

30 September 2021

The Company Announcements Officer
The Australian Securities Exchange
Level 40, 152-158 St Georges Terrace
Perth WA 6000

Nex Metals Explorations Ltd (ASX: NME) (Nex or the Company) advises that it will be relying on ASX Class Waiver Decision – Extended Reporting and Lodgement Deadlines dated 3 May 2021 (“ASX Class Waiver”) and ASIC Corporations (Extended Reporting and Lodgment Deadlines – Listed Entities) Instrument 2020/451 as extended by ASIC Corporations (Amended) Instrument 2020/1080 and ASIC Corporations (Amended) Instrument 2021/315 dated 26 April 2021 (the “Amended ASIC Relief”), to extend the lodgement date for its Audited Full Year Financial Report.

The Company advises the attached information provided for the Full Year ended 30 June 2021 is unreviewed.

Under the ASX Class Waiver, the Company is required to release its audited full year accounts for the twelve months to 30 June 2021 at the earlier of:

- (i) when they are ready to be given to ASX; or
- (ii) when they must be given to ASIC under the Amended ASIC Relief.

The Company confirms that it will immediately make further announcement to ASX if it becomes aware that there will be a material difference between its unaudited and its Audited Reviewed Full Year Financial Report.

This Announcement was authorised for release by the Board of Nex Metals Explorations Ltd

Yours Faithfully



Kenneth M Allen

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NEX METALS EXPLORATIONS LTD

ABN: 63 124 706 449

**Unaudited Financial Report
For the year ended 30 June 2021**

Corporate Directory

DIRECTORS

Thomas F Percy QC
Kenneth M Allen
Hock Hoo Chua
Raja Mohd Azmi bin Raja Razali (Alternate Director to Hock Hoo Chua)

COMPANY SECRETARY

Kenneth M Allen

PRINCIPAL OFFICE

45 Guthrie Street
OSBORNE PARK WA 6017

REGISTERED OFFICE

45 Guthrie Street
OSBORNE PARK WA 6017

AUDITORS

HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street
PERTH WA 6000

SOLICITORS

Lawton Gillon
Level 7, 16 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
Phone: (+618) 9389 8033

STOCK EXCHANGE LISTING

Australian Securities Exchange
Home Exchange: PERTH, Western Australia
Code: NME

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Nex Metals Explorations Ltd
ABN 63 124 706 449

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30 June 2021 \$	30 June 2020 \$
Other income	2	63,855	523,765
Occupancy expenses		(69,768)	(64,348)
Administration expenses		(525,507)	(66,944)
Consultants expenses		(175,184)	(44,927)
Depreciation expenses		(12,322)	(7,822)
Employment and contractor expenses		(587,400)	(500,311)
Borrowing and finance costs		(2,958)	(145,919)
Travel expenses		(20,114)	(22,305)
Exploration and evaluation expenses		(127,560)	(82,448)
Research and development costs		-	-
Recovery of/(Provision for) doubtful debts		-	230,460
(Loss) before income tax benefit		<u>(1,456,958)</u>	<u>(180,799)</u>
Income tax benefit		-	-
(Loss) for the year		<u>(1,456,958)</u>	<u>(180,799)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit/(loss) for the year		<u>(1,456,958)</u>	<u>(180,799)</u>
(Loss) per share:			
Basic profit/(loss) (cents per share)		(0.005)	(0.09)

The accompanying notes form part of this financial report.

