



QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31 December 2015

ASX: NXM

Capital Structure

Shares on Issue 70.4 million

Unlisted Options 3.5 million

Market Cap @ 0.08c a share
(27/01/16) \$5.6 million

Cash on Hand \$5.8 million
(31/12/15)

Corporate Directory

Paul Boyatzis
Non-Executive Chairman

Dr Mark Elliott
Non-Executive Director

Mr Bruce Maluish
Non-Executive Director

Mr Philip 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 Joint Venture Gold

Pinnacles Regional Gold

Triumph Gold

Mt Celia Gold

HIGHLIGHTS

- ❖ **Pinnacles JV Project**
 - ❖ 7 hole RC drill program intersects high grade mineralisation
 - ❖ Intersections include: 6m @ 13.1g/t Au, 8m @ 7.7g/t Au and 11m @ 5.6g/t Au
 - ❖ Mineralisation remains open at depth and along strike
 - ❖ Drilling confirms mineralisation from surface to 250m
- ❖ **Successful application for drilling co-funding of two deep diamond drill holes at the Pinnacles JV Project**
- ❖ **In addition to regular company marketing and briefings, there has been increased broker and investor inquiries following the announcement of positive drill results**
- ❖ **Company featured in the quarterly issue of Gold Mining Journal**
- ❖ **Company received a \$240,000 R&D refund for work undertaken at Triumph Gold Project**

Nexus Minerals Limited (ASX: NXM) ("Nexus" or "the Company") is pleased to provide the following update on progress made during the December quarter ("the Quarter"). Significantly, the Company completed a 2,000m, 7 hole RC drilling program at the Pinnacles JV Gold Project.

This is the first RC drilling program completed by Nexus since entering into a Joint Venture with Saracen Mineral Holdings (ASX:SAR) in December 2015, and achieved the aim of testing for extensions to previously identified 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.

The drilling also indicated that in the most northerly Nexus hole drilled to date, there exists multiple hanging wall zones of mineralisation including: 6m@4.4g/t Au, 13m@4.6g/t Au, 2m@10.7g/t Au and 1m@14.2g/t Au. (For full details see ASX release 21/1/16).



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Table 1 below highlights significant +2g/t Au results received from the program. Intersections in red are shown on Figure 3 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)

