



PINNACLES GOLD PROJECT FARM-IN & JV WITH SARACEN GOLD MINES

ASX: NXM

Capital Structure

Shares on Issue 70.4 million

Unlisted Options 5.1 million

Cash on Hand \$6.11 million
(31/7/15)

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

Triumph Project (Gold)
Eastern Goldfields WA
Company and Farm-In JV
tenements

Mt Celia (Gold)
Eastern Goldfields WA

Pinnacles (Gold)
Eastern Goldfields WA

Gardiner Range (Gold/REE)
Tanami region WA

HIGHLIGHTS

- ❖ **Farm-in & Joint Venture Agreement enabling Nexus to earn up to 85% of the Pinnacles Gold Project;**
- ❖ **Saracen Mineral Holdings to remain 15% JV partner;**
- ❖ **Agreement includes Ore Sale and Purchase clause for processing of potential ore from the Project at Saracen's Carouse Dam Gold processing facility (13km north);**
- ❖ **Significant high grade gold drill intercepts remain open at depth and along strike, including:**
 - 5m @ 20.95g/t Au (from 88m),
 - 4m @ 19.51g/t Au (from 86m),
 - 6m @ 17.44g/t Au (from 154m),
 - 6m @ 12.30g/t Au (from 166m), and
 - 3m @ 16.12g/t Au (from 139m).
- ❖ **JORC-2012 compliant Resource contains a high grade core with multiple steeply dipping ore shoots, open at depth and along strike;**
- ❖ **Year 1 exploration drill program to focus on testing continuation of high grade mineralisation at depth;**
- ❖ **JV tenement surrounded by 94km² of Nexus regional tenement package.**

Nexus Minerals Limited (ASX: NXM) (Nexus or the Company) is pleased to advise that it has entered into a Farm-in and Joint Venture Agreement (the **Agreement**) over the Pinnacles Gold Project (the **Project**) with Saracen Gold Mines Pty Ltd, a subsidiary of Saracen Mineral Holdings Limited (**Saracen**). This investment is consistent with the Company strategy of investing in advanced gold exploration assets.

The Agreement includes an Ore Sale and Purchase Agreement, whereby any future ore mined from the Project tenement will be purchased by Saracen for processing through its 2.4Mtpa CIL processing plant at Carouse Dam – 13km to the north of the project area.



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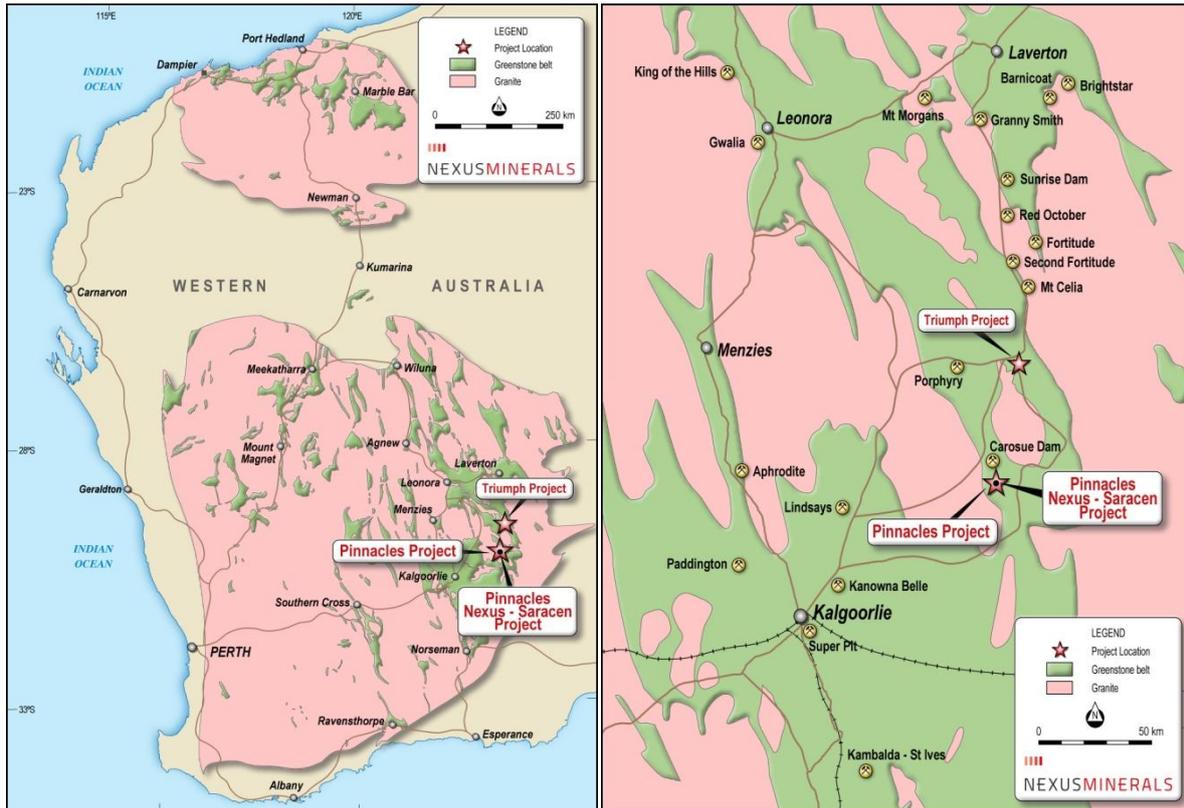
Figure 1. Pinnacles JV Project location and the Carosue Dam Mine Operation