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Nex Metals Explorations Ltd
ABN 63 124 706 449

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		490,926	570,377
Receivables	3	140,753	22,683
Other assets		3,876	4,506
Total current assets		635,555	597,566
Non-current assets			
Plant and equipment		67,852	20,356
Capitalised exploration and evaluation expenditure		913,296	269,664
Total non-current assets		981,148	290,020
Total assets		1,616,703	887,586
Current liabilities			
Payables		3,126,522	3,621,810
Interest-bearing liabilities		-	1,500,000
Provisions		264,810	264,952
Total current liabilities		3,391,332	5,386,762
Total liabilities		3,391,332	5,386,762
Net liabilities		(1,774,629)	(4,499,176)
Equity			
Issued capital	4	24,058,753	19,877,247
Option reserve		2,260,245	2,260,245
Accumulated losses		(28,093,627)	(26,636,668)
Total deficit		(1,774,629)	(4,499,176)

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Attributable to equity holders			
	Issued Capital	Option Reserve	Accumulated Losses	Total Deficit
	\$	\$	\$	\$
Balance at 1 July 2019	19,877,247	2,260,245	(26,455,869)	(4,318,377)
(Loss) for the year	-	-	(180,799)	(180,799)
<i>Total comprehensive (loss) for the year</i>	-	-	(180,799)	(1,80,799)
Shares issued	-	-	-	-
Share issue costs	-	-	-	-
<i>Total contribution by owners</i>	-	-	-	-
Balance at 30 June 2020	19,877,247	2,260,245	(26,636,668)	(4,499,176)

	Attributable to equity holders			
	Issued Capital	Option Reserve	Accumulated Losses	Total Deficit
	\$	\$	\$	\$
Balance at 1 July 2020	19,877,247	2,260,245	(26,636,668)	(4,499,176)
(Loss) for the year			(1,456,958)	(1,456,958)
<i>Total comprehensive (loss) for the year</i>			(1,456,958)	(1,456,958)
Shares issued	4,249,490	-	-	4,249,490
Share issue costs	(67,984)	-	-	(67,984)
<i>Total contribution by owners</i>	4,181,506	-	-	4,181,506
Balance at 30 June 2021	24,058,753	2,260,245	(28,093,626)	(1,774,628)

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
Cash flows from operating activities			
Receipts from other income		-	560,048
Payments to suppliers and employees		(1,244,052)	(537,958)
Receipts from Government grants		51,944	13,944
Income tax refund		40,578	
Interest received		(415,413)	56,136
Net cash provided by/(used in) operating activities		<u>(1,566,943)</u>	<u>92,170</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(163,418)	-
Payments for exploration expenditure		(597,096)	-
Proceeds from sale of exploration tenements		-	120,000
Proceeds from exploration investment		-	-
Net cash provided by investing activities		<u>(760,514)</u>	<u>120,000</u>
Cash flows from financing activities			
Proceeds from the issue of shares		3,986,990	
Payments for share issue costs		(67,984)	
Repayment of borrowings		(1,671,000)	
Proceeds from borrowings		-	343,976
Share issue costs		-	-
Net cash provided by financing activities		<u>2,248,006</u>	<u>343,976</u>
Net increase/(decrease) in cash and cash equivalents		(79,451)	556,146
Cash and cash equivalents at the beginning of the financial year		<u>570,377</u>	<u>14,231</u>
Cash and cash equivalents at the end of the financial year		<u>490,926</u>	<u>570,377</u>

The accompanying notes form part of this financial report.

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UNAUDITED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. Basis of preparation (cont'd)

Going concern

The year ended 30 June 2021 financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the year ended 30 June 2021 financial report, the Group incurred a loss of \$1,456,958 and had net cash outflows from operating activities of \$1,566,943 for the year ended 30 June 2021. As at that date, the Group had net current liabilities of \$2,755,777 and net liabilities of \$1,774,629. Notwithstanding the current cash position of the Group, the directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- \$328,000 of share application monies received from a Director, shown as a current liability in the statement of financial position as at 30 June 2021, will be transferred to equity when the shares are issued;
- The possible sale of mining tenements, recognised as exploration and evaluation assets in the statement of financial position as at 30 June 2021; and
- Issue of shares for cash from capital raising to be conducted in accordance with the Corporations Act 2001;
- Included in current payables is an amount of \$2,008,113 payable to the Directors of the Group. The Directors have agreed to not seek cash payments for their unpaid balances until the Group is in a financial position to pay;
- Included in current payables is an amount of \$406,788 payable to Allen's Business Group Pty Ltd, an entity controlled by the Director Ken Allen. Allen's Business Group Pty Ltd, after creditors have agreed to defer payment, have agreed to not seek cash payments for this balance for a period of 12 months; and
- Allen's Business Group Pty Ltd, an entity controlled by the Director, Ken Allen, has agreed to cover any short term funding needs up to \$750,000.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half-year financial report.

