

31 July 2013

Australian Securities Exchange
2 The Esplanade
Perth WA 6000

Quarterly Report for the Period Ended 30 June 2013

Highlights:

- Voluntary Suspension/Sale of Kookynie Project
- Geological field work and exploration ongoing

Voluntary Suspension/Sale of Kookynie Project

From 12 April 2013 the Company requested a trading halt on the basis of an interested party entering final discussions with respect to the sale of the northern tenements of the Kookynie Gold Project. The voluntary suspension extended through the quarter (see release dated 24 July 2013). As mentioned in previous quarters the Company has received a number of parties interested in the purchase of the tenements however the Company considered that only offers which provided certainty for the Company's future would be considered in a rapidly deteriorating commodity market. The offer is attached to a funding arrangement of \$2,000,000 cash injection into Nex to fund development of an Iron Ore project in return for off take. The Company has been in various discussions with respect to a number of Iron Ore Tenements in various Countries.

Field Work

A geological field work continued in the quarter conducting soil sampling, prospecting, mapping and compiling data. Soil sampling programs continue to follow-up on previous anomalous results within the Yundamindera project. The Kookynie project continues to be staffed and all required expenditures maintained during the period.

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 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Nex Metals Explorations Ltd

ABN

63 124 706 449

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	414
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(167) - - (328)	(540) - (2,717) (1,325)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(7)	(7)
1.6 Income taxes paid	-	-
1.7 - R & D tax offset received (net of professional fees)	-	3,979
- Other	48	528
- GST net	8	123
Net Operating Cash Flows	(446)	455
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	500 - -	500 - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Refund of bonds paid	- -	- -
Net investing cash flows	500	500
1.13 Total operating and investing cash flows (carried forward)	54	955

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	54	955
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	28
1.17	Repayment of borrowings	(25)	(25)
1.18	Dividends paid		
1.19	Other	-	95
	Net financing cash flows	(25)	98
	Net increase (decrease) in cash held	29	1,053
1.20	Cash at beginning of quarter/year to date	1,039	15
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,068	1,068

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	0
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

NIL directors fees and salaries paid during the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements	7,000	- (a)

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(a) In June 2012, Nex Metals entered into a standby subscription agreement with Gurney Capital Nominees Pty Ltd. The total facility, of which drawdowns can be made subject to certain terms and conditions, is \$7M. Nil amounts have been drawn down on this facility in the quarter ended 30 June 2012.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	225

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	68	39
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) funds held as security	1,000	1,000
Total: cash at end of quarter (item 1.22)	1,068	1,039

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	152,716,956	152,716,956		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	1 convertible note (face value of \$1,500,000)		Convertible at the lower of \$0.08 per share or the VWAP based on 10 trading days prior to conversion.	Maturity date – February 2014. Conversion price - \$0.08 or VWAP based on 10 trading days prior to conversion. Interest rate – 10%pa.
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				

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7.10	Expired during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31/07/2013

Print name: KENNETH ALLEN

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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