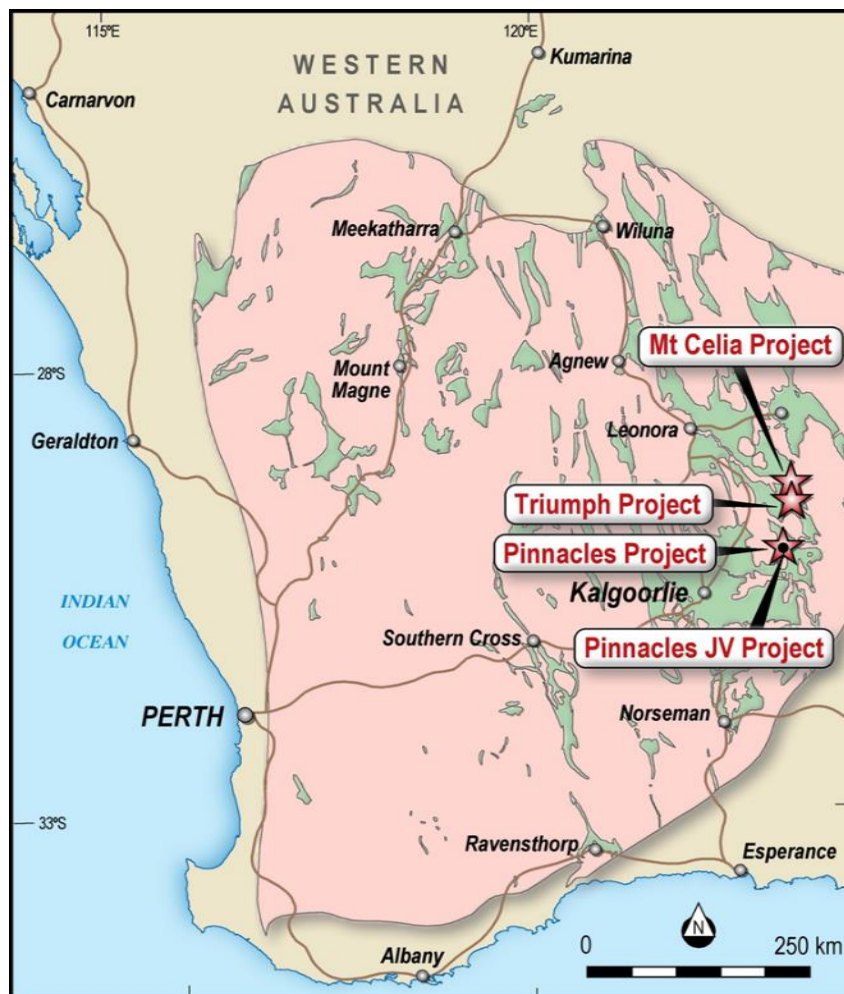


Figure 1: Nexus Project Locations – Western Australia

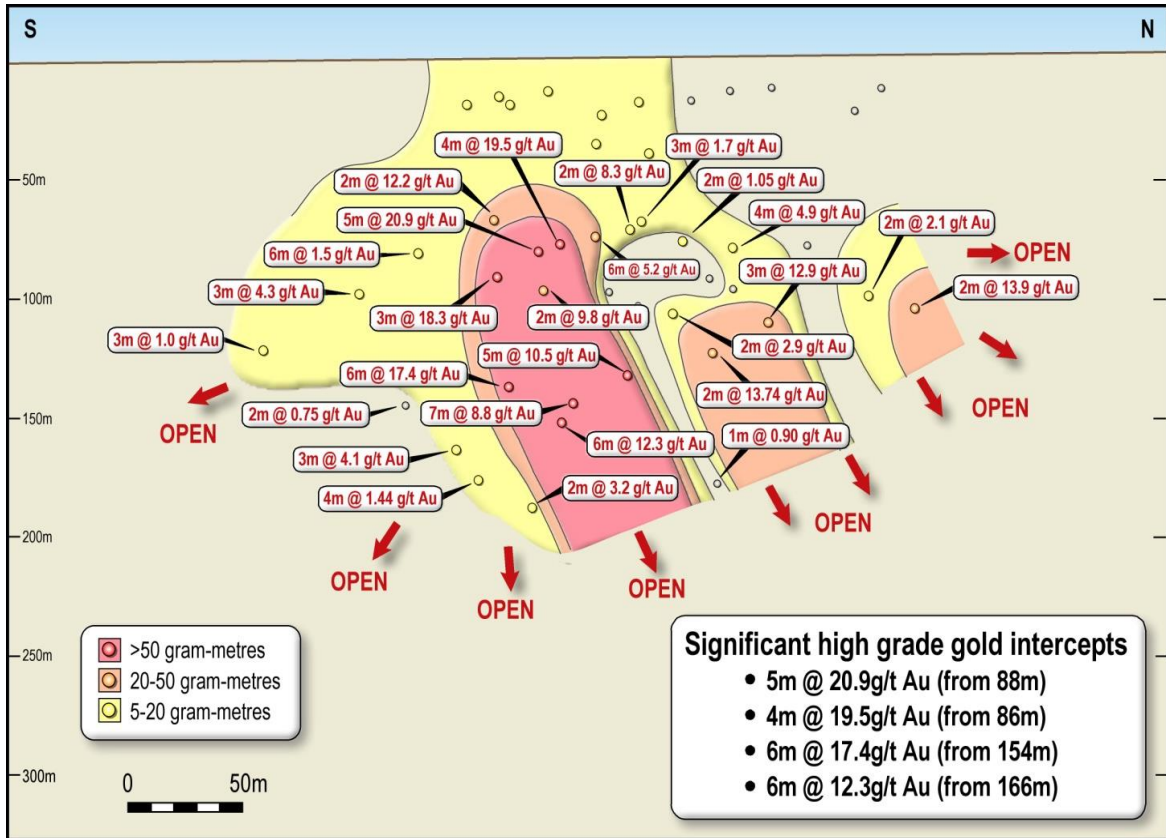


Figure 2: Pinnacles Long Section – BEFORE Nexus drill program

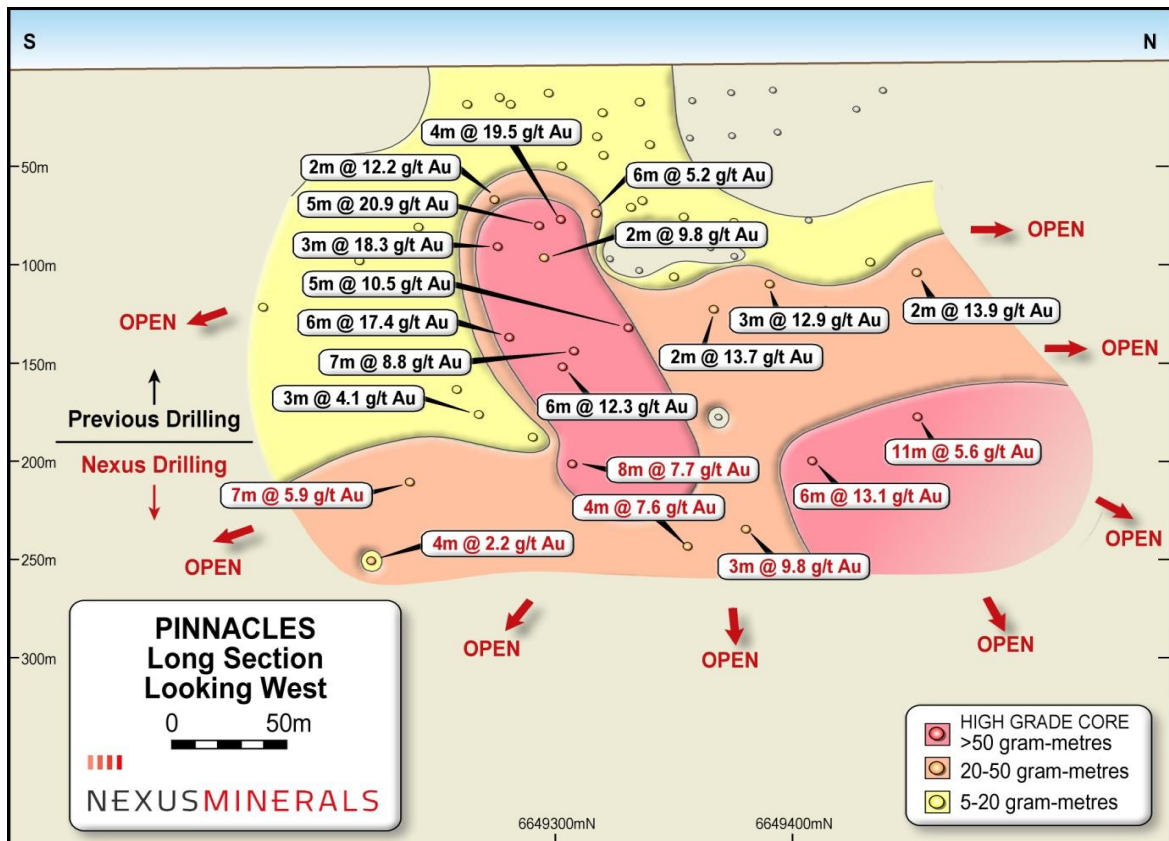


Figure 3: Pinnacles Long Section – AFTER Nexus drill program

