NEXUSMINERALS

ASX ANNOUNCEMENT **7 February 2017**

NEXUS PINNACLES EAST DRILL RESULTS

ASX: NXM

Capital Structure

Shares on Issue 83.3 million

Unlisted Options 2.3 million

Corporate Directory
Mr Paul Boyatzis
Non-Executive Chairman

Mr Andy Tudor
Managing Director

Dr Mark Elliott
Non-Executive Director

Mr Bruce Maluish
Non-Executive Director

Mr Phillip Macleod
Company Secretary

Company Projects
Eastern Goldfields WA Company and Farm-In JV tenements

Pinnacles JV Project (Gold)

Pinnacles Project (Gold)

Triumph Project (Gold)

Mt Celia Project (Gold)

HIGHLIGHTS

- **Results received from 2,425m Pinnacles East drill program**
- **Intersections include: 6m@11.46g/t Au, 7m@4.64g/t Au, 25m@2.33g/t Au and 17m@2.25g/t Au**
- **Geotechnical logging completed**
- **Mine studies at Pinnacles East Resource Area progressed**

Eastern Goldfields gold explorer, **Nexus Minerals Limited (ASX: NXM) (Nexus** or **the Company)** is pleased to announce the results of the recent drill program completed over the Pinnacles East Resource area.

The principal purpose of the drill program was to provide the necessary geotechnical information required to input into the mine potential study currently underway. Whilst a number of holes were drilled within, and adjacent to, the mineral resource area, the majority were drilled for geotechnical study requirements. Many of the high-grade intercepts confirmed the widths and grades of previous drilling.

At the Pinnacles East Resource area, a drill program of 18 RC holes for 1,933m and 4 diamond drill holes for 492m was completed. The drill program was designed to gain information required by the various consultants to utilise in the mine study, predominantly geotechnical, bulk density and hydro-geological information. All samples were submitted to Intertek Genalysis laboratory for analysis with the significant intercepts (>2g/t Au) in Table 1 and full results in Table 2.

Hole ID	From (m)	TO (m)	Length (m)	Grade g/t Au
NMPDD5	**121**	**123**	**2**	**5.16**
	151	**168**	**17**	**3.20**
	incl 3m @ 13.40 g/t Au from 161 to 164m			
NMPDD8	**128**	**134**	**6**	**11.46**
NMPRC22	**114**	**132**	**18**	**1.67**
	incl 2m @ 6.78 g/t Au from 115 to 117m			
	139	**164**	**25**	**2.33**
	incl 2m @ 10.15 g/t Au from 153 to 155m			
	165	**182**	**17**	**2.25**
	incl 8m @ 3.40 g/t Au from 171 to 179m			
NMPRC30	**120**	**127**	**7**	**4.64**
	incl 4m @ 7.69 g/t Au from 120 to 124m			
NMPRC33	**49**	**51**	**2**	**4.77**

Table 1. Summary of Significant Intercepts (>2g/t Au)

