



Drilling Advances Geological Knowledge on Pinnacles JV Tenement

ASX: NXM

Capital Structure

Shares on Issue 70.4 million

Unlisted Options 3.5 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)

- Latest 4 hole RC drill program intersects fault block immediately to the north of resource area
- Pinnacles West prospect interpreted to represent the displaced position of the Pinnacles East mineralisation within the fault block
- The Pinnacles North 1.6km x 300m coincident Au (>15ppb) / As (>50ppm) soil anomaly strikes in a northerly direction and is interpreted to be the extension of Pinnacles East mineralisation to the north of the fault block
- Resource area remains open to the south and at depth – to be targeted in next round of RC / DDH drilling
- Southern Geoscience Consultants engaged to undertake aeromagnetic data processing, imaging and interpretation
- Ground IP geophysical program commences mid May to assist in mineralisation targeting and structural interpretation

Eastern Goldfields gold explorer, **Nexus Minerals Limited (ASX: NXM) (Nexus or the Company)** provides an update from the latest 4 hole, 1164m RC drill program at the Pinnacles JV Project (Table 1 and Fig. 1).

The program was designed to test for extensions immediately to the north of high grade mineralisation intersected in previous drill holes (see Nexus ASX release 31/3/16). It was also designed to gain a better geological understanding of hydrothermal brecciation and silica flooding observed in these holes.

It is apparent from the recent drilling that these features are localised (<50m) and associated with the southern contact of an interpreted fault block (see Fig. 1 and Fig. 2). The hydrothermal activity associated with faulting resulting in the brecciation, silica flooding and local remobilisation of gold.

This fault block exhibits sinistral movement to the south-west, where the Pinnacles West prospect is interpreted to represent the relocated Pinnacles East mineralisation within the fault block. The Pinnacles North gold soil anomaly, recently identified by Nexus (see ASX release 3/5/16), representing the possible extension of the Pinnacles East resource area mineralisation to the north of the fault block.

The lithological weakness represented by the faults, have allowed the emplacement of late stage barren dolerite dykes in these locations.

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Hole ID	Northing	Easting	RL	Depth (m)	Dip	Azimuth	Result
NMPRC8	6649460	439542	360	312	-60	105	NSI
NMPRC9	6649506	439557	359	348	-60	105	NSI
NMPRC10	6649490	439611	360	300	-60	122	NSI
NMPRC11	6649485	439662	361	204	-60	122	NSI

Table 1: Nexus Drill Holes RC Drill results. NSI – No Significant Intersections (1.0g/t Au cut off).

