

30 October 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 September 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 however since these matters have now been settled a path way now presents itself to progress these discussions.

#### **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.

The decision by the Warden is still pending.

#### **3. Nex Metals and Metalicity settle all matters.**

The Company announced on 29 September the settlement of all matters between Nex Metals and Metalicity Ltd (ASX:MCT) with a binding term sheet being entered into. The Board considers that the entering into the term sheet allows Nex to move forward in its own right but also the objectives of the JV to progress.

The effect of the Terms Sheet in respect of the JV is that on completion, MCT will cease to be a shareholder of NME (subject to shareholder approval), MCT will increase its hold to 80% interest in the JV with NME retaining the remaining 20%, with both parties to contribute to expenditure in accordance with their respective interests, and NME will acquire certain prospecting licences as to 100% and retain the tailing rights under formal terms.

In respect of the Disputes, being the Supreme Court action CIV 1582 of 2022 and all other matters in dispute between the parties, it has been agreed that on completion of the matters set out in the Terms Sheet, NME and MCT:

- (a) agree and acknowledge that any claim that they may have against the other party (and their related parties) in relation to the Disputes will have been settled in full; and
- (b) unconditionally and irrevocably releases and discharges the other party (and their related parties) from all future obligations and claims under, in relation to or in connection with the Disputes.

#### **Terms Sheet**

Under the Terms Sheet, in consideration for:

- (a) the parties settling all disputes relating to the JV, the Supreme Court action CIV 1582 of 2022 and all other matters in dispute between the parties;
- (b) MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME (~91m) and forgiving all outstanding cash calls owed by NME under the JV; and
- (c) NME forgiving all legal costs owed to it by MCT under all actions between MCT (its subsidiaries), NME and other third parties as at the date of completion of the settlement, MCT has agreed to:

- (a) acquire and NME has agreed to transfer to MCT a 29% interest in the JV; and
- (b) sell and transfer to NME its interest in Prospecting Licences P40/1500, P40/1510, P40/1511 and P40/1499 (to the extent they are not already 100% held by NME); and in the tailings materials located within the stockpiles at the Kookynie tenements.

The Terms Sheet is conditional on the following matters:

- (a) Approvals: each of NME and MCT having obtained all authorisations of any governmental or administrative agency or commission, which are necessary to implement the transactions contemplated by the Terms Sheet and the Formal Agreement;
- (b) Formal Agreement: NME and MCT entering into a formal agreement to more specifically detail the matters agreed and set out in the Terms Sheet;
- (c) Share Cancellation: NME obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME;
- (d) Amendment of JV Agreement: the parties amending the JV Agreement, including for, but not limited to, the following matters:
  - (i) the Joint Venture Commencement Date being confirmed as 20 May 2021;
  - (ii) first rights of refusal to be given to each party for any proposed disposal, forfeit or relinquishment of any JV interest;
  - (iii) the dilution clause being amended to reflect an industry standard dilution clause; and
  - (iv) removing the area of influence clause in its entirety; and
- (e) Tailings Agreement: the parties entering into a tailings agreement which provides for NME to have unfettered access to the tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, for MCT to retain the priority right to explore the area where the tailings are located as reasonably required and upon giving NME 2 months' notice of its intention to explore or, if appropriate, for NME at its election to remove the tailings to a new location to be agreed, with all parties acting reasonably.

The Board considers that entering into the Term Sheet is in the best interests of NME and provides a pathway for NME and MCT to focus their efforts on achieving the objectives under the JV and in their own rights.

