



QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31 MARCH 2017

ASX: NXM

Capital Structure

Shares on Issue 83.1 million

Unlisted Options 2.3 million

Cash on Hand \$5.81 million
(31/3/17)

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

- **Pinnacles gold project 100km² regional ground exploration programs commenced and included:**
 - **Auger soil geochemical sampling programs - maximum auger soil result of 1552 ppb Au**
 - **2.4km x 300m Au soil anomaly (GT5) – coincident over sheared ultramafic unit, aeromagnetic target and gravity low**
 - **2.5km x 1.5km coincident Au + As / Bi / Mo (Au pathfinder elements) soil anomaly**
 - **Multiple auger soil geochemical anomalies identified**
 - **Ground geological / structural mapping completed over auger soils coverage area**
 - **Gravity survey completed over tenement package**
 - **Regional aeromagnetic targets follow up**
 - **New regional emissivity mapping target method commenced**

During the quarter ended 31 March 2017, Eastern Goldfields gold explorer, **Nexus Minerals Limited (ASX: NXM) (Nexus or the Company)** completed a number of successful work programs. These included an auger soil geochemical sampling program, the completion of the regional gravity survey and ground geological activities over the highly prospective Pinnacles regional 100km² tenement area.

Nexus Minerals tenement package is largely unexplored and commences less than 5km to the south of, and along strike from, Saracen Minerals (**Saracen**) >4Moz Carosue Dam mining operations, and current operating Karari underground gold mine.

Nexus holds a significant land package (100km²) of highly prospective geological terrain within a major regional structural corridor, and is actively exploring for gold deposits.

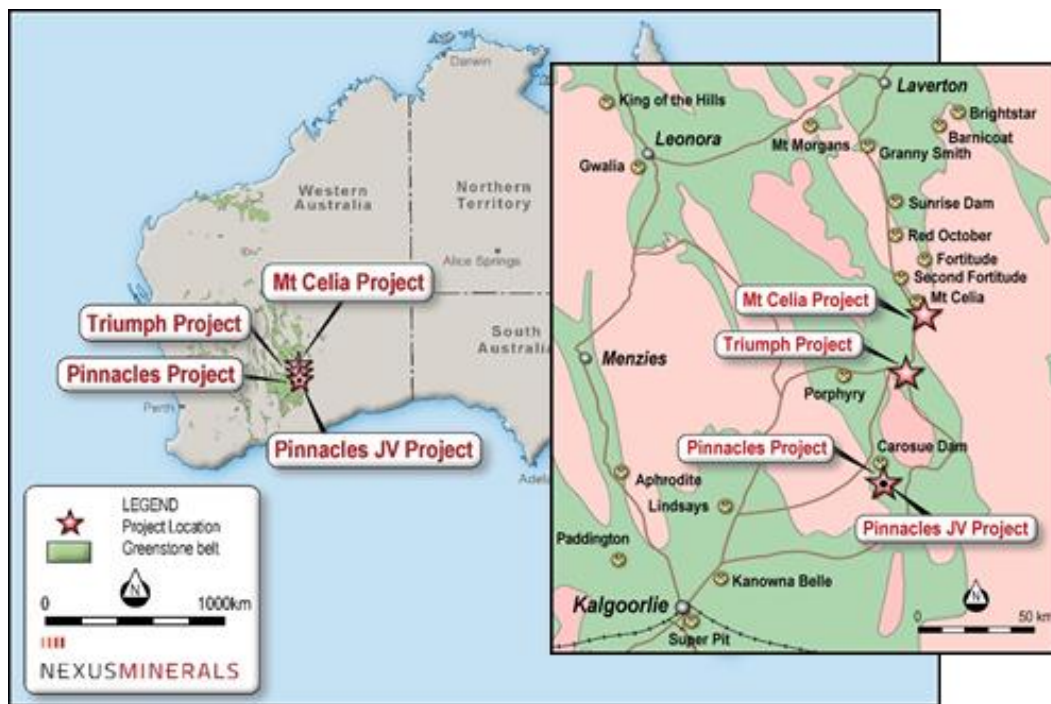


Figure 1: Nexus Project Locations – Eastern Goldfields, Western Australia.

