NEXUSMINERALS

ASX ANNOUNCEMENT **21 January 2016**

MULTIPLE HIGH GRADE GOLD INTERSECTIONS AT PINNACLES JV GOLD PROJECT

- **High grade gold mineralisation intersected in all 7 drill holes**
- **6 of the 7 drill holes intersected high grade zones >10g/t Au**
- **Intersections include: 6m @ 13.1g/t Au, 8m @ 7.7g/t Au and 11m @ 5.6g/t Au**
- **Drilling confirms width and grade of mineralised structure is maintained at depth**
- **Drilling by previous operators and recent Nexus drilling identifies mineralisation from surface to 250m**
- **Mineralisation remains open at depth and along strike**

Eastern Goldfields gold explorer, **Nexus Minerals Limited (ASX: NXM) (Nexus** or **the Company)** is pleased to announce the results of the 2,000m, 7 hole RC drilling program completed at the Pinnacles JV Gold Project in December 2015.

The program was successful in its aim to test for depth extensions of the high grade mineralisation identified to date. This high grade mineralisation is now known to extend ~100m below the existing JORC resource[1], and remains open at depth and along strike.

Table 1 below highlights significant +2g/t Au results received from the program. Intersections in red are shown on Figure 1 Long Section, with bold numbers highlighting high grade zones >10g/t Au.

Hole ID	From (m)	To (m)	Length (m)	Grade g/t Au
NMPRC1	175	186	11	5.6
incl	**181**	**184**	**3**	**13.2**
NMPRC2	208	214	6	13.1
incl	**210**	**214**	**4**	**16.5**
NMPRC3	250	253	3	9.8
incl	**251**	**253**	**2**	**11.0**
NMPRC4	246	250	4	7.6
incl	**248**	**249**	**1**	**10.1**
NMPRC5	210	218	8	7.7
incl	**216**	**217**	**1**	**11.0**
NMPRC6	226	233	7	5.9
incl	**228**	**229**	**1**	**12.3**
NMPRC7	285	289	4	2.2

Table 1: Summary of Significant Intercepts (2.0g/t Au Cut-off)

ASX: NXM

Capital Structure

Shares on Issue 70.4 million

Unlisted Options 5.1 million

Corporate Directory
Mr Paul Boyatzis
Non-Executive Chairman

Dr Mark Elliott
Non-Executive Director

Mr Bruce Maluish
Non-Executive Director

Mr Phillip Macleod
Non-Executive Director and Company Secretary

Mr Andy Tudor
Chief Executive Officer

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)