Hole ID	From (m)	TO (m)	Length (m)	Grade g/t Au	GDA_94 East	GDA_94 North	RL	Depth (m)	Dip (m)	Azimuth
NMPDD5	**121**	**123**	**2**	**5.16**	439747	6649398	360	195.2	-60	285
	151	**168**	**17**	**3.2**						
	incl 3m @ 13.40 g/t Au from 161 to 164m									
NMPDD6	NSI				439623	6649353	360	94	-60	105
NMPDD7	**23**	**31**	**8**	**0.94**	439641	6649296	360	52.3	-60	105
NMPDD8	**128**	**134**	**6**	**11.46**	439573	6649297	360	150	-60	105
NMPRC20	NSI				439636	6649466	360	120	-60	105
NMPRC21	**18**	**43**	**25**	**0.94**	439646	6649448	360	132	-60	105
	47	**48**	**1**	**0.84**						
	98	**103**	**5**	**1.92**						
NMPRC22	**114**	**132**	**18**	**1.67**	439614	6649451	360	195	-60	105
	incl 2m @ 6.78 g/t Au from 115 to 117m									
	139	**164**	**25**	**2.33**						
	incl 2m @ 10.15 g/t Au from 153 to 155m									
	165	**182**	**17**	**2.25**						
	incl 8m @ 3.40 g/t Au from 171 to 179m									
NMPRC23	**11**	**14**	**3**	**0.38**	439679	6649424	360	42	-60	105
	22	**31**	**9**	**1.43**						
NMPRC24	**73**	**80**	**7**	**0.93**	439650	6649424	360	102	-60	103
NMPRC25	**58**	**59**	**1**	**1.52**	439655	6649403	360	72	-60	104
NMPRC26	**184**	**192**	**8**	**0.44**	439603	6649423	360	204	-60	108
NMPRC27	**170**	**180**	**10**	**0.24**	439593	6649390		198	-60	107
NMPRC28	**202**	**203**	**1**	**0.22**	439543	6649339	360	220	-60	108
NMPRC29	**38**	**43**	**5**	**1.76**	439622	6649249	360	65	-60	104
NMPRC30	**120**	**127**	**7**	**4.64**	439565	6649251	360	150	-60	103
	incl 4m @ 7.69 g/t Au from 120 to 124m									
NMPRC31	**65**	**68**	**3**	**0.22**	439599	6649208	360	96	-60	107
NMPRC32	NSI				439622	6649180	360	40	-60	106
NMPRC33	**49**	**51**	**2**	**4.77**	439607	6649184	360	70	-60	106
NMPRC34	**28**	**32**	**4**	**0.19**	439619	6649137	360	48	-60	107
NMPRC35	**52**	**54**	**2**	**0.21**	439604	6649140	360	70	-60	106
NMPRC36	**27**	**28**	**1**	**0.24**	439617	6649096	360	40	-60	108
NMPRC37	NSI				439601	6649099	360	72	-60	107

Table 2. Summary of All Intercepts (>0.1g/t Au)