Pinnacles Regional Gold Project

The combined Pinnacles Gold Project area covers 100km² of highly deformed Archaean greenstone sequence of basalts, dolerites, and co-magmatic high-level intrusions. This mafic volcanic association is overlain by a series of medium to coarse grained volcanoclastic sandstones and subordinate felsic volcanic rocks. These greenstones have been intruded and disrupted by the forceful intrusion of a series of granitoid rocks. This geological and structural setting is considered to be highly prospective for gold mineralisation.

Auger Soil Geochemical Program

Auger sampling targeting calcareous soils (calcrete) has been successfully employed as the preferred geochemical sampling medium for gold exploration in the Eastern Goldfields for the past decade. Mineralisation in the Carosue Dam district, including Karari, Whirling Dervish, Luvironza, Monty Dam and Twin Peaks deposits were all identified using this technique.

This phase 1 program (Fig. 2 and 3) has been designed to cover an area of prospective geological units, and north/south structures (Fig. 4) that also exhibit gravity lows (Fig. 6) – the “ingredients” of Carosue Dam style mineralisation. The program also traversed a number of aeromagnetic “area of interest” targets previously identified (Fig. 7)

988 auger samples were collected across the northern 25% of the tenement area. Samples were collected on a 400m x 80m grid and analysed for gold and 32 additional pathfinder elements to identify mineralisation and as a lithological mapping tool.



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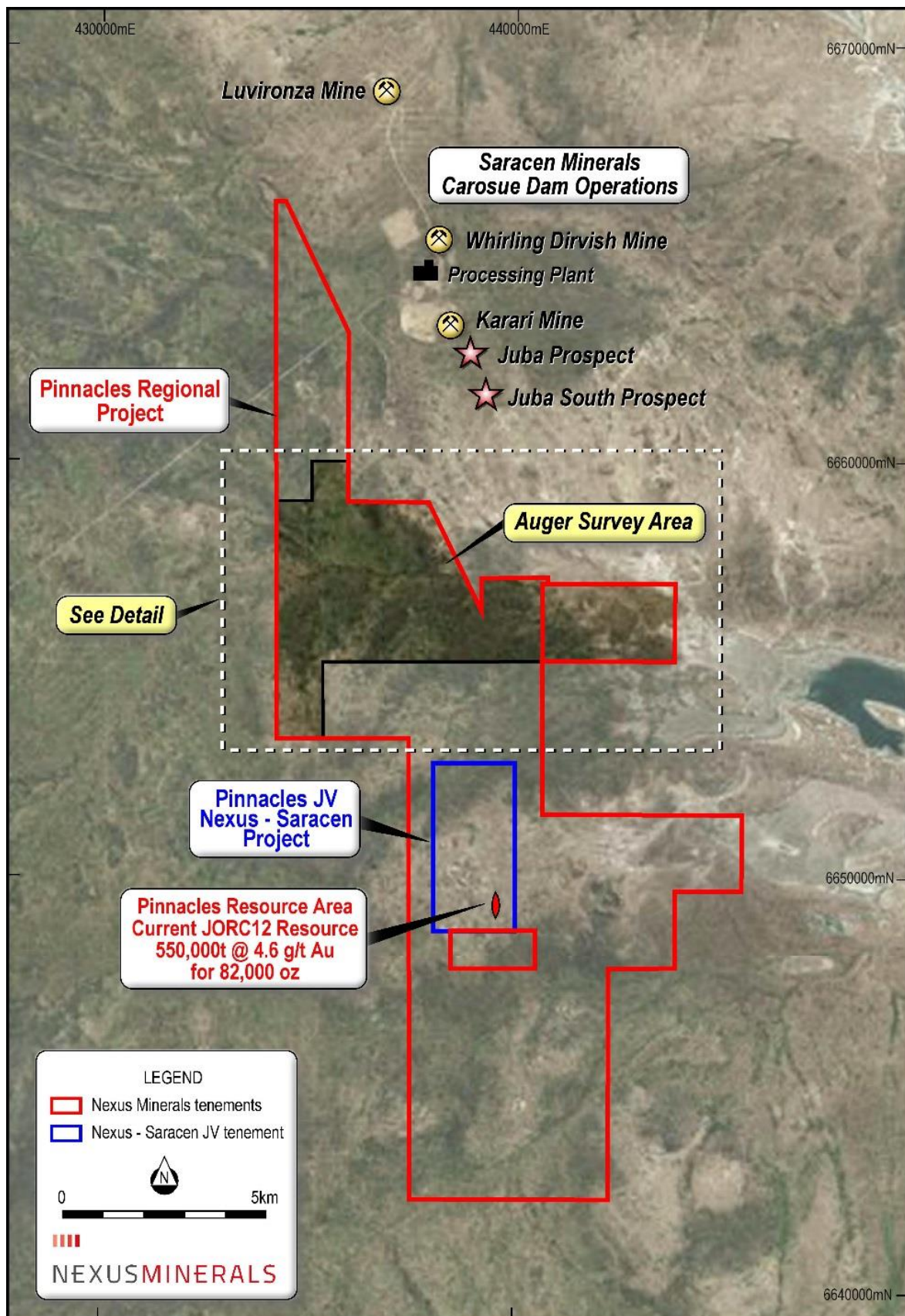


