

31 October 2022

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 2022

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 will update the market if and when the discussions develop to the contractual stage.

2. Unconditional Metalicity Ltd (ASX:MCT) takeover bid -Lapses

As of 4 May 2022, Metalicity has disclosed a substantial shareholder notice of only 34.21%.

Since the end of the previous quarter the bid has been extended on a number of occasions by Metalicity Ltd, on the 25 July 2022 and, 8 August 2022.

The Takeover was let lapse by Metalicity Ltd on the 29 August 2022.

3. S249F/249G Proceedings and outcome

As per the Supreme Court on the 30 June 2022 dismissed Metalicity Ltd application for a 249G meeting and found their 249F application to be invalid at the same time the Court adjourned the EGM called by NME until the 25 July 2022 with a costs order reserved. The meeting held on the 25 July 2022 defeated all the resolutions which attempted to remove the current directors of Nex and appoint directors nominated by Metalicity Ltd.

4. Second Supplementary Target Statement

The Company released a second Supplementary Target Statement on 12 August 2022 in connection with the Takeover Bid by Metalicity Ltd.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02552840-6A1104320?access_token=83ff96335c2d45a094df02a206a39ff4

5. Further Action in the Supreme Court by Metalicity Ltd - Again

On 4 October Metalicity Ltd launched Supreme Court action and is seeking the following orders:

1. An order pursuant to s 233 of the Corporations Act 2001 (Cth) ("the Act") declaring the issue of 28,919,475 shares in the capital of the first defendant as first announced by the first defendant on 29 September ("the Placement") to be invalid.
2. In the alternative to order 1 an order pursuant to s 233 of the Act declaring that part of the Placement which comprised the issue of shares to any director of the first defendant or any associate of any director of the first defendant to be invalid.
3. An order permanently restraining the first defendant whether by its servants, agents or otherwise from proceeding with each of the share issues announced on 30 September 2022.
4. An order that the shares in the capital of the first defendant held by each of the second to fourth defendants be vested in the Australian Securities and Investments Commission ("ASIC") by the transfer of those shares by the holders thereof to ASIC for ASIC to:
 - a. sell the vested shares;
 - b. subject to any requirement arising under any law relating to taxation, account to the persons who, immediately before the making of this order, were the registered holders of the vested shares for the proceeds of sale, net of the costs, fees and expenses of the sale and any costs, fees and expenses incurred by ASIC or which ASIC reasonably incurs or estimates it will incur, in complying with these orders.
5. An order prohibiting each of the second to fourth defendants from acting as a director of the first defendant for two years from the making of these orders.
6. Alternatively to orders 1 to 5, an order pursuant to s 233 of the Corporations Act 2001 (Cth) ("the Act") that the first defendant be wound up.
7. Such further or alternative orders as this Honourable Court deems fit.
8. Costs.

6. Reduction of Creditors by issue of shares

The Company is pleased to advise that creditors and liabilities amounting to \$1,445,974.00 has been satisfied by the issue of shares in the Company at a deemed issue price of \$0.05 for total shares issued of 28,919,475. The Board considers this a significant vote of confidence and trust in the Company and a significant improvement with respect to solvency and moving forward. This then leaves few remaining creditors on the balance sheet besides directors and related entities.

7. Rights Issue

The Company announced on the 30 September 2022 a Non-Renounceable Rights Issue as follows:

- The Company is undertaking a Non-Renounceable Rights Issue to raise \$3.058M.
- Proceeds from the Rights Issue will be used to:
 - Contribute to the JV with Metalicity Ltd (ASX:MCT) at Kookynie and Yundramindra Gold Projects

- Continuing work on the Kookynie Tailings Projects
- General administration
- Identification and acquisition of new project opportunities
- 1 for 3 Non-Renounceable Rights Issue to raise up to \$3.058M (before costs of the issue) priced at \$0.031 per Share which is at a discount (market price) to the 10 day VWAP of 11.43% which provides an opportunity for existing shareholders to participate at a discounted price.
- Participants in the Rights Issue will also receive 1 free attaching option for every 3 shares subscribed for with an exercise price of \$0.10 and an expiry date of 31 October 2025. The Company will seek to have the options admitted to quotation on the ASX.
- The Rights issue is not underwritten.

8. Proposed Director Debt Conversion

The Company announced on 30 September a proposal to put before shareholders to convert outstanding accrued fees and related party debt. A General Meeting will be called and notice of meeting forwarded to shareholders in due course. The current proposed conversion price is \$0.05/share which is a 42.86% premium to the closing price of \$0.035 on 29 September 2022, the conversion price will be adjusted up should the 10 day VWAP also move upwards.

This will decrease debt on the Balance Sheet of 30 June 2022 by circa \$2,152,733 relating to outstanding directors' fees. In addition, Allens Business Group Pty Ltd has also agreed to convert debt as at 30 June 2022 of circa \$806,673.

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 2022

Tenement	Registered Holder	Shares Held	Plainted	Stat us	Area (ha)	Nature of Interest	Interest
Kookynie							
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%
	Nex Metals Explorations Limited						

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		
Yundamindra							
	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%



Nex Metals
Explorations Ltd

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Osborne Park, WA, 6017
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East Perth, WA, 6892, Australia
Phone: 61 8 9221 6813
Fax: 61 8 9221 3091
Email: admin@nexmetals.com

ABN: 63 124 706 449

Paddick Investments Pty Ltd

E39/1774

100/100

Yes

Live

2,517.00

Per JVA -
Metalicity Ltd

49%

Yundamindra
Total Area
(ha)

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 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 months \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(20)	(20)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(130)	(130)
	(e) administration and corporate costs	(343)	(343)
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)	37	37
1.9	Net cash from / (used in) operating activities	(456)	(456)
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	-	-

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)	-	-
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)	-	-
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	27	27
3.6	Repayment of borrowings	(42)	(42)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (R&D Tax Offset)	537	537
3.10	Net cash from / (used in) financing activities	522	522

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14	14
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(456)	(1,902)
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)	522	1,968

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 months \$A'000
4.5	Effect of movement in exchange rates on cash held	--	-
4.6	Cash and cash equivalents at end of period	80	80

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	80	14
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)	80	14

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
<i>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.</i>		

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.		
	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 June Quarter end		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	456
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)	456
8.4	Cash and cash equivalents at quarter end (item 4.6)	80
8.5	Unused finance facilities available at quarter end (item 7.5)	750
8.6	Total available funding (item 8.4 + item 8.5)	830
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.54
<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: The Company has a facility with Allens Business Group Pty Ltd at nil interest as disclosed at item 7 above and is undertaking a rights issue as previously disclosed once the Notice of Meeting is approved by the ASIC. In addition the Company has satisfied a number of creditors via the issue of shares and has announced subject to shareholder approval the conversion of accrued director fees and related party loans to equity.	

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 October 2022

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.