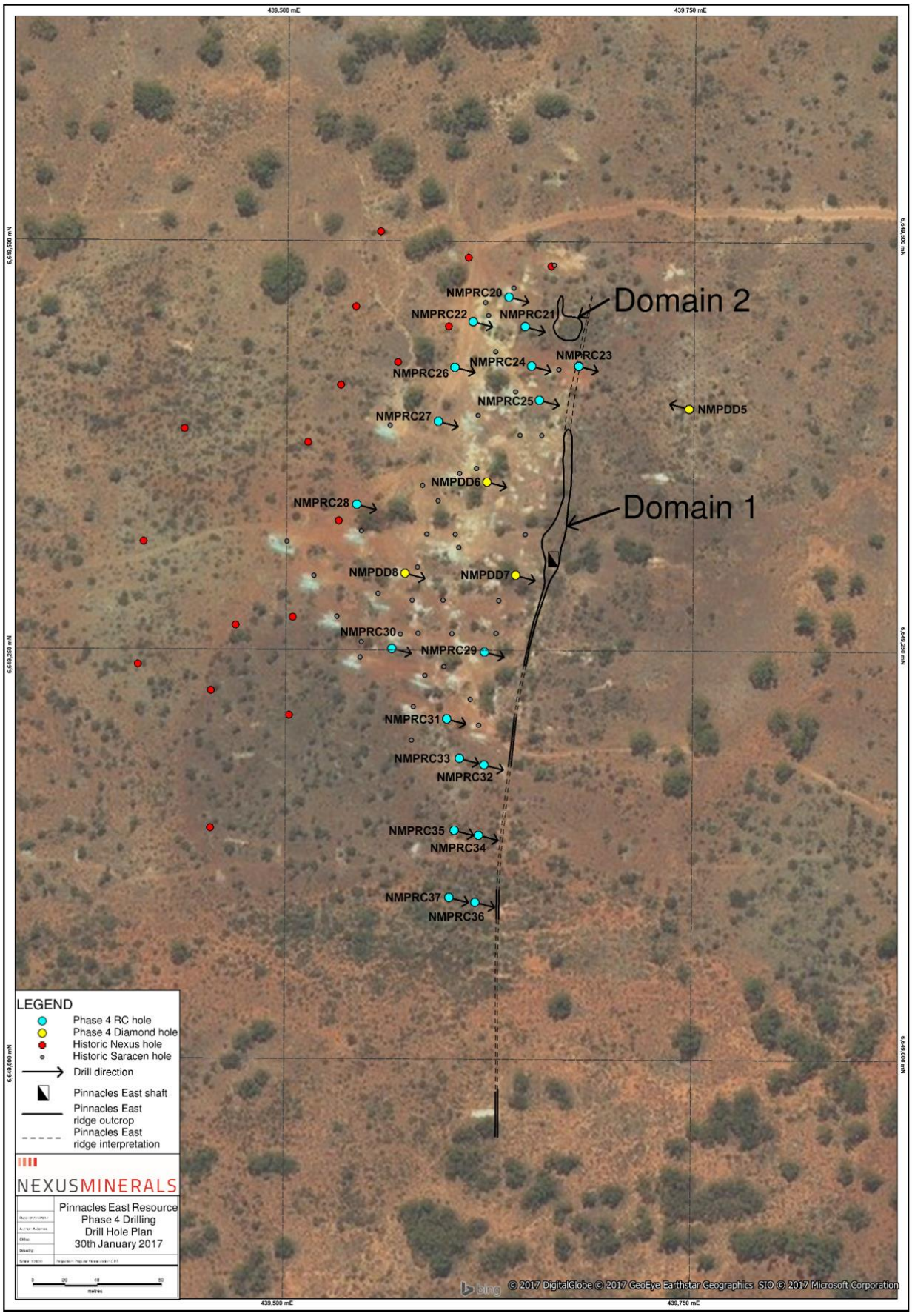

Figure 1: Nexus Drill Program Hole Locations – Pinnacles East Resource area.

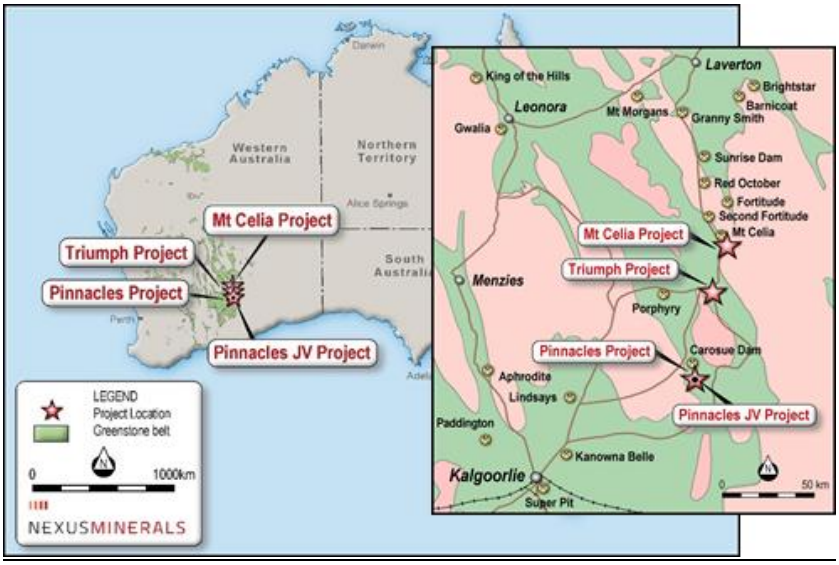

Figure 2: Nexus Project Locations – Eastern Goldfields, Western Australia.

About Nexus

Nexus has entered into a Farm-in and Joint Venture Agreement over the Pinnacles JV Gold Project with Saracen Gold Mines Pty Ltd, a subsidiary of Saracen Mineral Holdings Limited **(ASX:SAR)** (see ASX Release 17 September 2015). This investment is consistent with the Company strategy of investing in advanced gold exploration assets.

Nexus Minerals is a well-funded resource company with a portfolio of gold projects in Western Australia. With a well-credentialed Board, assisted by an experienced management team, the Company is well placed to capitalise on opportunities as they emerge in the resource sector.