Figure 2: Nexus Pinnacles Regional Auger Soil Survey



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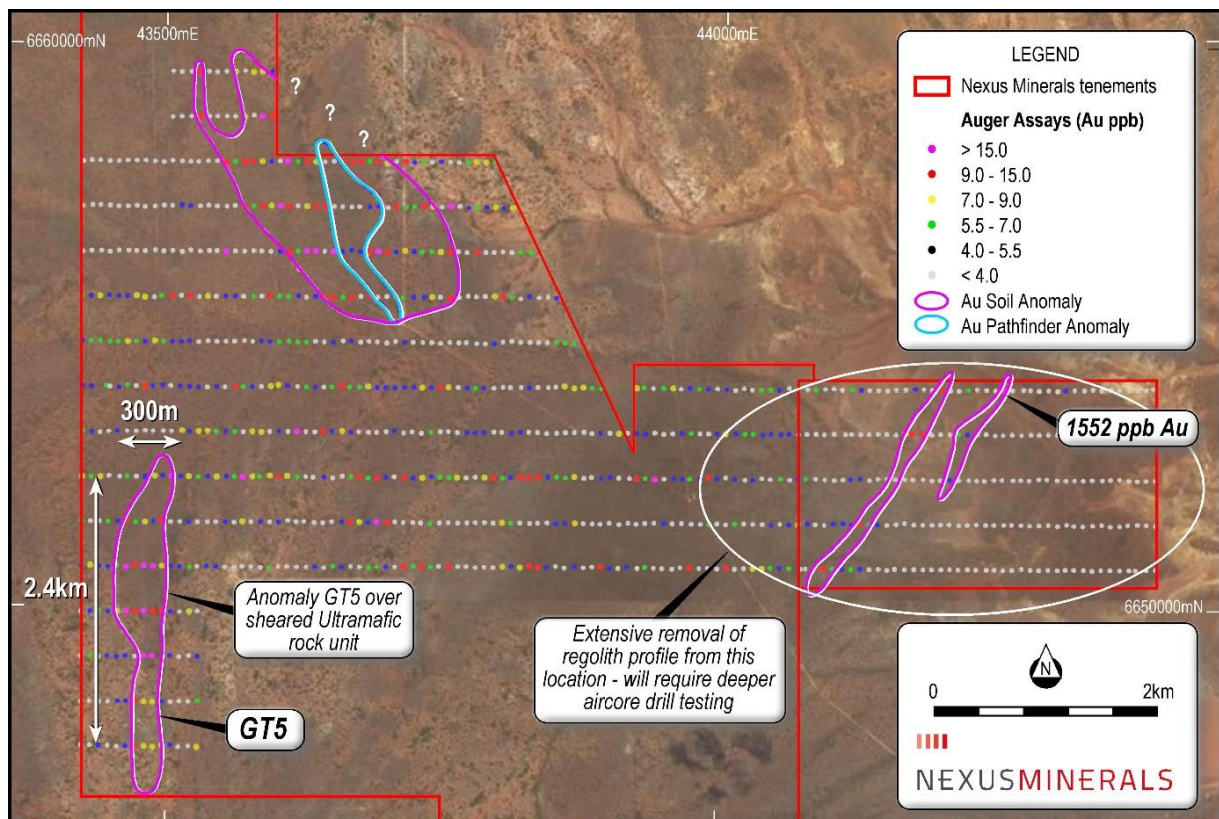