Under the Agreement, Nexus is the sole manager of the Pinnacles Gold Project and can earn up to 85% of the Project, by satisfying a series of staged farm-in milestones with specific exploration expenditure commitments required to increase its interest. Upon Nexus reaching 85% ownership, a contributing joint venture will be established, with each party contributing in proportion to its joint venture interest.

The Pinnacles Gold Project is located in the Eastern Goldfields of Western Australia, some 100km northeast of Kalgoorlie-Boulder (Figures 1, 2 and 3).



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Figures 2 and 3. Pinnacles Project Location, Western Australia.

The project is located on a granted Mining Lease, M28/243 (expiry 2031), that covers an area of 4x2km and is currently held 100% by Saracen Gold Mines Pty Ltd, a subsidiary of Saracen. The tenement lies 13km to the south of Saracen's Carosue Dam Mine facility. The tenement is surrounded on all sides by Nexus 94km² tenement package (see ASX release 23/4/2015). Access into the project area is from the Carosue Dam Mine site via existing Saracen access roads and station tracks (Fig. 1 and Fig. 4).

The tenement is immediately to the south of, and in conjunction with Nexus regional tenement package is contiguous with, Saracen's Carosue Dam mining tenements, which includes the Whirling Dervish and Karari gold mines, currently in operation (Fig. 1 and Fig. 4). During 2014, the two mines produced 79,000 ounces of gold, and contain a current resource base of 1.4 million ounces.

The joint venture tenement exhibits project historic gold mine workings and multiple parallel mineralised structures. Gold mineralisation occurs within a sub-vertical shear zone and is associated with quartz veining and sheared altered host rocks.

There are a number of small shafts that have been worked in the early 1900's extracting gold bearing ferruginous quartz. There has been limited exploration undertaken on the tenements by a number of companies from the early 1980's to present, but only in the search for shallow oxide gold potential.

The Project contains a JORC-2012 compliant resource, completed by Saracen, 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'). The Resource is defined to a depth of only 150m.