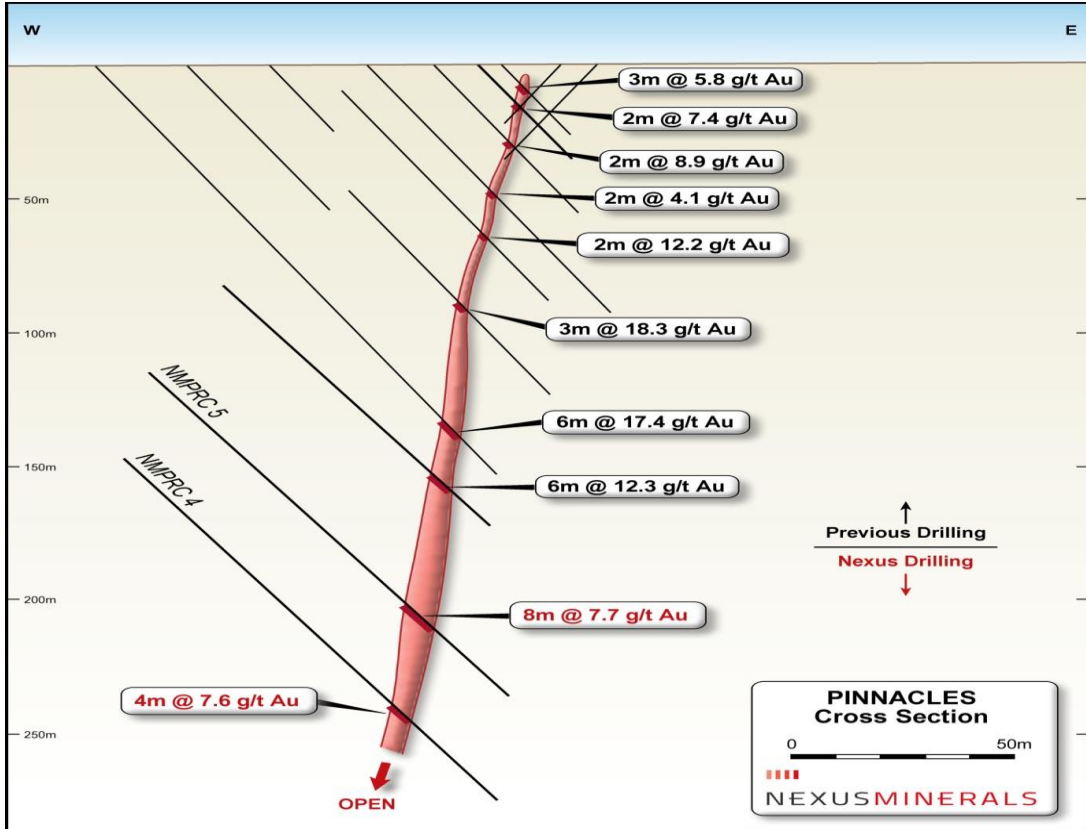


Figure 4: Pinnacles Cross Section through mineralised structure – after Nexus drilling

Other Projects

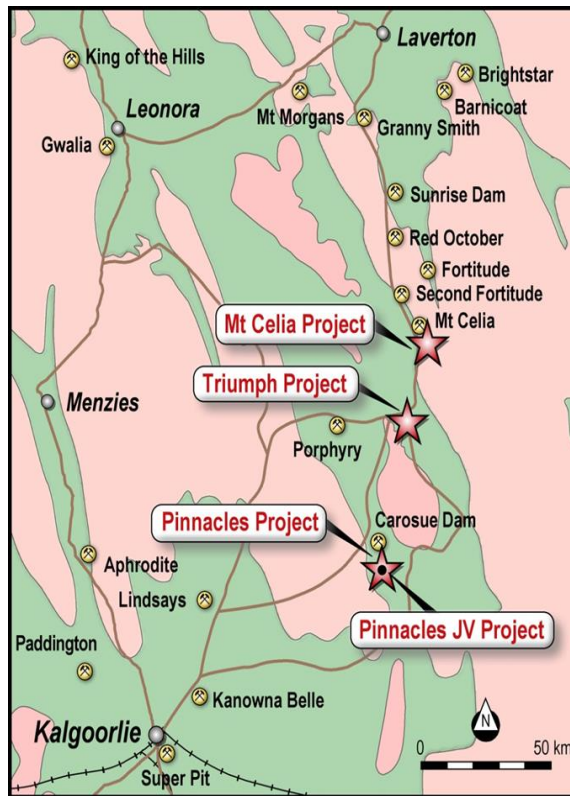


Figure 5: Nexus Project Locations – Eastern Goldfields Western Australia



Pinnacles Regional Project

The Pinnacles Project tenements cover approximately 94km². Nexus has applied for an exploration license (90% Nexus / 10% Pumphrey) that covers some 92km², and have purchased a further 2km² prospecting license (Nexus 100%) to complete the package (Figure 6).