Fig 3: Nexus Pinnacles Regional Auger Soil Survey Results

- 1) GT5** – This is a high order 2.4km x 300m Au anomaly (max 61.7 ppb Au) showing good strike continuity across six of the 400m spaced survey lines. The anomaly is striking north-south within a sheared ultramafic unit. This area is located in a gravity low and had been highlighted previously as a zone of interest from Nexus regional aeromagnetic assessment and interpretation. **Infill auger soil lines at 100m x 80m will be undertaken to better constrain the anomaly boundaries prior to planning drill activities.**
- 2) 1552 ppb Au** auger soil result – This extremely high-level result, and a number of anomalous results immediately to the west, highlight the prospective nature of this ground. Only a small number of auger holes intersected the required calcrete sampling layer - and hence the sampling method in the majority of this area is considered ineffective. This eastern side of the auger program is in an area where the regolith profile, and the calcrete layer, has been largely stripped away. **Aircore drilling will be required to determine its prospectivity.**
- 3) Broad anomalous zone** – elevated in Au +As/Bi/Mo (Au pathfinder elements) – this 2.5km x 1.5km zone contains a gold anomaly (max 47 ppb Au) that surrounds a pathfinder element anomaly elevated in As, Bi and Mo. The structural setting is significant as it is located on the same fault that displaces the Karari and Whirling Dervish gold mines to the north east. Mapping has identified sheared and silicified tuff and volcanoclastic sedimentary units, with local felsic intrusive. **Detailed mapping will be undertaken over this anomaly to better define geology and structure prior to further sampling programs.**
- 4) Triple/Double/Single sample site anomalies** – multiple sample site elevated gold results >9 ppb Au, with a maximum of 20.8 ppb Au. The initial broad 400m x 80m sample spacing provides significant scope to host gold mineralisation. **These areas require ground geological truthing and infill auger soil lines to better define these anomalies.**