As noted above, the Group's ability to continue as a going concern is mainly dependent on the following factors:

- Raising further equity; and
- Continual on-going support of the Directors.

Should the Group not achieve the factors set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the year ended 30 June 2021 financial report.

The year ended 30 June 2021 financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

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2. Other Income

	30 June 2021	30 June 2020
	\$	\$
Reimbursement of expenses	-	320,954
Interest Income	(420)	56,136
Gain on Disposal of exploration tenements	-	120,000
Cash Flow Boost subsidy	36,375	26,675
Jobkeeper	27,900	-
	<u>63,855</u>	<u>523,765</u>

3. Receivables

	30 June 2021	30 June 2020
	\$	\$
Current		
Trade receivables	187,199	187,199
Sundry receivables	140,753	22,683
Less provision for expected credit loss	<u>(187,199)</u>	<u>(187,199)</u>
	<u>140,753</u>	<u>22,683</u>

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4. Issued Capital

Ordinary Shares

Movements in share capital during the twelve months periods were as follows:

Year ended 30 June 2020

		Fully Paid Ordinary Shares	\$
1 July 2019	Opening balance	<u>192,747,348</u>	<u>19,877,247</u>
30 June 2020	Closing balance	<u>192,747,348</u>	<u>19,877,247</u>

Year ended 30 June 2021

		Fully Paid Ordinary Shares	\$
1 July 2020	Opening balance	<u>192,747,348</u>	<u>19,877,247</u>
	Movements		
1 July 2020	Shares issued under Share Placement (i)	46,440,683	2,495,000
1 July 2020	Shares issued as payment to Consultants	1,700,000	212,500
16 November 2020	Shares issued under Securities Purchase Plan	26,126,737	1,541,990
	Share Issuance Costs		<u>(67,984)</u>
30 June 2021	Closing balance	<u>267,014,768</u>	<u>24,058,753</u>

- (i) Included in this share issue is 1,986,145 shares issued to Metalicity Limited under the second initial placement as part of the Farm-in agreement. The proceeds of \$50,000 were received in the previous financial year.

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5. Segment Reporting

The Directors have considered the requirements of AASB 8 “Operating Segments” and the internal reports that are reviewed by the chief operating decision maker, the board of directors, in allocating resources and have concluded that at this time there are no separately identifiable segments.

Throughout the half-year, the Group remained focused on mineral exploration over a number of areas of interest in Western Australia.

6. Contingencies

On 4 May 2018, the Company advised that they had received applications for forfeiture on Yundamindera tenements M39/84, M39/274, M39/406, M39/407, M39/408, M39/409, M39/410, M39/839, M39/840. The applicant is by MCA Nominees Pty Ltd who hold the tenements immediately north of Nex Yundamindera Tenements.

The applications for forfeiture lodged by MCA Nominees Pty Ltd over the Yundamindera tenements continue to process through the Wardens Court. There has been various mentions during the year. The Company believes there is no basis for the claim and continue to defend the matter in the normal course.

Other than the above, there are no other known significant contingencies as at 30 June 2021

7. Subsequent events

The Company was served with a Bidders Statement by Metalicity Limited (ASX:MCT) on 24 September 2021 following from an announcement on 14 September with respect to a Proposal to Nex Shareholders. The Company will respond in the appropriate manner.

A Rights issue on the basis of 1 for 3 shares held was announced to the market on 29 September 2021 seeking to raise circa \$3.115m

8. Financial Instruments

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables and current payables are considered to be a reasonable approximation of their fair value.