter with an independent party with respect to the processing of the Tailings and the establishment of a processing facility at Kookynie. These are preliminary but cover completion of the Kookynie trial processing project and application for a permit of works to complete all remaining tailings on site, with ultimate relocation of tailings after processing away from the townsite of Kookynie and subsequent rehabilitation of the site. The party will provide all funding for the furtherment of the project. There is no certainty with respect to these discussions nor completion of due diligence by the party.

The Company advises shareholders there has been delays due to the ongoing actions by Metalicity Ltd

2. Wardens Court Hearing

The long running Applications for forfeiture on Yundamindra tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840 which were lodged by the applicant, MCA Nominees Pty Ltd (who hold the tenements immediately north of Nex Yundamindra Tenements, which form part of the JV) in May 2018, the Warden found against Nex on the no case submission, the Company has 6 months to appeal this decision.

In June final submissions were presented to the Warden by all parties.

The Warden adjourned her decision, with no set date.

3. Supreme Court Action – JV Claim by Metalicity

The Supreme Court (CIV/1582/2022) matter by Kym Mining Pty Ltd (Kym) a wholly owned subsidiary of Metalicity Ltd (ASX:MCT) wherein Kym is claiming circa \$1.28m (plus interest and subsequent cash calls) towards joint venture costs (JV), Nex has had conferral meetings between the parties, which is ongoing.

The next scheduled Supreme Court directions hearing is scheduled for 2 August 2023.

For clarity of shareholders the legal process is lengthy and there can be no certainty that there will even be a hearing (if not resolved in the interim) this year.

4. Administration.

The Company announced to the market on 20 June 2023 the following administrative errors.

1. Breach of Listing Rule 10.11

At a general meeting of the Company held on 4 January 2023 (General Meeting), shareholders approved the issue of 44,595,317 ordinary shares in the capital of the Company (Breach Shares) to Kenneth Allen and Allens Business Group Pty Ltd. The Company subsequently issued the Breach Shares on 2 March 2023 (Issue Date).

The Company issued an announcement on 3 March 2023 advising the market that it had inadvertently breached Listing Rule 10.11 by failing to issue the Breach Shares within 1 month of the relevant resolutions being passed at the General Meeting. The consequence of failing to issue the Breach Shares within the required timeframe is that shareholder approval for the issue of the Breach Shares is deemed to have lapsed prior to their issue. The Breach Shares were subsequently placed in a 'holding lock' by the Company's Share Registry Service Provider at the request of the Company on 3 March 2023 as a result of the breach.

2. Impact of the issue of Breach Shares on Listing Rule 7.1

By issuing the Breach Shares without shareholder approval, the Breach Shares did not have the benefit of exception 14 under Listing Rule 7.2, and will therefore remain as variable 'C' within the Company's 15% placement capacity for 12 months from 2 March 2023. As a consequence of issuing the Breach Shares, the Company does not have any additional capacity to issue securities under its 15% placement capacity in accordance with Listing Rule 7.1.

3. Release from Holding Lock

The Company will, at a future date, call a general meeting of shareholders to, amongst other things, consider resolutions to release the Breach Shares from the 'holding lock' that is currently in place. If shareholders do not approve the resolution to lift 'holding lock', NME will be required to cancel the Breach Shares.

4. Securities Purchase Plan

The Company issued an announcement on 17 November 2020 advising the market of the outcome of the SPP and advising of the issue of 26,126,737 fully paid ordinary shares (shares) to participants in the SPP. On the same day, an Appendix 2A was subsequently lodged with the ASX pursuant to which the Company applied for the quotation of 26,135,593 shares issued under the SPP.

The Appendix 2A incorrectly sought the quotation of 8,856 shares more than the number of shares in fact issued by the Company under the SPP.

5. Rights Issue

The Company issued an announcement on 5 December 2022 advising the market of the outcome of the recently completed Rights Issue and advising of the proposed issue of 3,039,813 shares to participants in the Rights Issue. On 7 December 2022, an Appendix 2A was lodged with the ASX pursuant to which the Company applied for the quotation of 3,039,813 shares.

The Company has identified that the number of shares that were actually issued under the Rights Issue was 3,247,387, which is 207,574 shares more than what was reported to the ASX at the time of their issue. The reason for the discrepancy in the reporting of the number of shares issued under the Rights Issue was due to miscommunication between the Company and its share registry service provider. The Company confirms that the additional shares issued under the Rights Issue were not issued to a 'related party'.

For clarity, the below table summarises the corrected results of the Rights Issue:

| | Shares | Shares (Updated) |
|--|-------------|------------------|
| Maximum Share offered under the Rights Issue (New Shares) | 98,644,748 | 98,644,748 |
| Entitlements taken up | 3,039,813 | 3,247,387 |
| Shortfall Shares to be placed | 95,604,935 | 95,397,361 |
| Total Number of Shares on Issue | 307,937,210 | 307,937,210 |

This announcement is authorised by the Managing Director, Kenneth Allen.

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.