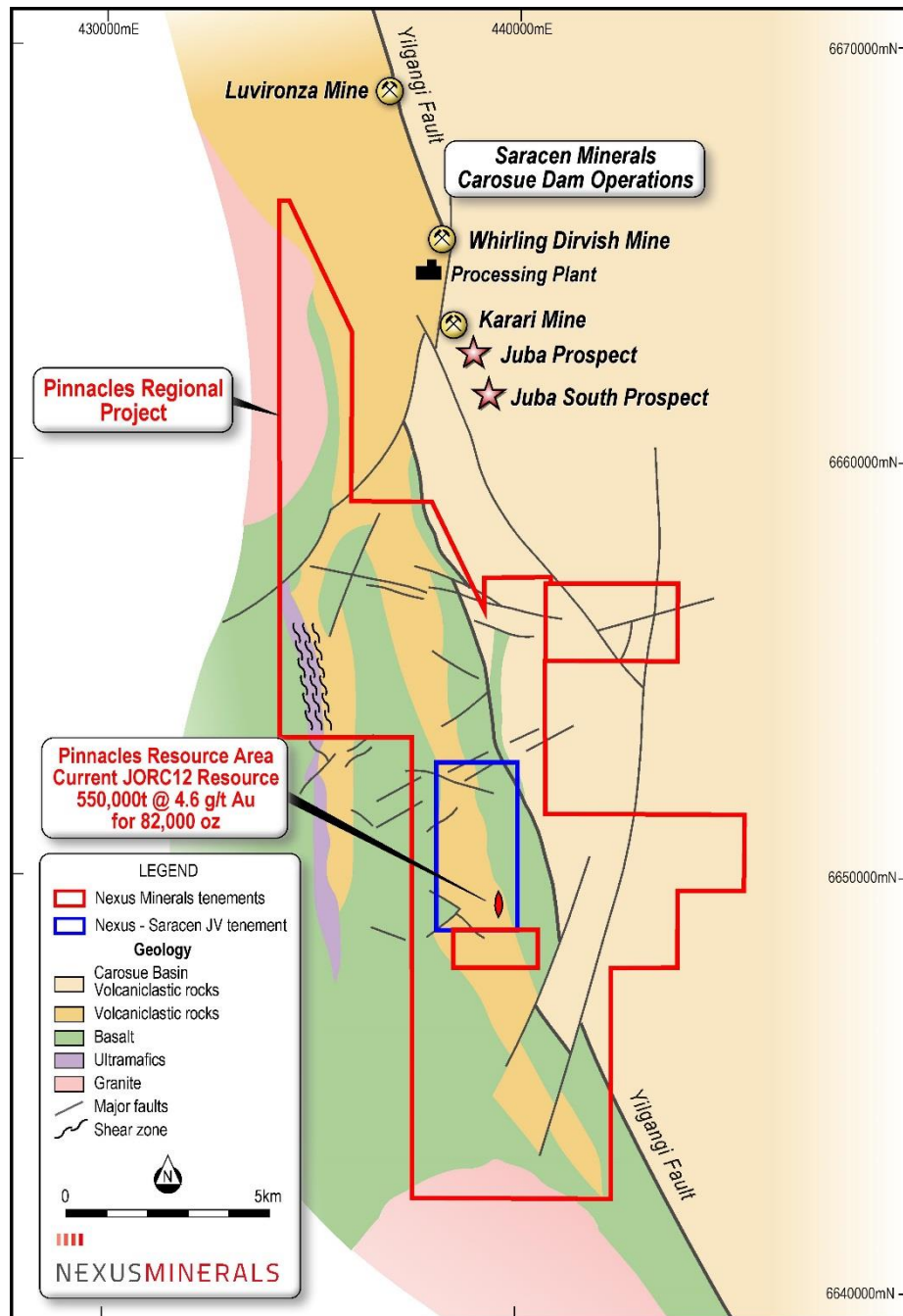


Figure 4: Nexus Pinnacles Regional Geology & Structure

Geology and Structure

The project tenements are underlain by a north-south trending Archaean greenstone sequence with the Carosue Basin volcaniclastic sediments dominating to the east of the Yilgarni fault. To the west of the Yilgarni fault a more mafic dominated package is observed consisting of volcaniclastic sediments intercalated with basalt and ultramafic rock units with minor units. This greenstone sequence is sandwiched between two ovoid Archaean granitoid plutons to the east and the west.

Structurally the region is cut by a series of north-south trending faults with offsets of tens to hundreds of metres. These faults are particularly common in this Carosue Dam region as the greenstone belt passes through a relatively narrow "neck" between the two granitoids. This is also the area where most of the known Carosue Dam mineralisation is concentrated.



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Mineralisation is known to occur proximal to, and east and west of the Yilgangi fault. This fault is a major feature that dissects the Nexus tenement package for a strike distance of some 15km. It can clearly be seen as a “spine” feature on the gravity survey map (Fig. 6).

Another significant feature of the Carosue Dam style mineralisation is the presence of numerous quartz-poor igneous intrusions including lamprophyres, that have intruded the greenstone sequence. Lamprophyres are usually associated with voluminous granitoid intrusive episodes and are known to be spatially and temporally associated with gold mineralisation. They represent the injection of volatile rich magmas from deep sources along major structures – associated with gold mineralisation.

Encouragingly diamond drill core from the Pinnacles East resource area, completed December 2016, intersected a carbonate-chlorite-biotite altered lamprophyre (Fig. 5), confirming that the emplacement of this rock type continues through the Nexus tenement package.