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 September 2023**

Tenement	Registered Holder	Shares Held	Plainted	Status	Area (ha)	Nature of Interest	Interest
<b>Kookynie</b>							
P40/1331	KYM Mining Limited	100/100	No	Live	161.2	Per Joint Venture	49%
E40/390	KYM Mining Limited	100/100	No	Live	3,300.0	Per Joint Venture	49%
E40/350	KYM Mining Limited	100/100	No	Live	2,394.0	Per Joint Venture	49%
E40/357	KYM Mining Limited	100/100	No	Live	1,194.0	Per Joint Venture	49%
E40/401	KYM Mining Limited	100/100	No	Live	598.0	Per Joint Venture	49%
P40/1407	KYM Mining Limited	100/100	No	Live	10.0	Per Joint Venture	49%
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Per Joint Venture	49%
P40/1510	Metalicity Limited	100/100	No	Live	185.0	Per Joint Venture	49%
P40/1511	Metalicity Limited	100/100	No	Live	176.7	Per Joint Venture	49%
E40/387	Metalicity Limited	100/100	No	Live	299.0	Per Joint Venture	49%
G40/3	Nex Metals Explorations Limited	100/100	No	Live	7.2	Direct Holding	49%
L40/9	Nex Metals Explorations Limited	100/100	No	Live	1.0	Direct Holding	49%
E40/332	Nex Metals Explorations Limited	100/100	No	Live	600.0	Direct Holding	49%
M40/22	Nex Metals Explorations Limited	100/100	No	Live	121.7	Direct Holding	49%
M40/27	Nex Metals Explorations Limited	100/100	No	Live	85.5	Direct Holding	49%
M40/61	Nex Metals Explorations Limited	100/100	No	Live	832.7	Direct Holding	49%
M40/77	Nex Metals Explorations Limited	90,405/ 90,405	No	Live	119.2	Direct Holding	49%
P40/1499	Nex Metals Explorations Limited	100/100	No	Live	8.3	Direct Holding	49%
P40/1500	Nex Metals Explorations Limited	100/100	No	Live	5.9	Direct Holding	49%
P40/1501	Nex Metals Explorations Limited	100/100	No	Live	21.1	Direct Holding	49%
E40/289	Paris Enterprises Pty Ltd	100/100	No	Live	1,222.7	Per Joint Venture	49%
Kookynie Total Area (ha)					<b>11,353.1</b>		
<b>Yundamindra</b>							
L39/34	Nex Metals Explorations Limited	100/100	Yes	Live	1.0	Direct Holding	49%
L39/52	Nex Metals Explorations Limited	96/96	Yes	Live	1.0	Direct Holding	49%
L39/258	Nex Metals Explorations Limited	100/100	Yes	Live	3.2	Direct Holding	49%
M39/84	Nex Metals Explorations Limited	100/100	Yes	Live	378.0	Direct Holding	49%
M39/274	Nex Metals Explorations Limited	100/100	Yes	Live	230.0	Direct Holding	49%
M39/406	Nex Metals Explorations Limited	100/100	Yes	Live	124.0	Direct Holding	49%
M39/407	Nex Metals Explorations Limited	100/100	Yes	Live	896.0	Direct Holding	49%
M39/408	Nex Metals Explorations Limited	100/100	Yes	Live	785.0	Direct Holding	49%
M39/409	Nex Metals Explorations Limited	100/100	Yes	Live	966.0	Direct Holding	49%
M39/410	Nex Metals Explorations Limited	100/100	Yes	Live	978.0	Direct Holding	49%
M39/839	Nex Metals Explorations Limited	100/100	Yes	Live	7.3	Direct Holding	49%
M39/840	Nex Metals Explorations Limited	100/100	Yes	Live	9.7	Direct Holding	49%
P39/6126	Nex Metals Explorations Limited	100/100	No	Live	10.4	Direct Holding	49%
P39/6127	Nex Metals Explorations Limited	100/100	No	Live	5.6	Direct Holding	49%
E39/1773	Paddock Investments Pty Ltd	100/100	Yes	Live	903.0	Per Joint Venture	49%
E39/1774	Paddock Investments Pty Ltd	100/100	Yes	Live	2,517.0	Per Joint Venture	49%
Yundamindra Total Area (ha)					<b>7,815.1</b>		

## 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 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date 3 months \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(2)
(b) development	-	-
(c) production	-	-
(d) staff costs	(36)	(36)
(e) administration and corporate costs	(115)	(115)
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 Government grants and tax incentives	-	-
1.8 Other (Tax Refund)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(153)</b>	<b>(153)</b>

<b>2. Cash flows from investing activities</b>		
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 3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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 (R&D Tax Offset)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</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	267	267
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(153)	(153)
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)	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date 3 months \$A'000</b>
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>114</b>	<b>114</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	114	267
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>114</b>	<b>267</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		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 September Quarter end</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	164
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)	164
8.4 Cash and cash equivalents at quarter end (item 4.6)	114
8.5 Unused finance facilities available at quarter end (item 7.5)	750
8.6 Total available funding (item 8.4 + item 8.5)	864
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.26
<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: 30 October 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.