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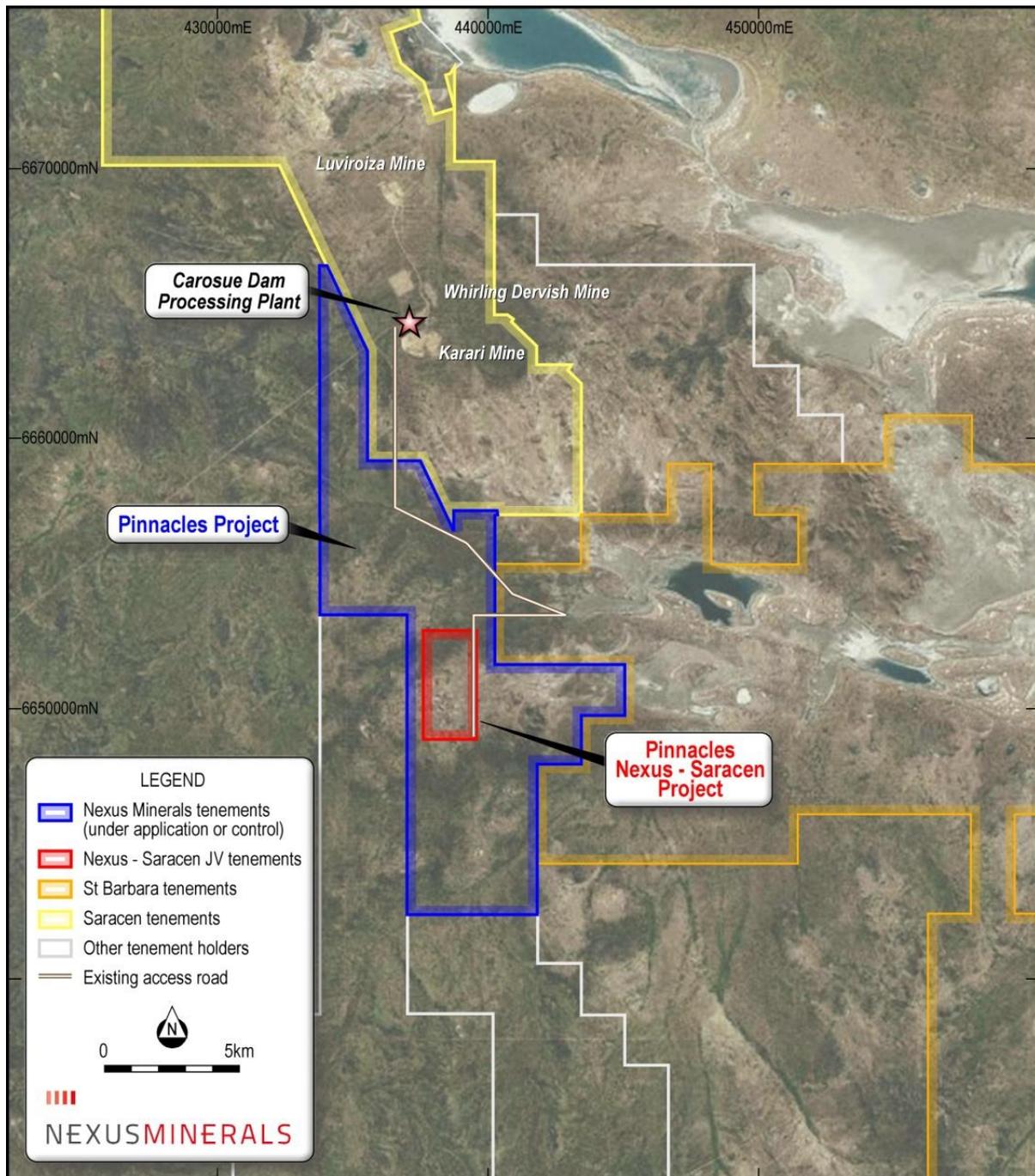


Figure 4. Pinnacles JV and Current Nexus Pinnacles Project Location, Western Australia.

Mineralisation

Some of the deepest RC drilling (~150m) has yielded significant high grade gold intersections (6m @ 12.3g/t Au). Mineralisation remains open at depth, and to the north and south along strike. Encouragingly, geological modelling of the deposit reveals a significant high grade “core” to the mineralised structure, with multiple repetitions of steeply dipping high grade ore shoots evident (Fig 5 and Fig 6).