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Nex Metals Explorations Ltd
Consolidated Tenement Schedule as at 30 June 2023

| Tenement | Registered Holder | Shares Held | Plainted | Stat us | Area (ha) | Nature of Interest | Interest |
|------------------------|---------------------------------|-------------|----------|---------|-----------|--------------------------|----------|
| <u>Kookynie</u> | | | | | | | |
| P40/1331 | KYM Mining Limited | 100/100 | No | Live | 161.2 | Per JVA - Metalicity Ltd | 49% |
| E40/390 | KYM Mining Limited | 100/100 | No | Live | 3,300.00 | Per JVA - Metalicity Ltd | 49% |
| E40/350 | KYM Mining Limited | 100/100 | No | Live | 2,394.00 | Per JVA - Metalicity Ltd | 49% |
| E40/357 | KYM Mining Limited | 100/100 | No | Live | 1,194.00 | Per JVA - Metalicity Ltd | 49% |
| E40/401 | KYM Mining Limited | 100/100 | No | Live | 598 | Per JVA - Metalicity Ltd | 49% |
| P40/1407 | KYM Mining Limited | 100/100 | No | Live | 10 | Per JVA - Metalicity Ltd | 49% |
| P40/1430 | KYM Mining Limited | 100/100 | No | Live | 9.9 | Per JVA - Metalicity Ltd | 49% |
| P40/1510 | Metalicity Limited | 100/100 | No | Live | 185 | Per JVA - Metalicity Ltd | 49% |
| P40/1511 | Metalicity Limited | 100/100 | No | Live | 176.7 | Per JVA - Metalicity Ltd | 49% |
| E40/387 | Metalicity Limited | 100/100 | No | Live | 299 | Per JVA - Metalicity Ltd | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| G40/3 | | 100/100 | No | Live | 7.2 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| L40/9 | | 100/100 | No | Live | 1 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| E40/332 | | 100/100 | No | Live | 600 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M40/22 | | 100/100 | No | Live | 121.7 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M40/27 | | 100/100 | No | Live | 85.5 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M40/61 | | 100/100 | No | Live | 832.7 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | 90,405/90 | | | | | |
| M40/77 | | ,405 | No | Live | 119.2 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| P40/1499 | | 100/100 | No | Live | 8.3 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| P40/1500 | | 100/100 | No | Live | 5.9 | Direct Holding | 49% |



| | | | | | | | |
|---------------------------|---------------------------------|---------|-----|------|------------------|--------------------------|-----|
| P40/1501 | | 100/100 | No | Live | 21.1 | Direct Holding | 49% |
| | Paris Enterprises Pty Ltd | | | | | | |
| E40/289 | | 100/100 | No | Live | 1,222.70 | Direct Holding | 49% |
| Kookynie Total Area (ha) | | | | | 10,862.10 | | |
| <u>Yundamindra</u> | | | | | | | |
| | Nex Metals Explorations Limited | | | | | | |
| L39/34 | | 100/100 | Yes | Live | 1 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| L39/52 | | 96/96 | Yes | Live | 1 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| L39/258 | | 100/100 | Yes | Live | 3.2 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/84 | | 100/100 | Yes | Live | 378 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/274 | | 100/100 | Yes | Live | 230 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/406 | | 100/100 | Yes | Live | 124 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/407 | | 100/100 | Yes | Live | 896 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/408 | | 100/100 | Yes | Live | 785 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/409 | | 100/100 | Yes | Live | 966 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/410 | | 100/100 | Yes | Live | 978 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/839 | | 100/100 | Yes | Live | 7.3 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| M39/840 | | 100/100 | Yes | Live | 9.7 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| P39/6126 | | 100/100 | No | Live | 10.4 | Direct Holding | 49% |
| | Nex Metals Explorations Limited | | | | | | |
| P39/6127 | | 100/100 | No | Live | 5.6 | Direct Holding | 49% |
| | Paddick Investments Pty Ltd | | | | | | |
| E39/1773 | | 100/100 | Yes | Live | 903 | Per JVA - Metalicity Ltd | 49% |



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ABN: 63 124 706 449

Paddick Investments Pty Ltd

E39/1774
Yundamindra
Total Area (ha)

100/100 Yes

Live 2,517.00

Per JVA -
Metalicity Ltd

49%

7,815.10

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 2023

| 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 | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (4) | (26) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (69) | (292) |
| (e) administration and corporate costs | (218) | (731) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 1 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (Tax Refund) | 16 | 185 |
| 1.9 Net cash from / (used in) operating activities | (274) | (863) |

| | | |
|--|---|---|
| 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 | - | - |
| | (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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |

| | | | |
|-------------|---|------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 101 |
| 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 | 218 | 266 |
| 3.6 | Repayment of borrowings | - | (52) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (R&D Tax Offset) | 264 | 801 |
| 3.10 | Net cash from / (used in) financing activities | 482 | 1,116 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 59 | 14 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (274) | (863) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 482 | 1,116 |

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 | 267 | 267 |

| 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 | 267 | 59 |
| 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) | 267 | 59 |

| 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.

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <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> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | 750 | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | 750 |
| 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. | <p>Allen's Business Group Pty Ltd has agreed to cover any short-term funding needs with a facility of clear credit of \$750,000 that is unsecured, with no set maturity date and no interest chargeable. No additional facilities have been entered into after March Quarter end.</p> | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | 274 |
| 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) | 274 |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 267 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | 750 |
| 8.6 Total available funding (item 8.4 + item 8.5) | 1,017 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.71 |
| <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: Yes | |
| 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: Allen's Business Group Pty Ltd has agreed to cover any short-term funding needs with a facility of clear funding of \$750,000 this is unsecured, with no set maturity date and no interest chargeable (as per item 7.2 above). No additional facilities have been entered into after June Quarter end.. | |

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: Yes, as per 8.8.2 above

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: 31 July 2023

Authorised by: Managing Director, Kenneth M Allen

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.