- Ends -

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The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation, prepared, compiled or reviewed by Mr Andy Tudor, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tudor is a full-time employee of Nexus Minerals Limited. Mr Tudor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The exploration results are available to be viewed on the Company website www.nexus-minerals.com. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements. Mr Tudor consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

Appendix A February 2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The sampling was carried out using Diamond Drilling (DDH) (4 holes) and Reverse Circulation Drilling (RC) (18 holes) in this program. RC chips and diamond core provide high quality representative samples for analysis. Sampling was carried out in accordance with Nexus Minerals protocols and QAQC procedures which are considered to be industry best practice. RC holes were drilled with a 5.5inch face sampling bit, with 2 x 1m samples collected through a cyclone and cone splitter producing 2 x 2-3kg samples. All samples had 4 consecutive 1m samples composited to form a 4m composite sample which was sent to the laboratory for analysis. Composite samples that returned >0.01g/t Au or logged as mineralised had both 1m samples sent to the laboratory for analysis. All samples were pulverized at the laboratory to -75um, to produce a 50g charge for gold Fire Assay with ICP finish. Diamond core is NQ, sampled at 1m intervals or geological boundaries and cut into half core for analysis. All samples were pulverized at the laboratory to -75um, to produce a 50g charge for gold Fire Assay with ICP finish.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	An RC drilling rig, owned by Raglan Drilling was used to undertake the RC drilling and collect the samples. The face sampling bit had a diameter of 5.5 inches (140mm). 18 RC holes were completed for 1933m A Diamond Drill rig owned by Terra Drilling was used to undertake the Diamond drilling. Diamond core was oriented using Reflex Act 111 tool. 4 Diamond holes were completed for 492m.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	All samples were dry with no significant ground water encountered. RC face sampling bits and dust suppression were used to minimise sample loss. Average RC meter sample weight recovered was 25kg with minimal variation between samples. Diamond core recovery percentages calculated from measured core versus drilled intervals are logged and recorded in database. Recoveries averaged >95%. Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. No sample bias is believed to have occurred during the sampling process.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All RC chip and diamond core samples were geologically logged by Nexus Minerals Geologists, using the approved Nexus Minerals logging code. Logging of RC chips and diamond core recorded: Lithology, mineralogy, alteration, mineralisation, colour, weathering and other characteristics as observed. All RC samples were wet sieved. All diamond core was photographed. All holes and all meters were geologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	All drill core is cut in half using an automatic core saw. Samples always collected from the same side. One meter RC drill samples pass through a cone splitter, installed directly beneath a rig mounted cyclone, and 2 x 2-3kg samples collected in a numbered calico bag. The balance of the 1m sample ~25kg is collected in a green plastic bag. The green bags are placed in rows of 20 and the corresponding calico bag placed on top of the green bag. For composite samples four consecutive green bags were sampled using an aluminium scoop which penetrates the entire bag with multiple slices taken from multiple angles to ensure a representative sample is collected. These are combined to produce a 4m composite sample of 2-3kg.