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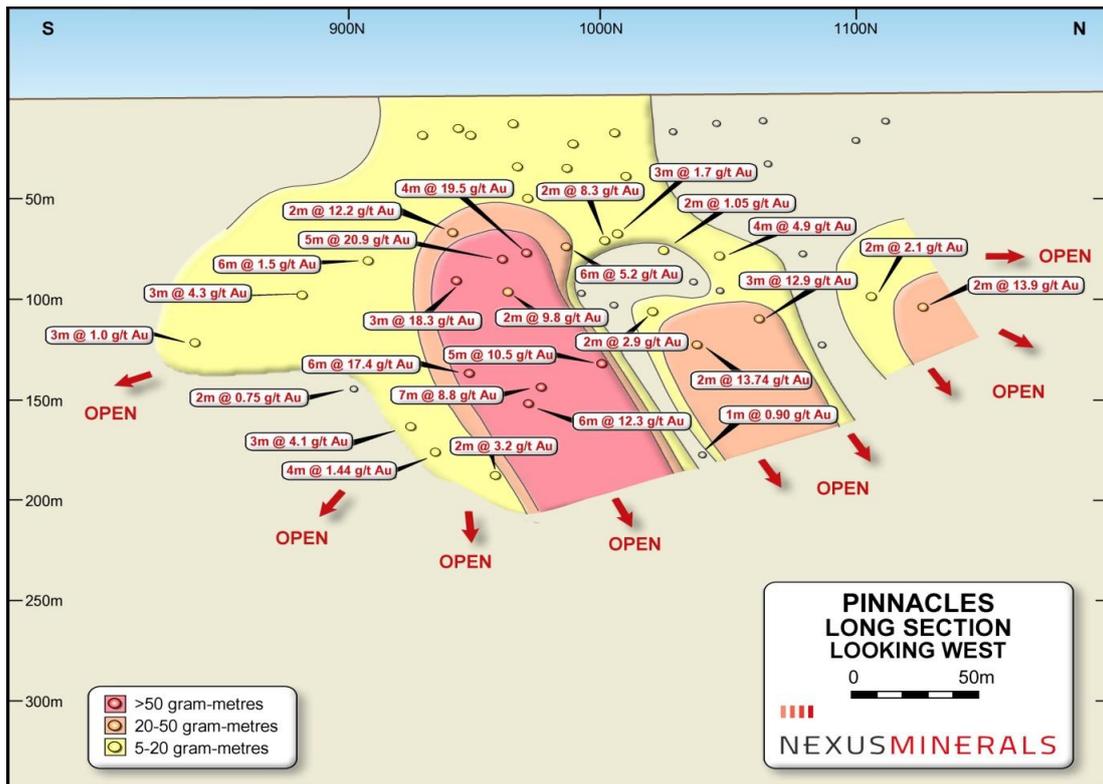