Figure 5: Nexus Pinnacles Diamond Drill Hole NMPDD1 – 399.5m Lamprophyre

Gravity Survey

The successful use of a gravity survey to identify the stratigraphy hosting major deposits in the Carosue Basin by Saracen, on their tenement immediately to the north of Nexus regional tenements, has provided Nexus with the encouragement to undertake its own gravity survey, now completed, covering the Company's 100km² regional package (Fig. 6).

Saracen reported in its ASX release of 27 July 2016 that: *the gravity survey successfully defined the prospective corridor of late basin volcanoclastic sediments which host the major deposits in the Carosue Dam corridor. The key stratigraphy is defined in the gravity data as a gravity low. Many of the deposits in the Carosue district are hosted in this gravity low and are generally proximal to north south striking faults.*

Results are encouraging with gravity lows being identified in the east and west of the tenement package (volcanoclastic sediments), separated down the centre of the tenements by a gravity high (basalt) coincident with the Yilgangi fault zone.



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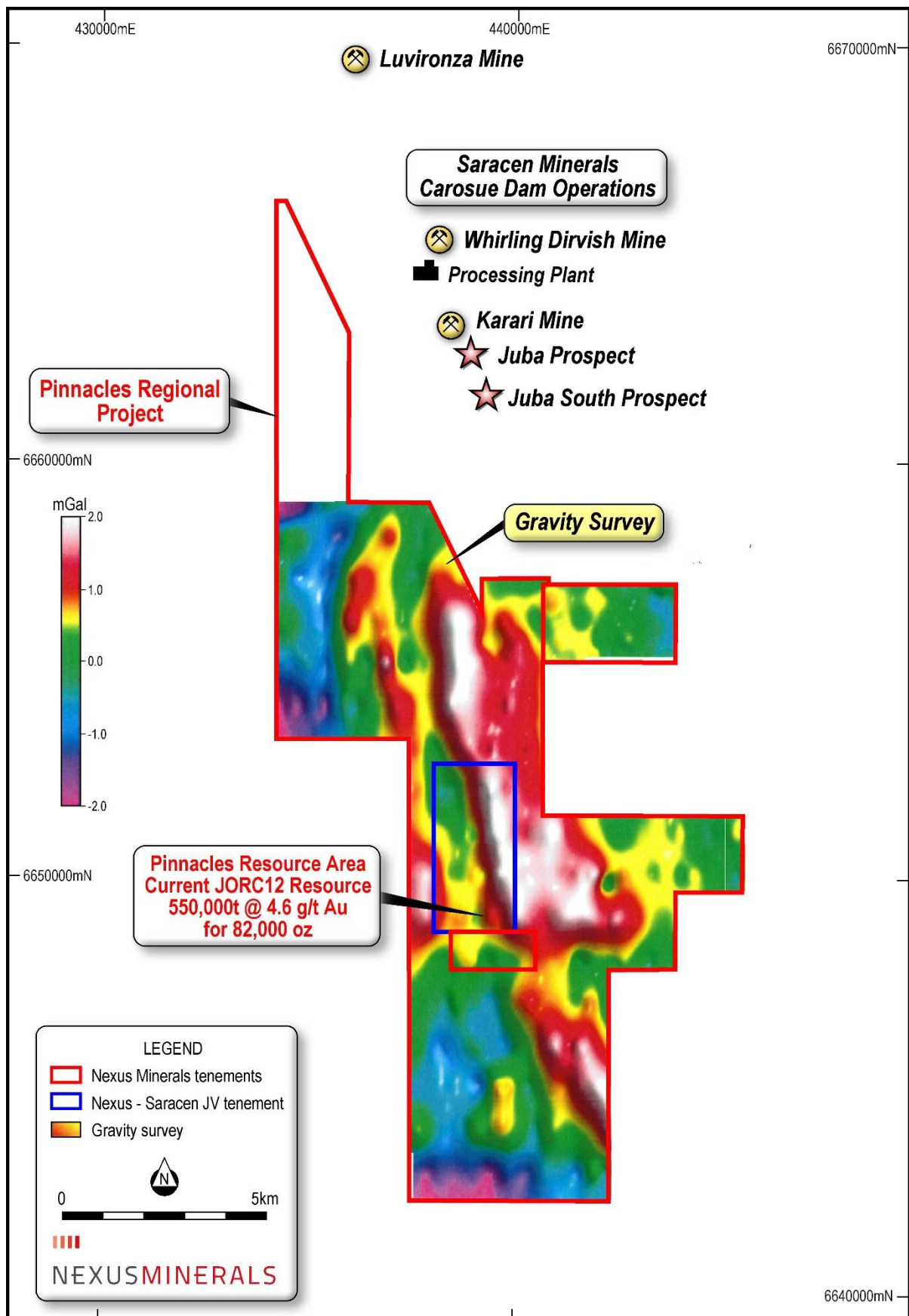


