

29 April 2011

Quarterly Report

Third Quarter

Period Ending 31 March 2011

The Directors of Nex Metals Explorations Ltd (Nex or the Company) are pleased to report on the company's activities during the March quarter 2011.

Highlights

- Cyanide facility construction initiated
- Heap pad area ready for construction
- Screening Plant operating for construction materials
- Water bore field evaluated for production
- Ongoing pit optimization studies
- Butterfly ore submitted for further column leach testing
- Airborne magnetics/radiometrics and LiDAR flown at Yundamindera project
- Property assessments of gold and iron ore in Cambodia and Thailand

Nex Metals Explorations Ltd. began construction of cyanide storage facilities and fully prepared an area for the heap leach pads at the Orient Well site. Additional infrastructure work including identification of suitable construction materials and water supply has also been addressed.

Exploration work included several airborne surveys and drilling at the Yundamindera project.

Property assessments continued for gold and iron ore in Asia.

Heap Leach Construction

Earthworks for the cyanide facility were completed in the quarter allowing for the construction of concrete bunds for the cyanide storage tank. The tank and accompanying metal work are now fully installed (Photo 1). The next phase includes concrete work housing the carbon columns to begin.

The heap leach pad area was cleared of all vegetation and topsoil and contoured in preparation for construction of the first two heap pads. Construction materials have been identified, sourced from the remnants of historic activity within the Kookynie Project. The clay base required for the heap pads will use materials from the Orient Well tailings storage whilst pipe-bedding material for the heap pads will use battery sands from the Cosmopolitan Mine (Historical sampling has an average grade of 0.96 g/t).



Photo 1. Completed cyanide storage tank installation and concrete bunding.



The recently commissioned screening plant has also been processing scat material from the Orient Well site for appropriate gravel material for use in construction (Photo 2). Access roads and workshop offices have also been brought up to standard.

Photo 2. Power screen unit producing gravel for construction materials.





The pre-existing water bore field established by previous operators in the mid-1990's was partly assessed with bore cleaning and flow tests. All bores tested thus far have given good indications for a reliable clean water source.

Ongoing Exploration and Evaluations

Pit optimization studies carried out in the early-2000s on several Nex deposits were obtained and evaluated considering current operating costs and gold prices. This work reaffirmed the mining priorities that the Admiral-Butterfly area, cumulatively >210,000 oz, will be the focus of upcoming work to prepare the area for full scale mining activities. Pricing is being sought from suitably qualified drill and blast Companies.

Minecomp Pty Ltd, Kalgoorlie based consulting mining engineers has been engaged to run new optimization studies using the JORC-compliant resource estimations carried out in the last 2 years since Nex has acquired the Kookynie project.

Resource data has been submitted to Apex Geosciences Ltd on the Champion and Mactavish mines with results expected in the next quarter.

Butterfly Column Leach Test

A 250 kilogram sample was submitted for further bottle roll and column leach testing to determine the optimum crush size for treating Butterfly ore via heap leach. Current plans call for 100,000-200,000 tonnes of Butterfly ore to be treated via heap leach or toll treating at nearby mills for expedited cash flow. The sample had a composite gold value of 2.29 g/t Au.