Figure 5. Pinnacles Long Section through Current Resource

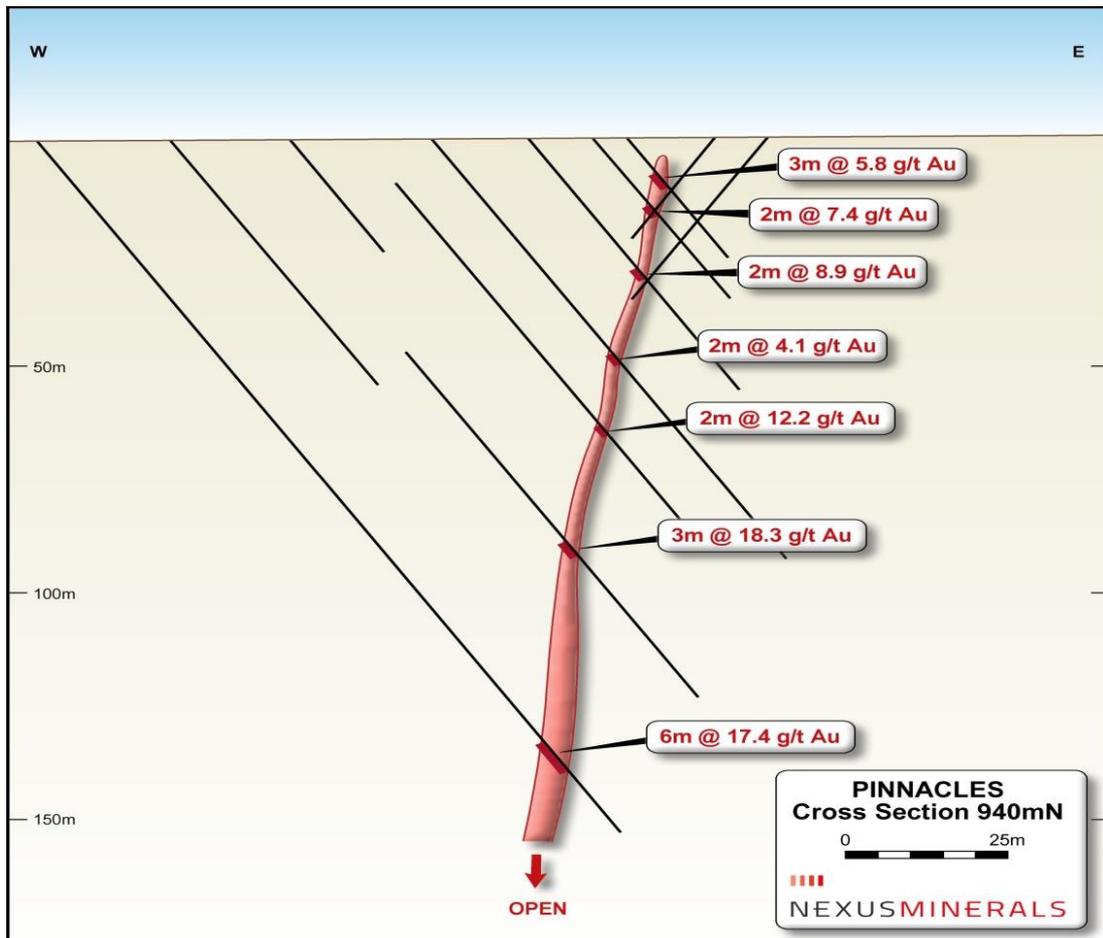


Figure 6. Pinnacles Cross Section through High Grade Shoot



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Farm-In / Joint Venture Agreement with Saracen

The key terms of the Agreement are:

- Nexus is the sole manager of the Farm-in and Joint Venture (JV) from the commencement date.
- Year 1 - Nexus to spend \$200,000 on the project to earn 25% interest (25%).
- Year 2 - Nexus to spend \$200,000 on the project to earn a further 25% interest (50%).
- Year 3 - Nexus to spend \$200,000 on the project to earn a further 12% interest (62%).
- Year 4 - Nexus to spend \$200,000 on the project to earn a further 12% interest (74%).
- Year 5 - Nexus to spend \$200,000 on the project to earn a further 11% interest (85%).
- Upon Nexus earning an interest of 85%, a contributing JV will be established with each party contributing to its JV interest – Nexus 85% / Saracen 15%.
- Nexus has the right to elect to exit the JV after a minimum spend of \$200,000.
- Nexus shall have access to the Carosue Dam Mine facilities, infrastructure and mine village.
- An Ore Sale and Purchase Agreement (not toll treatment) whereby:
 - o Nexus agrees to sell and Saracen agrees to buy any future ore defined and mined within the tenement.
 - o The ore will be purchased by Saracen as delivered to the Carosue Dam plant ROM pad - post determination of recovery % / tonnes / grade, less a treatment charge.
 - o Payment for the ore will be based on delivery to the ROM pad of ore material (regardless of whether Saracen has treated the ore or not).
 - o Saracen are responsible for all treatment and royalty costs.

The Farm-in & Joint Venture not only allows for the opportunity to access a project with significant exploration drill results to date and high expectations for further exploration success, but also allows for access to the Carosue Dam Mine facilities, infrastructure and access roads. Upon establishment of any future mining operation on the tenement, the ability to access the Carosue Dam plant eliminates the requirement for any processing plant capital.

IMPORTANT NOTE: No Ore Reserves have currently been defined on the Pinnacles Gold Project. There has been insufficient exploration and technical studies to estimate an Ore Reserve and it is uncertain if further exploration and/or technical studies will result in the estimation of an Ore Reserve. The potential for the development of a mining operation and sale of ore from the Pinnacles Gold Project has yet to be established.



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About the Pinnacles Gold Project

The Pinnacles Project area covers part of a 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 (Fig. 7).

The tenement comprises predominantly underlying basalt, with felsic volcanoclastic sandstone and local conglomerate horizons. The sandstone is often ferruginized or laterized. The two main areas of workings (east and west zones) exhibit black slate within the basalt sequence. The outcrop in the area of these workings is either gossanous ironstone or laminated grey chert. A lateritic profile up to 10m thick is exposed on the northern part of the tenement, whilst to the south the laterite has been stripped exposing extensive alluvial flats.