Figure 6: Nexus Pinnacles Regional Gravity Survey



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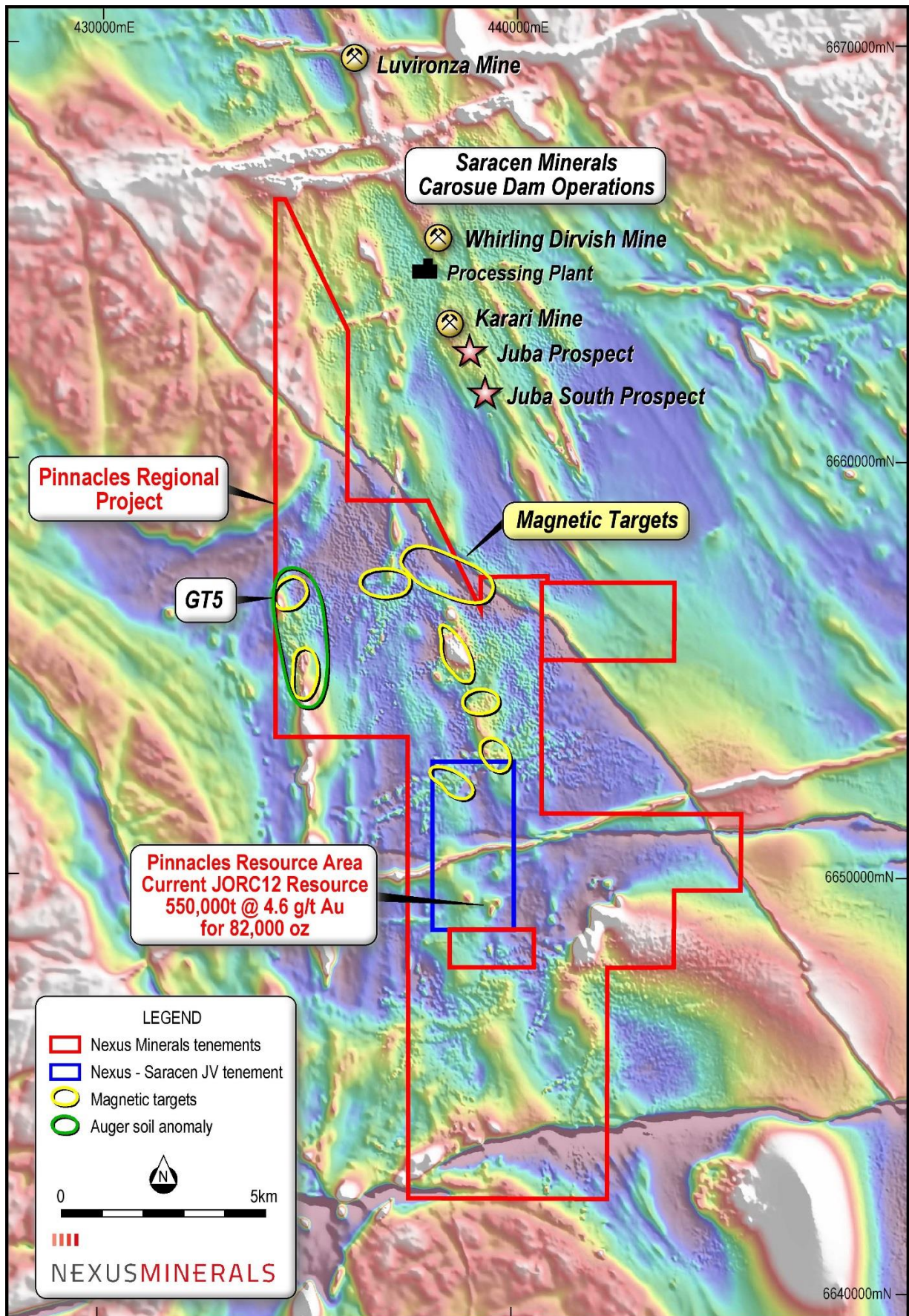