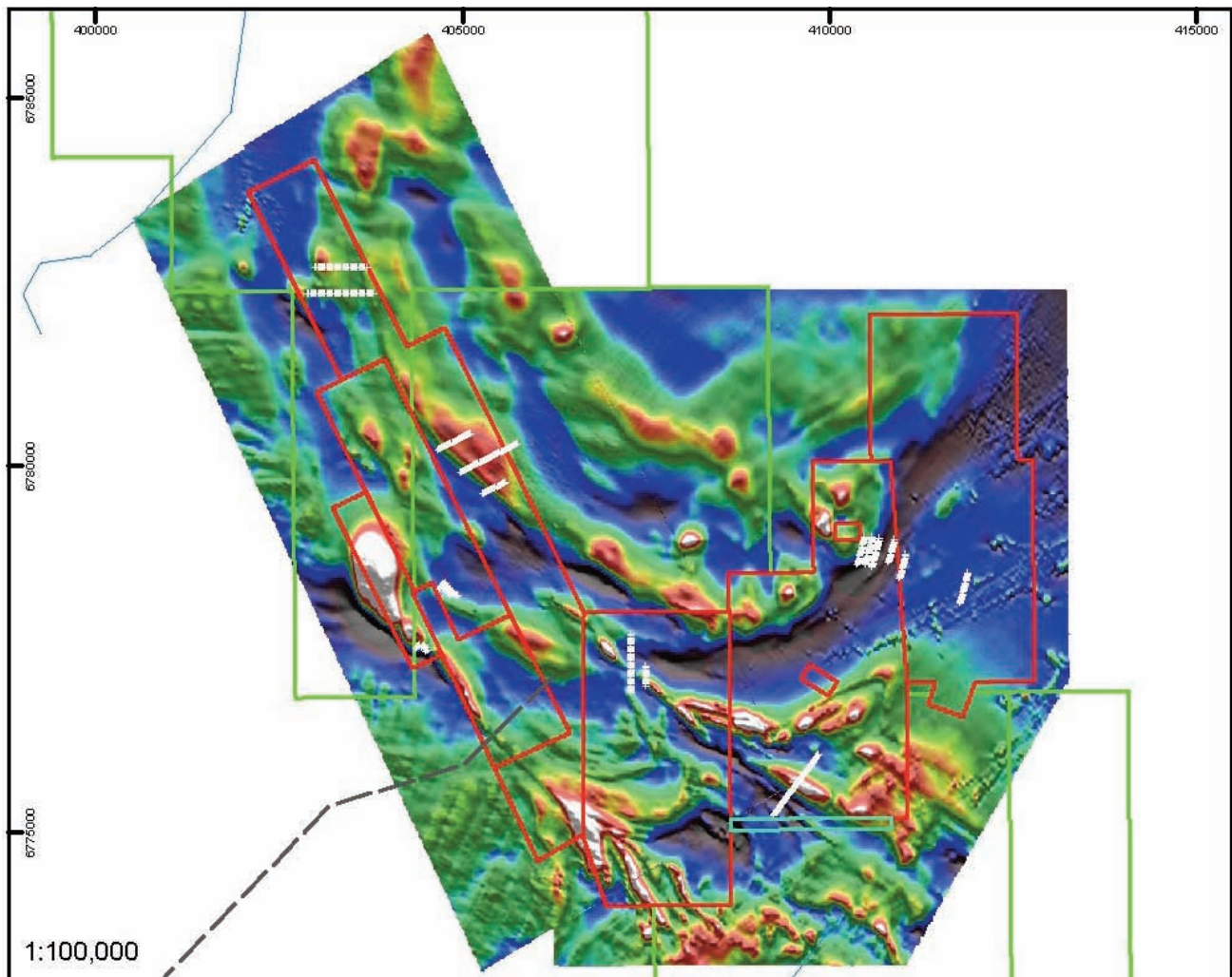
Yundamindera

Exploration work on the Yundamindera project continued in the quarter including an airborne magnetic and radiometric survey, a LiDAR survey and air core drilling on various tenements. The airborne geophysical survey was conducted by GPX Surveys with daily QA/QC by Southern Geoscience Consultants. The survey was flown with a 40 metre line spacing yielding high resolution magnetic data to aid in the identification of gold exploration targets (Figure 1). LiDAR imaging was conducted by Digital Mapping Australia Pty Ltd. and provided up-to-date digital images of the entire Yundamindera area and a digital terrain model with 5 centimetre vertical accuracy.

Air core drilling was conducted over numerous soil and geophysical anomalies within the Yundamindera project, results are pending. Analysis of historic soil sampling yielded several intriguing anomalies often coincident with geophysical signatures similar to those hosting known gold deposits in the area. Strike extensions of the Landed at Last, Potosi, Queen of Sheba and AWA mines have been tested along with several areas with no historic workings or exploration.



Figure 1. Total Magnetic Intensity image for the Yundamindera area with new aircore drill holes in white.



International Property Assessments

Nex geologists visited properties in Thailand and Cambodia in the quarter reviewing gold and iron ore properties (Photo 3). Samples collected from each of the properties have returned encouraging results and negotiations with several land holders are ongoing. Overseas projects remain a low priority until production has commenced at Orient Well.



Photo 3. Nex geologists investigating iron rich outcrop in Cambodia.



For Further details please contact

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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 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 2004 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.