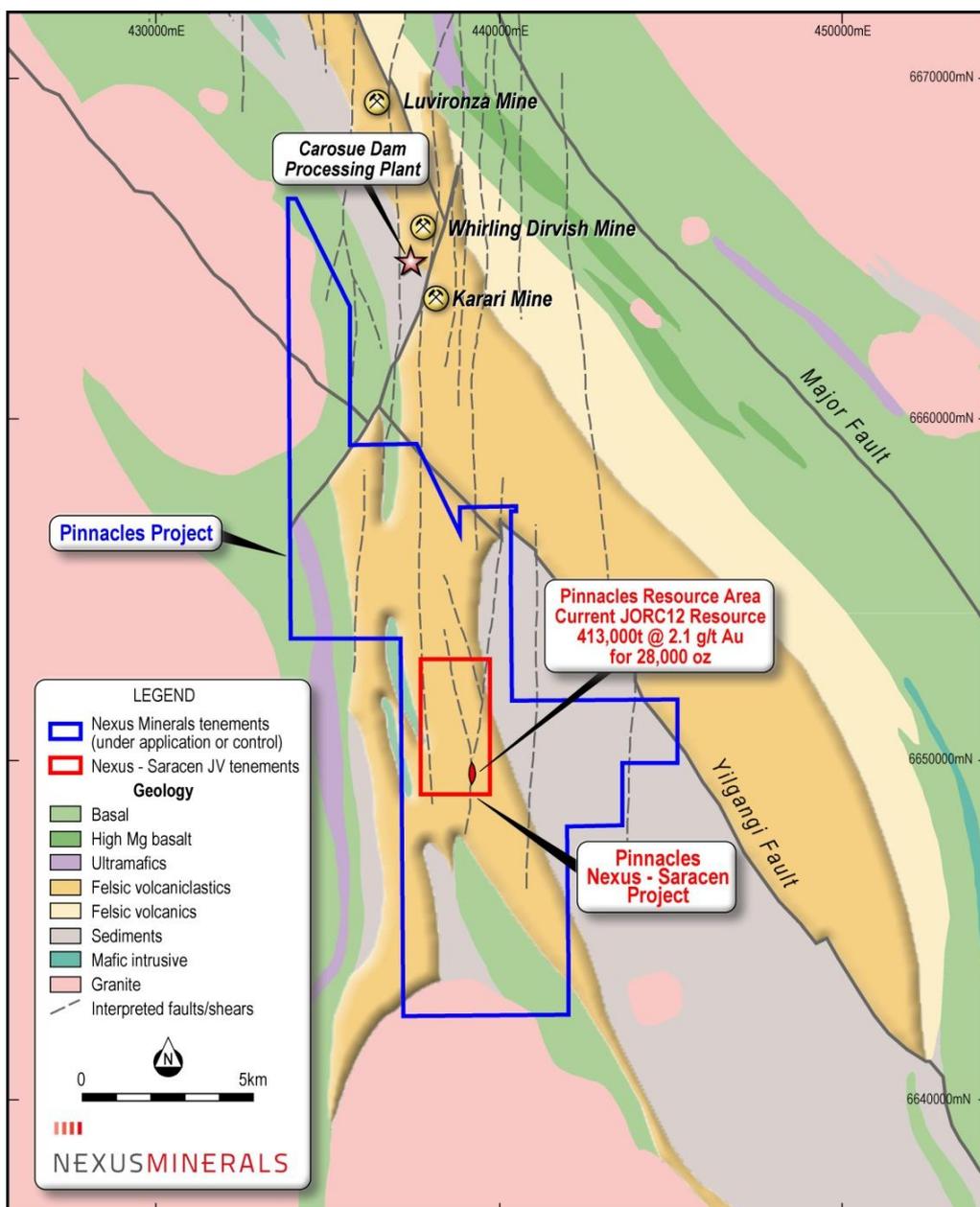


Figure 7. Pinnacles Geology with project location and the Carosue Dam Mine Operation



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The Pinnacles project lies in the eastern part of the Norseman-Wiluna greenstone belt, and is part of the Kurnalpi terrane subdivision of the Eastern Goldfields Superterrane. The project area covers a major regional shear zone that is part of the Keith-Kilkenny Lineament. This same structural setting hosts the Luvironza, Whirling-Dervish, Karari, Twin Peaks and Monty Dam deposits. The Whirling-Dervish and Karari deposits are currently being mined by Saracen Gold Mines.

The district scale structure also shows the dominant regional northwest structural orientation being re-oriented through north to north-northeast, in particular due to the regional scale granite doming events. The extensional event that is associated with the granite doming plays a major role in the creation of sites favourable for gold deposition. The distribution of gold mineralisation is structurally controlled, and the timing, style and reactivation of structures are major factors in determining the size of deposits.

The Pinnacles project gold mineralisation occurs within a sub-vertical shear zone hosted within volcanoclastic sandstones. It is associated with quartz within the sheared altered host rocks. There appears to be a sub-vertical and a sub-horizontal control on the mineralisation. Sub-vertical mineralisation reported to be associated with quartz-albite-pyrite alteration, while the flatter shallow dipping mineralisation shows a strong hematite-carbonate-pyrite alteration association.

Modern Exploration and Current Mineral Resource

Several companies have undertaken limited exploration in the Pinnacles region during the 1980's to 2005. This work has included mapping, aerial photography, ground magnetics, rock chip sampling, channel sampling, petrographic analysis, RAB drilling and RC drilling.