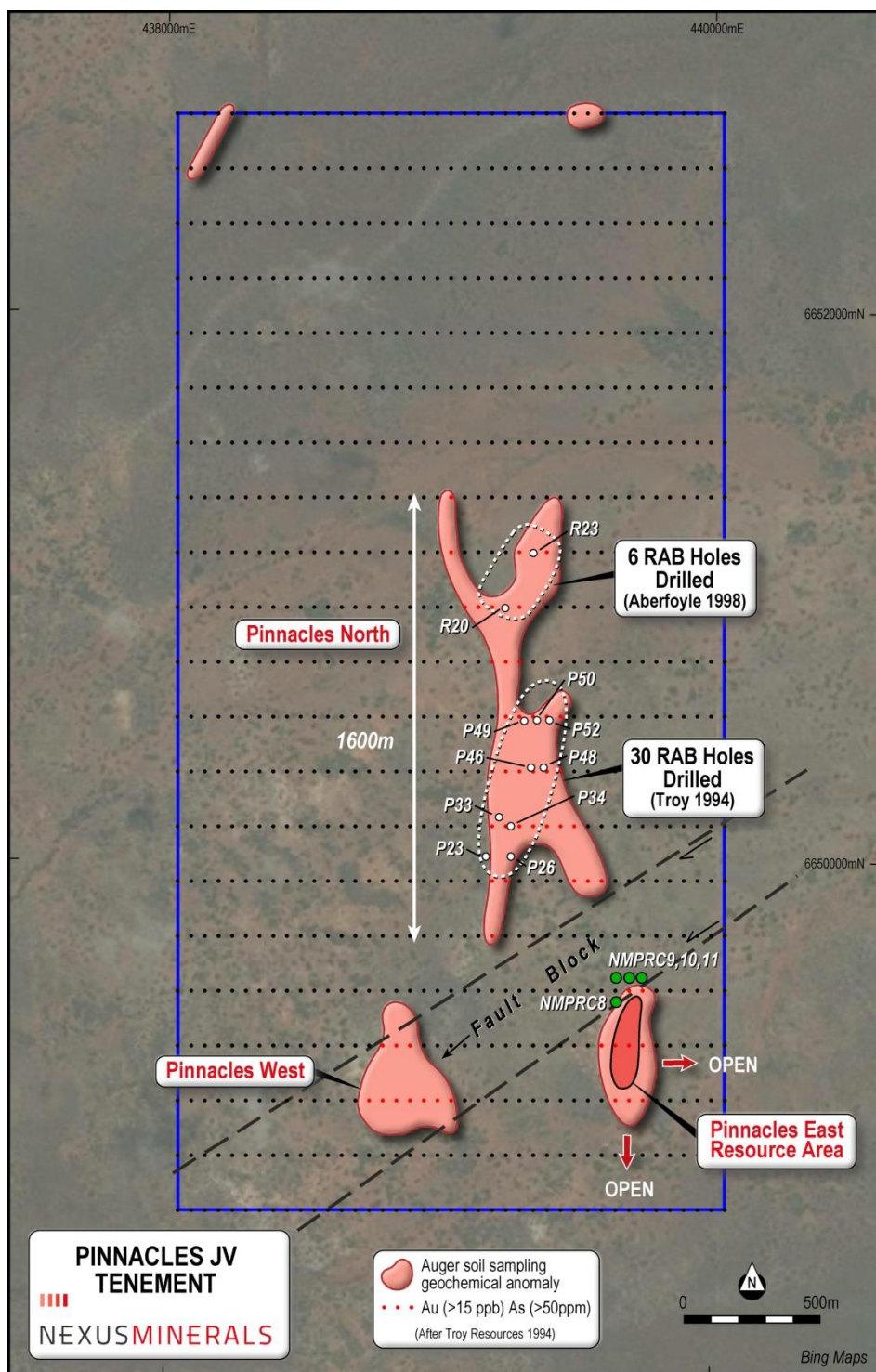


Figure 1. Pinnacles JV tenement, April 2016 RC Drill Hole Locations and Interpretation.



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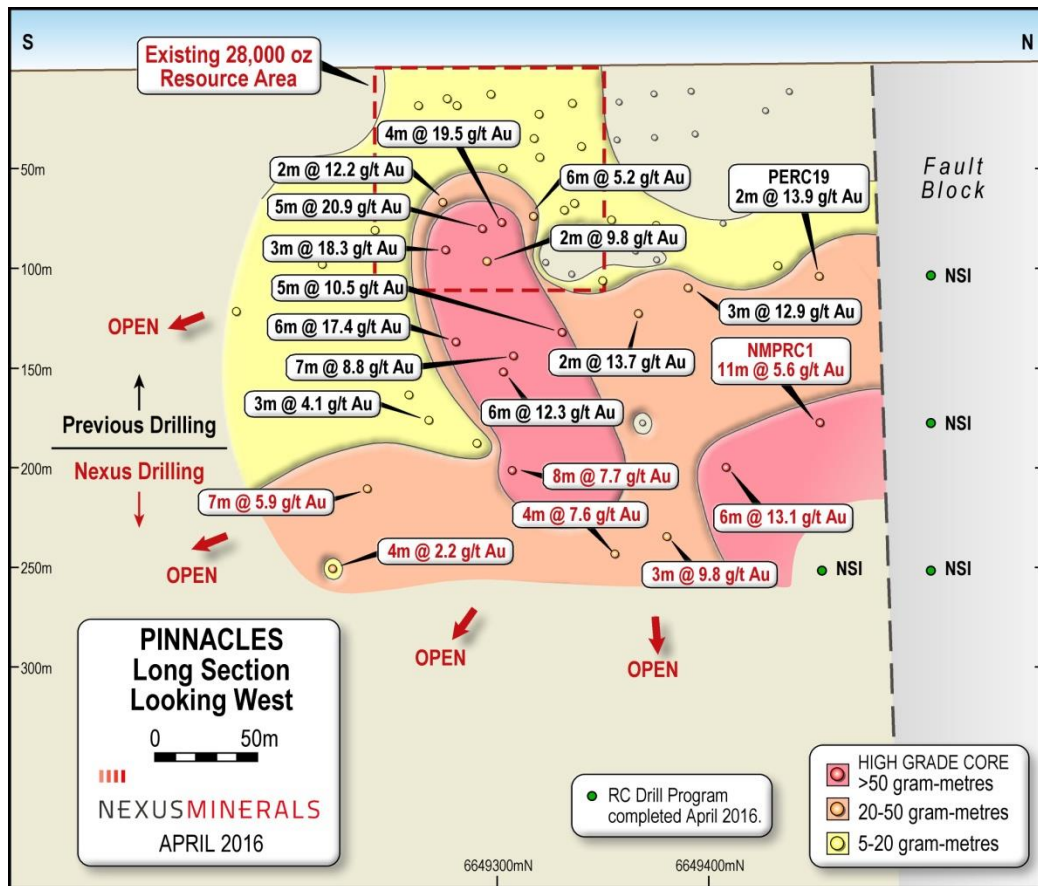


Figure 2. Pinnacles JV Long Section.