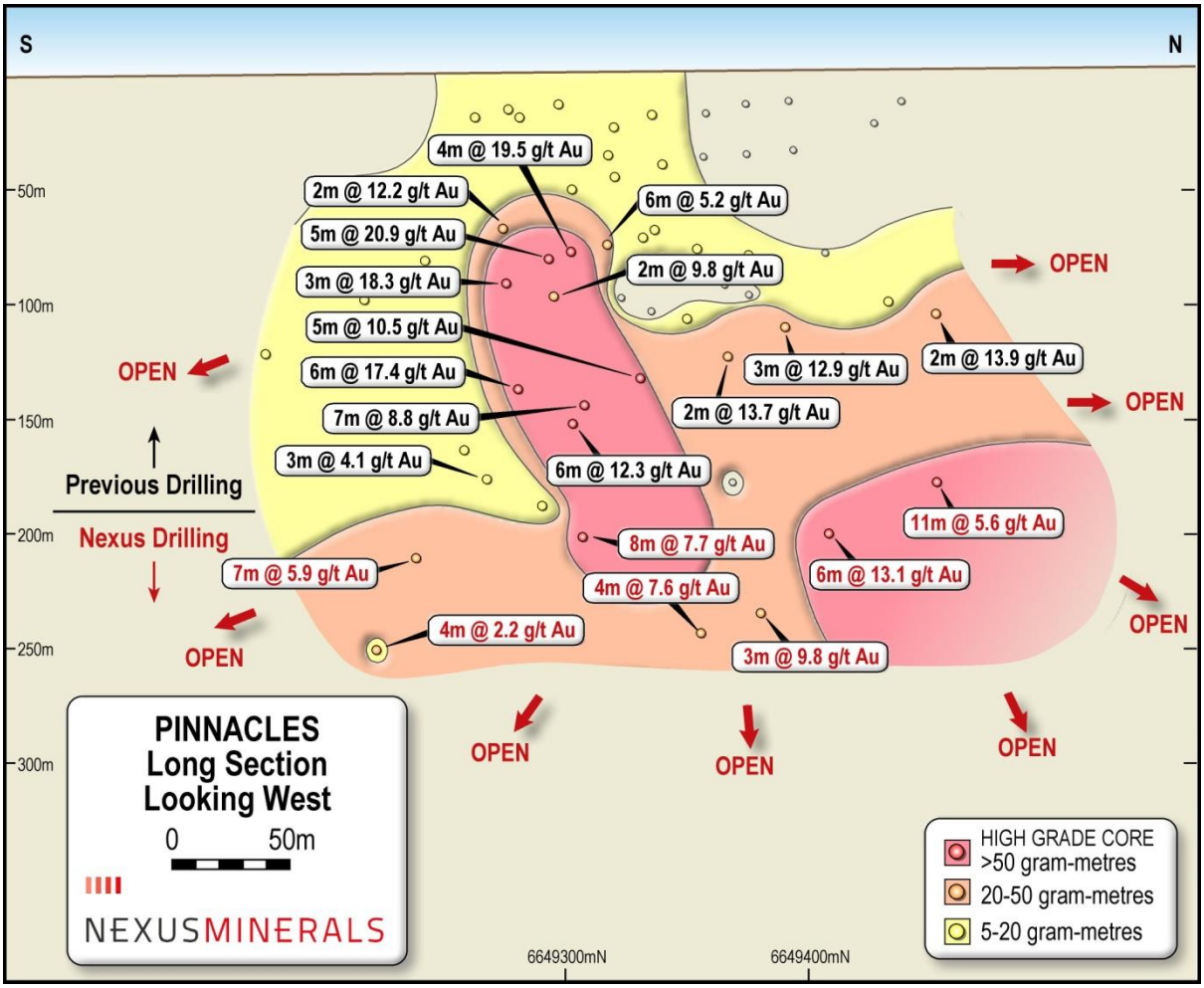

Figure 1: Pinnacles JV Long Section

Historically, some of the deepest RC drilling by previous operators (~150m) yielded significant high grade gold intersections. Mineralisation remained open at depth and to the north and south along strike. Geological modelling of the deposit revealed a significant high grade zone within the mineralised structure.

The first RC drilling program completed by Nexus since entering the Joint Venture with Saracen Mineral Holdings (ASX:SAR) in December 2015 (results highlighted in red on Figure 1 and 2) achieved the aim of testing for extensions to this known high grade mineralisation. The Nexus drilling has shown the mineralisation to continue a further 100m vertically to ~250m below surface, and also that the mineralised structure continues to the north and south of the known resource[1].

Andy Tudor, Nexus' Chief Executive Officer, commented *"We are very excited to have intersected the target zone where modelled, and that significant widths of high grade mineralisation were identified in the Nexus drill holes. Geological modelling will now take place integrating the Nexus drilling with that of previous operators, resulting in the next phase of drill planning".*

[1] JORC-2012 compliant Indicated and Inferred Mineral Resource, completed by Saracen Mineral Holdings Limited, of 413,000t @ 2.1g/t Au for 28,000oz gold (see Saracen Mineral Holdings Limited's ASX release 9 October 2014 '2014 Mineral Resources and Ore Reserves' and '2014 Mineral Resource and Ore Reserve Statement Explanatory Notes and Table').

