

11 July 2017

The Company Announcements Officer
Australian Securities Exchange
2 The Esplanade
Perth WA 6000

Dear Sir/Madam

SETTLEMENT OF LITIGATION

On 23 December 2014 Nex Metals Explorations Ltd ("NME") advised the market that it had commenced proceedings against Stone Resources Australia Limited ("SHK") in the Supreme Court of Western Australia ("the Proceedings"). On 8 June 2015 SHK announced that in the Proceedings it had filed a defence and counterclaim against NME.

NME is pleased to announce that agreement has been reached between NME and SHK to finalise the proceedings, with claim and counterclaim being dismissed and no order as to costs. The parties have entered into a Deed of Settlement that contains a confidentiality clause. NME is able to inform the market that the terms of the settlement do not have any negative impact on the financial position of NME but will enable the Company to clear any liabilities, including contingent, relating to the action from the Financials of NME.

Yours faithfully,



Kenneth M Allen