The tenement area is immediately to the south of Saracen Gold Mines' Carosue Dam mining operation, which includes the Whirling Dervish and Karari gold mines, currently in operation. During the 2014 year, Saracen produced 79,000 ounces of gold from these two mines and they contain a current resource base of some 1.4 million ounces.

The Pinnacles project area is considered to be prospective for gold mineralization, and as such, a full compilation of historic data is underway. This will be completed in conjunction with regional geological, geophysical and structural interpretation. Field programs will then be undertaken over the most prospective areas identified.

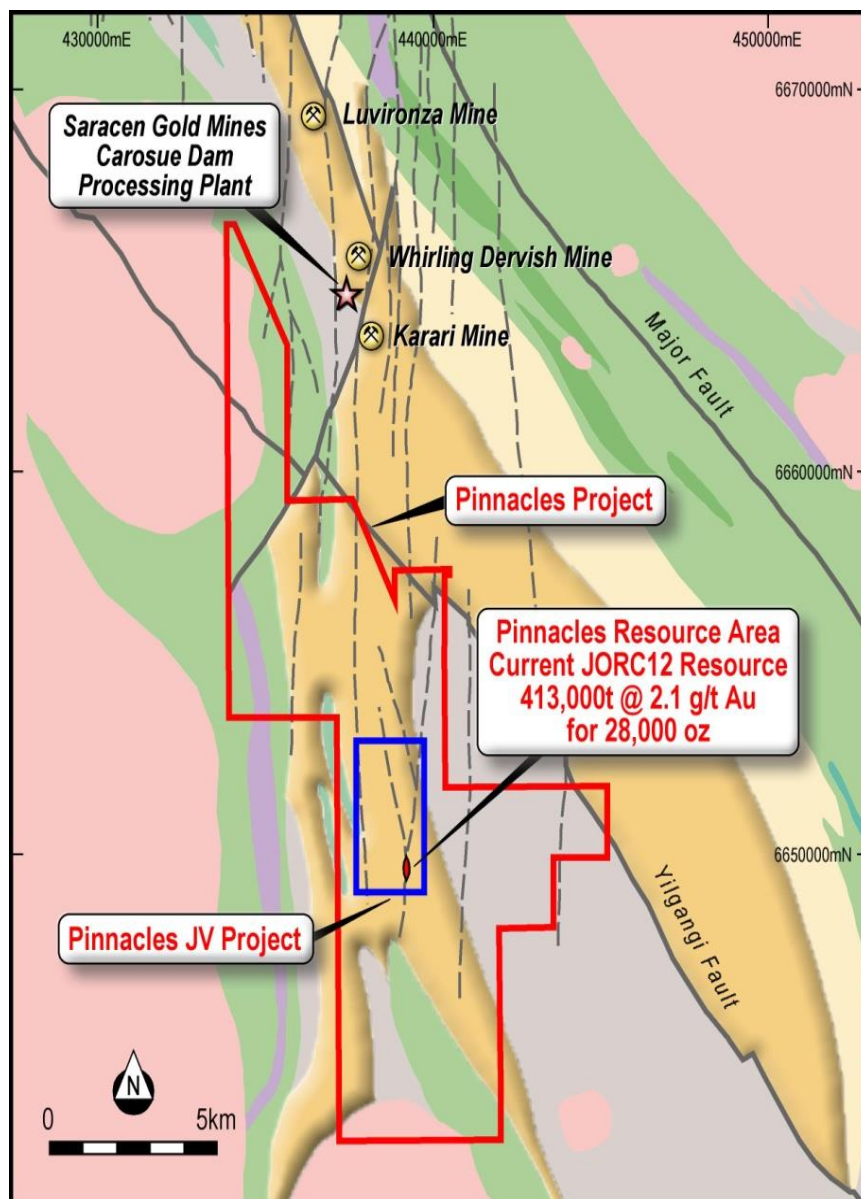


Figure 6. Pinnacles Regional project location, Eastern Goldfields, Western Australia (Red). Pinnacles Regional Project Tenement package surrounds the Pinnacles JV tenement (Blue).