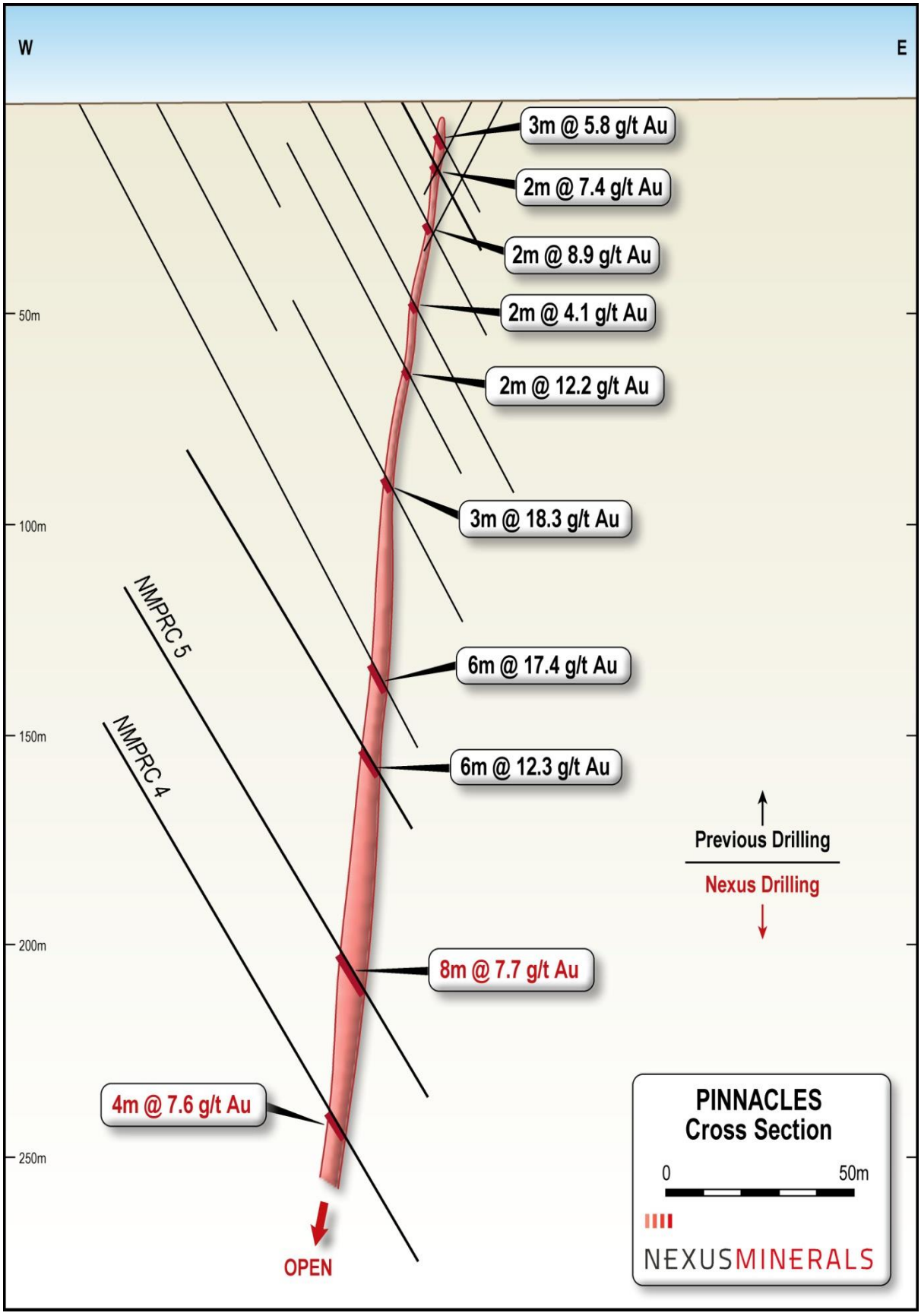

Figure 2: Pinnacles JV Cross Section through mineralised structure

Hole ID	From (m)	To (m)	length (m)	Grade g/t Au	GDA_94 East	GDA_94 North	RL	Depth (m)	Dip	Azimuth
NMPRC1	131	137	6	4.4	439599	6649448	359	200	-60	105
	141	154	13	4.6						
incl	143	144	1	11.8						
incl	147	150	3	8.6						
	160	162	2	10.7						
	164	165	1	14.2						
	175	186	11	5.6						
incl	**181**	**184**	**3**	**13.2**						
NMPRC2	201	204	3	3.1	439568	6649426	360	270	-60	105
	208	214	6	13.1						
incl	**210**	**214**	**4**	**16.5**						
NMPRC3	250	253	3	9.8	439533	6649412	361	330	-60	105
incl	**251**	**253**	**2**	**11.0**						
	278	280	2	10.3						
NMPRC4	246	250	4	7.6	439513	6649377	362	330	-60	105
incl	**248**	**249**	**1**	**10.1**						
NMPRC5	210	218	8	7.7	439532	6649329	361	255	-60	105
incl	**216**	**217**	**1**	**11.0**						
NMPRC6	226	233	7	5.9	439504	6649270	362	275	-60	105
incl	**228**	**229**	**1**	**12.3**						
NMPRC7	285	289	4	2.2	439469	6649265	367	336	-60	105
	292	293	1	2.5						

Table 2: Summary of All Intercepts (2.0g/t Au Cut-off) and RC Drill Hole Locations

In addition to the mineralisation encountered in the main mineralised structural zone, the drilling also indicated that in the most northerly Nexus hole drilled to date (NMPRC1) there exists multiple hanging wall zones of mineralisation as can be seen in Table 2: 6m@4.4g/t Au, 13m@4.6g/t Au, 2m@10.7g/t Au and 1m@14.2g/t Au. Multiple zones of hanging wall mineralisation were also encountered in the Saracen drill hole PERC019, drilled directly above NMPRC1, where 11m@2.19g/t Au was reported in addition to the main mineralised zone intercept of 2m@13.9g/t Au (see Nexus ASX release 19/9/2015).

Discussion

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 disrupted by the forceful intrusion of a series of granitoid rocks.

The recent drill program has shown that locally the volcaniclastic package consists of shales, sandstones and conglomerates, with the units displaying varying degrees of silicification. This silicification is more prominent in the northern holes where silica flooding and hydrothermal brecciation was observed.

Gold mineralisation occurs within a sub-vertical shear zone hosted within the sediments. This mineralisation is associated with an increase in quartz veining, chlorite alteration and increase in sulphide content.