Saracen purchased the tenement in 2006 and undertook 5,243m of RC drilling, in 42 drill holes during 2011 and 2012. Saracen produced a current JORC-2012 compliant resource of 413,000t @ 2.1g/t Au for 28,000oz gold (See Table 1). Saracen has prioritized other mining areas to focus its attention on, and as such the Pinnacles project became available for this Farm-in / JV agreement.

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'.

	Measured			Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Tonnes (t)	Grade (g/t Au)	Ounce (oz)
Pinnacles	-	-	-	387,000	2.1	27,000	26,000	1.4	1,000	413,000	2.1	28,000

Table 1. Pinnacles Resource Estimate

The resource remains completely open along strike and at depth. Geological modeling of the deposit reveals a significant high grade "core" to the mineralised structure, with multiple repetitions of steeply dipping high grade ore shoots evident. The high grade component of the resource starts at approximately 50m below surface, with low grade mineralisation encountered in the shallower holes along the mineralised structure.

See Table 2 below for Pinnacles drill results.

Metallurgical test work of selected ore material carried out by Amtec (in 2000) has confirmed that the Pinnacles ore is suitable for treatment through the Carosue Dam plant with an average recovery of 96.3%.



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Nexus Work Programs

In the first year, Nexus is planning to drill test the depth and continuity of the potential high grade mineralisation through a number of depth staged drill programs. Phase 1 will aim to target mineralisation from below the known resource (150m) at 250 - 350m vertical depth. Based on positive drill results from the Phase 1 program, subsequent programs will continue to test the depth extent, continuity and also the strike extent of the resource.

PINNACLES SARACEN DRILLING									
Hole ID	Easting	Northing	RL	Dip	Azimuth	From (m)	To (m)	Width (m)	Grade (g/t Au)
PERC001	439613	6649220	359	-60	90	49	51	2	7.84
PERC003	439629	6649260	361	-60	90	33	37	4	6.41
PERC004	439602	6649260	360	-60	90	73	75	2	12.17
PERC005	439581	6649260	360	-60	90	102	105	3	18.34
PERC006	439631	6649281	363	-60	90	40	42	2	2.81
PERC007	439596	6649281	361	-60	90	88	93	5	20.95
PERC008	439577	6649280	360	-60	90	112	114	2	9.83
PERC010	439647	6649321	364	-60	90	22	26	4	3.17
PERC011	439604	6649321	362	-60	90	80	88	8	3.23
						Inc. 82	84	2	8.32
PERC013	439593	6649341	361	-60	90	119	121	2	2.92
PERC019	439623	6649455	359	-60	105	86	97	11	2.19
						114	125	11	3.47
						Inc. 120	122	2	13.98
PERC021	439628	6649433	360	-59	106	114	116	2	2.08
PERC023	439606	6649313	362	-60	106	82	88	6	5.19
PERC025	439617	6649394	362	-60	106	126	131	5	8.34
						Inc. 127	130	3	12.95
PERC026	439556	6649284	361	-60	102	153	161	8	13.38
						Inc. 154	160	6	17.44
						166	168	2	6.08
PERC029	439578	6649215	359	-60	107	107	110	3	4.32
PERC031	439531	6649270	361	-60	104	185	188	3	4.06
PERC034	439546	6649323	361	-60	104	166	173	7	8.80
PERC036A	439500	6649316	361	-59	107	233	235	2	3.19
PERC038	439583	6649351	361	-60	106	138	143	5	10.47
						139	143	3	16.12
PERC040	439546	6649255	361	-59	106	163	167	4	2.99
						Inc. 166	167	1	7.93
PINNACLES PREVIOUS OWNERS DRILLING									
PIC118	439602	6649300	362	-60	105	86	90	4	19.51
PIC120	439603	6649378	362	-60	105	140	145	5	6.17
						Inc. 140	142	2	13.74
PIC121	439611	6649417	360	-60	105	149	153	4	2.23
PIC122	439559	6649313	361	-60	105	162	172	10	7.81
						Inc. 166	172	6	12.29
PINRC010	439623	6649372	362	-60	90	82	89	4	4.91

Table 1. Pinnacles Drill Results (+2g/tAu) (see Saracen ASX Quarterly Reports Dec 2011 – Dec 2012)



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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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Mr Paul Boyatzis, Non-Executive Chairman

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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.