Criteria	JORC Code explanation	Commentary
		All samples submitted for analysis were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were prepared at the Intertek Laboratory in Kalgoorlie. Samples were dried, and the whole sample pulverized to 85% passing 75um, with a sub-sample of ~200g retained. A nominal 50g was used for analysis. This is best industry practice.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	A duplicate field sample is taken from the cone splitter for all 1m samples.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Sampling methods and company QAQC protocols are best industry practice.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for the material being sampled and the sample size being submitted for analysis.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were analysed at the Intertek laboratory Perth. 1m samples, 4m composite samples and diamond drill core samples were analysed for gold only using Fire Assay technique with ICP finish. This method is considered appropriate for the material being assayed. The method provides a near total digestion of the material.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not used in this program.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Nexus Minerals protocol provides for Certified Reference Material (Standards and Blanks) to be inserted at a rate of 4 standards and 4 blank per 100 samples. Field duplicates are inserted for every 1m sample submitted. Industry acceptable levels of accuracy and precision have been returned.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Significant intersections were verified by the Exploration Manager. No twin holes were drilled as part of this program All field logging is carried out on a Toughbook computer. Data is submitted electronically to the database geologist in Perth. Assay files are received electronically from the laboratory and added to the database. All data is managed by the database geologist. No adjustment to assay data has occurred.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill hole locations were determined using a handheld GPS, with an accuracy of 5m. Down hole surveys were taken using a gyro survey tool taking dip/azimuth readings every 10m. Grid projection is GDA94 Zone51. The drill hole collar RL is allocated from a detailed DTM. Accuracy is +/- 2m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Drilling took place in 1 prospect area. Line spacing was 50-75m. No mineral resource update is being applied to this drill program. Yes as stated above.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The orientation of the drill lines is considered to be perpendicular to the strike of the regional structures controlling the mineralisation (195 degrees). 21 holes were drilled -60 degrees towards 105 degrees. 1 hole was drilled -60 degrees towards 285 degrees for geotechnical purposes. It is not considered to introduce a sampling bias.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	Pre numbered calico bags were placed into green plastic bags, sealed and transported to the Intertek laboratory in Kalgoorlie by company personnel.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All sampling, logging, assaying and data handling techniques are considered to be industry best practice.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Drilling was undertaken on tenement M28/243. Nexus is the manager of a Farm-In & JV Agreement with Saracen Mineral Holdings Limited (as detailed in ASX release 17/09/2015). There are no other known material issues with the tenements. The tenements are in good standing with the Western Australian Mines Department (DMP).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The tenements were subject to minor mining activities in the early 1900's (2 shafts) and modern exploration activities since the mid 1980's. A number of companies explored the tenement between 1982 and 2014. Saracen Gold Mines Pty Ltd obtained the tenement in 2006 and has completed a number of drilling campaigns over the main Pinnacles project area. This work resulted in Saracen Gold Mines Pty Ltd releasing a JORC 2012 compliant resource of 413,000t @ 2.1g/t gold for 28,000 ounces.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Pinnacles Project area covers part of a highly deformed Archaean greenstone sequence of basalts, dolerites, and comagmatic high-level intrusions. This mafic volcanic association is overlain by a series of medium to coarse grained volcaniclastic sandstones and subordinate felsic volcanic rocks. These greenstones have been intruded and

Criteria	JORC Code explanation	Commentary
		disrupted by the forceful intrusion of a series of granitoid rocks. Gold mineralisation occurs within a sub-vertical shear zone hosted within the sediments. It is associated with quartz veining (1-10cm) and sheared altered host rocks.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to ASX announcements for full tables.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Grades are reported as down-hole length weighted averages greater than 0.1g/tAu. No top cuts have been applied to the reported assay results. No aggregate intercepts of this type are being reported. No metal equivalents are being reported.
Relationship between mineralisation widths and intercept	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there*	The orientation of the drill lines is considered to be perpendicular to the strike of the regional structures controlling the mineralisation (195 degrees). 21 holes were drilled -60 degrees towards 105 degrees. 1 hole was drilled -60 degrees towards 285 degrees specifically for geotechnical purposes.

Criteria	JORC Code explanation	Commentary
lengths	*should be a clear statement to this effect (eg 'down hole length, true width not known').*	All reported intersections are down-hole length – true width not known.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to the maps and sections included in the text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	See Table 1 for results reported with results above 2g/t Au cut off, and Table 2 for results reported with results above 0.1g/t Au cut off.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All diamond core was logged for geotechnical purposes by geotechnical consultant including RQD, fracture counts and joint/bedding measurements. 10cm sections of representative lithologies were collected and submitted for rock shear testwork. Samples for Bulk Density measurements were taken at a rate of one 20cm section per 10m of drill core. Samples were submitted to Intertek Genalysis for bulk density determination.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Post full assessment of recent Diamond drilling and RC drill results and integration with existing data sets, future work programs may include further RC and/or Diamond drilling to follow up on the results received from this drill program.