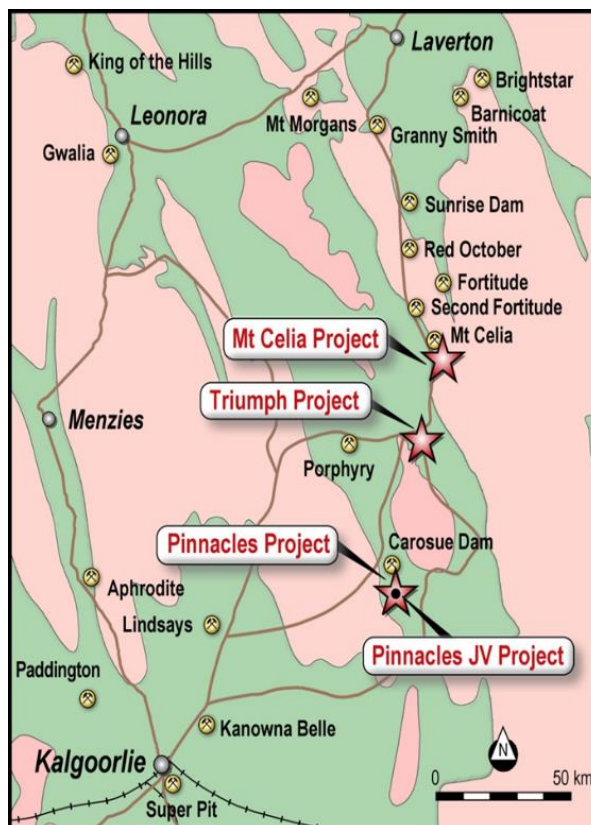


Figure 3: Nexus Project Locations – Eastern Goldfields, Western Australia.



NEXUSMINERALS

About Nexus

Nexus Minerals is a well-funded, diversified resources company with a portfolio of gold 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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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
<i>Sampling techniques</i>	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>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.</i></p>	<p>The sampling was carried out using Reverse Circulation Drilling (RC). 4 holes were drilled in this program. All drill holes were sampled at intervals of every 1m via a rig mounted cone splitter.</p> <p>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.</p> <p>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 1m samples were 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.</p>
<i>Drilling techniques</i>	<p><i>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).</i></p>	<p>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).</p>
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	<p>All samples were dry with no significant ground water encountered.</p> <p>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.</p>

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	No sample bias is believed to have occurred during the sampling process.
Logging	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>All RC chip samples were geologically logged by Nexus Minerals Geologists, using the approved Nexus Minerals logging code.</p> <p>Logging of RC chips recorded: Lithology, mineralogy, alteration, mineralisation, colour, weathering and other characteristics as observed. All samples were wet sieved.</p> <p>All holes and all meters were geologically logged.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p>	<p>No core was collected.</p> <p>One metre 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.</p> <p>All samples submitted for analysis were dry.</p> <p>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.</p> <p>A duplicate field sample is taken from the cone splitter at 1:25 samples.</p> <p>Sampling methods and company QAQC protocols are best industry practice.</p>

Criteria	JORC Code explanation	Commentary
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate for the material being sampled and the sample size being submitted for analysis.
<i>Quality of assay data and laboratory tests</i>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>Samples were analysed at the Intertek laboratory Perth.</p> <p>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.</p> <p>Not applicable.</p> <p>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.</p>
<i>Verification of sampling and assaying</i>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>No significant intersections were identified.</p> <p>No twin holes were drilled as part of this program</p> <p>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.</p> <p>No adjustment to assay data has occurred.</p>
<i>Location of data points</i>	<i>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.</i>	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.

Criteria	JORC Code explanation	Commentary
	<p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Grid projection is GDA94 Zone51.</p> <p>The drill hole collar RL is allocated from a detailed DTM.</p> <p>Accuracy is +/- 2m.</p>
<i>Data spacing and distribution</i>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Drilling took place in 1 prospect area. Line spacing was 25-75m.</p> <p>Not applicable.</p> <p>Not applicable.</p>
<i>Orientation of data in relation to geological structure</i>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	<p>The orientation of the drill lines is considered to be perpendicular to the strike of the regional structures controlling the mineralisation (195 degrees). 2 holes were drilled -60 degrees towards 105 degrees, and 2 holes were drilled -60 degrees towards 122 degrees.</p> <p>Not applicable.</p>
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Pre numbered calico bags were placed into green plastic bags, sealed and transported to the Intertek laboratory in Kalgoorlie by company personnel.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	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
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	<p>Drilling was undertaken on tenement M28/243.</p> <p>Nexus is the manager of a Farm-In & JV Agreement with Saracen Mineral Holdings Limited (as detailed in ASX release 17/09/2015).</p>

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	There are no other known material issues with the tenements. The tenements are in good standing with the Western Australian Mines Department (DMP).
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	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.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	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 volcanoclastic 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.
<i>Drill hole Information</i>	<p><i>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:</i></p> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> <p><i>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</i></p>	Refer to announcement for details of drill hole information.

Criteria	JORC Code explanation	Commentary
	<i>understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
<i>Data aggregation methods</i>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	<p>The orientation of the drill lines is considered to be perpendicular to the strike of the regional structures controlling the mineralisation (195 degrees). 2 holes were drilled -60 degrees towards 105 degrees, and 2 holes were drilled -60 degrees towards 122 degrees.</p> <p>No reported intersections.</p>
<i>Diagrams</i>	<i>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.</i>	Refer to the maps and sections included in the text.
<i>Balanced reporting</i>	<i>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.</i>	Not applicable.
<i>Other substantive exploration data</i>	<i>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.</i>	Not Applicable.

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	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, and previous drill program.