Figure 7: Nexus Pinnacles Regional Airborne Magnetic Targets with Auger Geochemistry anomaly GT5 overlain



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Pinnacles JV (with Saracen Gold Mines Pty Ltd)

Nexus completed mine studies on the Pinnacles East mineral resource area (Fig. 2), with a view to a commercial outcome. The mine study report determined that the economics of the mineral resource, at this stage, did not meet the Company's internal rate of return (IRR) requirement.

Triumph Project

The Triumph Gold Project is located 145km northeast of Kalgoorlie and comprises both 100% owned tenements (46km²) and a Farm-In/Joint Venture agreement (24km²). The total project area covers ~70km². To date, the Company has undertaken multiple IP ground geophysical programs, which identified a central high strain zone. When layered with geology, structural interpretation and ground magnetics, the structural controls on mineralisation are better understood.

No field work undertaken during the quarter.

Mt Celia Project

The Mt Celia Gold Project lies 180km north east of Kalgoorlie within the southern part of the Laverton Tectonic Zone (LTZ). This structure hosts numerous major gold mines and currently contains Mineral Resources of ~20 million ounces. The project area is along strike directly south of Legacy Iron's Blue Peter project that contains an Inferred Resource of 239,232t @ 3.97g/t Au for 30,554oz gold (1g/t cut-off) (see legacyiron.com.au).

The project area contains numerous small historic gold workings, within a shear zone extending locally over 3km in length, and consisting of quartz filled shears within mafic lithologies.

Data compilation and assessment was completed during the quarter, with initial filed investigations commencing in the June quarter.

No field work was undertaken during the quarter.

Corporate

During the quarter, Managing Director Andy Tudor updated brokers on the Company's activities including the Pinnacles Regional Gold project, the Pinnacles JV Gold project, and other Company projects.

At the end of the March quarter, the Company held A\$5.81m cash and equivalents.



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June 2017 Quarter – Work Program

During the June 2017 quarter, the Company intends to undertake the following activities:

Pinnacles Regional Gold project

- Follow up auger geochemical soil survey to infill phase 1 anomaly results
- Detail ground geological investigation of 1 auger soil anomalies
- Undertake phase 2 auger geochemical soil survey – covering a further 25% of the tenement area over target areas identified through integration of aeromagnetic, gravity, structural and geological data sets.

Mt Celia Gold project

- Ground truthing of areas of interest identified through historic data search, and integration of available geological and structural information.

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.

The information in this report that relates to the Nexus Minerals Limited Pinnacles JV Mineral Resource is based upon information from the Company's announcement dated 13 October 2016 and is available to view on the Company's website at www.nexus-minerals.com. The information was compiled by Mr Paul Blackney, a Competent Person who is a member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blackney is a full-time employee of Optiro Pty Ltd, consultants to Nexus Minerals Limited. Mr Blackney has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

SUMMARY OF NEXUS MINERALS LIMITED TENEMENTS

AUSTRALIA	Interest at beginning of Quarter	Interest at end of Quarter
Pinnacles (Gold)		
M28/243	74%	85% - Earning interest through Farm-In JV
P28/1185	100%	100%
E28/2526	90%	90%
E28/2487	100%	100%
Triumph (Gold)		
E31/1088	100%	100%
P31/2074		
P31/2075		
P31/2076		
E31/819	40% - Earning interest through Farm-In JV	80% - Earning interest through Farm-In JV
E31/820		
P31/1960		
P31/1961		
P31/1962		
P31/1963		
P31/1964		
Mt Celia (Gold)		
P39/5484	100%	100%
P39/5485		
P39/5486		
E39/1890		