Triumph Project

The Triumph Gold Project is located 145km northeast of Kalgoorlie and comprises both 100% owned tenements (46km²) and a Farm-In/JV agreement (24km²). The total project area covers some 70km². To date, the Company has undertaken an IP ground geophysical program, which identified a central high strain zone. When layered with geology, structural interpretation and ground magnetics, it assists in understanding of structural controls on mineralisation. Nexus completed an RC drill program totalling 4,034m in early 2015 to test four high priority areas, with high grade mineralisation intersected at Triumph and Glengarry prospects (see ASX release 16 June 2015).

No field work was 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 Resources of some 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 for 30,554oz gold (1g/t cut-off) (see Legacy Iron Ore Limited website).

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.

No field work was undertaken during the Quarter.

Corporate

Nexus CEO Andy Tudor presented at the Proactive Investors seminars in Sydney and Melbourne on the 20 & 21st October. He also presented to stockbrokers and fund managers in both cities at that time and was well received. The presentation provided an update of the Company's activities including the newly executed Pinnacles Joint Venture and Farm-In Agreement with Saracen Gold Mines, and the impending drill program. This presentation has also been provided to a number of Perth stockbrokers and fund managers during the quarter.

Nexus CEO interview with Gold Mining Journal – published in issue Oct-Dec 2015 (Page 13).

Nexus applied for, and was successful, in its application for government co-funded exploration grant for the sum of \$100 000. The matched expenditure funding is to undertake two 750m deep diamond drill holes in the centre of the Pinnacles JV Gold Project. It is proposed to undertake 400m RC drill pre-collars and 350m diamond "tails" with the aim of intersecting the mineralised structure at a depth of ~550m below surface. To utilise the co-funding grant, the drilling must be completed before the end of 2016.



March Quarter – Work Program

During the March Quarter, the Company intends to undertake the following activities:

- Corporate
 - Undertake extensive marketing activities including presentations to brokers, fund managers, analysts, high net worth individuals and to the Proactive Investor seminars in Sydney and Melbourne
- Pinnacles JV
 - Geological modelling integrating recent Nexus drilling results with previous drill result database
 - Re-logging historical RC drill chips and integrating with recent Nexus geology logs
 - Develop drill program to target area to the north of high grade intersections 11m@5.6g/t Au and 2m@13.9g/t Au
 - Geological studies and field investigations on full extent of tenement
- Pinnacles Regional – On grant of tenement, commence regional geological assessment.
- Triumph – No field work planned.

About Nexus

Nexus Minerals is a well-funded, diversified resources company with a portfolio of projects in Western Australia. 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.

- Ends -

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ASX Code **NXM**

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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.

SUMMARY OF NEXUS MINERALS LIMITED TENEMENTS

AUSTRALIA	Interest at beginning of Quarter	Interest at end of Quarter
Pinnacles JV (Gold)		
M28/243	Nil	Nil - Earning interest through Farm-In JV
Pinnacles Regional (Gold)		
P28/1185	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
E28/2526 - Application	Nil	Nil
Triumph (Gold)		
E31/1088	100% Nexus Minerals Australia Pty Ltd	100% Nexus Minerals Australia Pty Ltd
P31/2074		
P31/2075		
P31/2076		
E31/819	Nil - Earning interest through Farm-In JV	40% - Earning interest through Farm-In JV
E31/820		
P31/1960		
P31/1961		
P31/1962		
P31/1963		
P31/1964		
Mt Celia (Gold)		
P39/5484	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
P39/5485		
P39/5486		
E39/1890 - Application	Nil	Nil