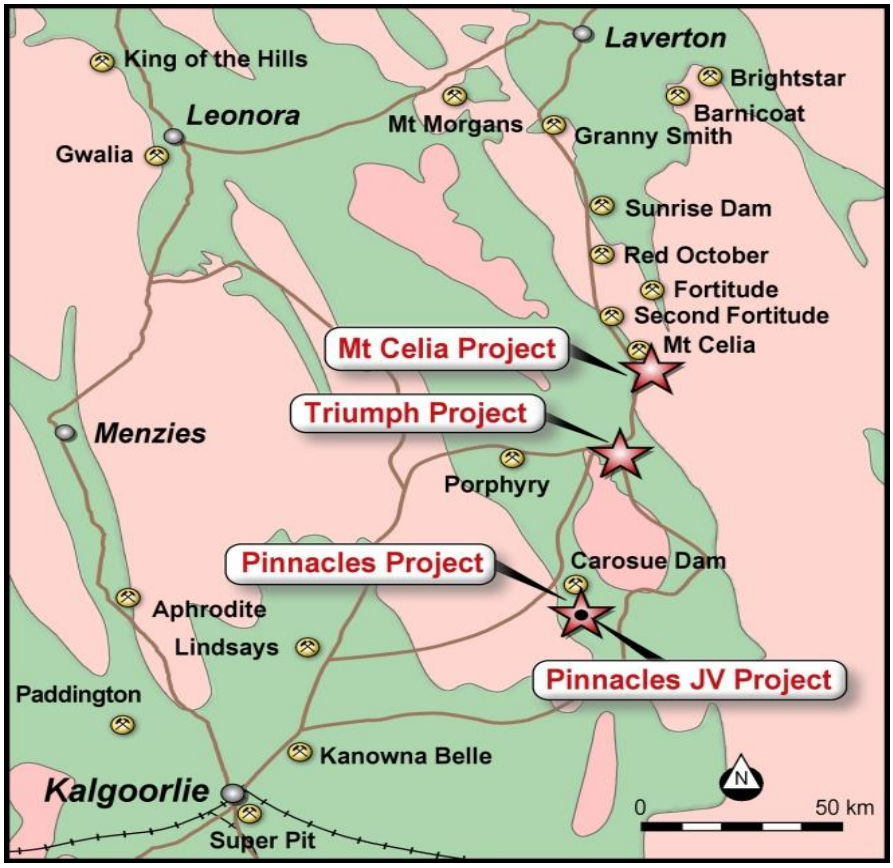

Figure 3: Nexus Project Locations – Western Australia

About Nexus

Nexus Minerals is a well-funded, resources company with a portfolio of projects in Western Australia (Figure 3). With a capable and 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.

In September 2015, Nexus announced that it had reached an agreement with a subsidiary of Saracen Mineral Holdings (ASX:SAR) over the Pinnacles Gold Project, located 13km south of SAR's Carosue Dam Operation, whereby Nexus can earn an 85% interest in the project via the spending of A$1m over a period of up to 5 years.

Ends

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Mr Paul Boyatzis, Non-Executive Chairman

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The information in this report that relates to Exploration Results is based on information 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 it is not aware of any new information that materially affects the information included in the original announcement, and in the case of Mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. 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

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 Reverse Circulation Drilling (RC). 7 holes were drilled in this program. All drill holes were sampled at intervals of every 1m via a rig mounted cone splitter. Drill hole locations were taken by handheld GPS. 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 1m samples collected through a cyclone and cone splitter producing a 2-3kg sample. All samples had 4 consecutive 1m samples composited to form a 4m composite sample which was sent to the laboratory for analysis. Samples logged as mineralised were also sent in 1m samples 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.
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 drilling and collect the samples. The face sampling bit had a diameter of 5.5 inches (140mm).
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.*	All samples were dry with no significant ground water encountered. RC face sampling bits and dust suppression were used to minimise sample loss. Average meter sample weight recovered was 25kg with minimal variation between samples.

Criteria	JORC Code explanation	Commentary
	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.	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.*	All RC chip samples were geologically logged by Nexus Minerals Geologists, using the approved Nexus Minerals logging code.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of RC chips recorded: Lithology, mineralogy, alteration, mineralisation, colour, weathering and other characteristics as observed. All samples were wet sieved.
	The total length and percentage of the relevant intersections logged.	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.*	No core was collected.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	One meter drill samples pass through a rotary cone splitter, installed directly beneath a rig mounted cyclone, and a 2-3kg sample 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. 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 at 1:25 samples.

Criteria	JORC Code explanation	Commentary
	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. *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sampling methods and company QAQC protocols are best industry practice. 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.* *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.* *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.*	Samples were analysed at the Intertek laboratory Perth. 4m composite 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. 1m samples were analysed for gold 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. Not applicable. Nexus Minerals protocol provides for Certified Reference Material (Standards and Blanks) to be inserted at a rate of 2 standards and 1 blank per 100 samples. Field duplicates are inserted at a rate of 1 per 25 samples. Industry acceptable levels of accuracy and precision have been returned.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.*	Significant intersections were verified by the Exploration Manager. No twin holes were drilled as part of this program

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. *Discuss any adjustment to assay data.*	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 an electronic single shot camera to take dip/azimuth readings every 50-60m. 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 25-75m. Not applicable. 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). All holes were drilled -60 degrees towards 105 degrees. Not applicable.
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 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.

Criteria	JORC Code explanation	Commentary
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 Appendix A 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 2g/tAu. No top cuts have been applied to the reported assay results. See Table 1. Not applicable.
Relationship between mineralisation widths and intercept lengths	*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 should be a clear statement to this effect (eg 'down hole length, true width not known').*	The orientation of the drill lines is considered to be perpendicular to the strike of the regional structures controlling the mineralisation (195 degrees). All holes were drilled -60 degrees towards 105 degrees. 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.

Criteria	JORC Code explanation	Commentary
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. Results are reported with results above 2g/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.*	Not Applicable.
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 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.