



QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING MARCH 2018

ASX: NXM

Capital Structure

Shares on Issue 88.6 million
Options 10.6 million
Cash on Hand \$4.23million
(30/3/2018)

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 GOLD Projects

Pinnacles Project

Pinnacles JV Project
(with Saracen Gold Mines)

Wallbrook Project

Mt Celia Project

Triumph Project

HIGHLIGHTS

- ❖ Nexus acquired the Wallbrook Gold Project (Wallbrook) from Saracen Gold Mines Pty Ltd (Saracen) (see Nexus ASX releases 17/01/18);
- ❖ Saracen welcomed to the register with a 6% share-holding;
- ❖ Wallbrook historical data search reveals significant gold assay results (see Nexus ASX release 23/1/18) from:
 - ❖ Rock chips including - 88.9g/t Au, 56.2g/t Au, 49.7g/t Au, 34.1g/t Au, 31.1g/t Au, 21.7g/t Au;
 - ❖ RAB drill results including:
 - 3m @ 16.6g/t Au
 - 5m @ 13.0g/t Au
 - 2m @ 15.5g/t Au
 - 5m @ 8.3g/t Au
 - 12m @ 4.1g/t Au
 - 2m @ 7.8g/t Au
 - 3m @ 5.1g/t Au;
 - ❖ RC drill results including:
 - 3m @ 21.9g/t Au
 - 2m @ 20.3g/t Au
 - 2m @ 20.2g/t Au
 - 12m @ 5.3g/t Au
 - 5m @ 9.9g/t Au
 - 7m @ 8.6g/t Au
 - ❖ Only one diamond drill hole drilled returning:
 - 9m @ 8.8g/t Au;
- ❖ Wallbrook exploration activities commenced with a regional gravity survey underway in conjunction with geological mapping;
- ❖ Wallbrook tenement package complements Nexus' current exploration tenement packages in the Eastern Goldfields and its focus on discovery of gold deposits;



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- ❖ Pinnacles GT6 prospect delivers positive drill results; and
- ❖ Pinnacles GT6 follow-up 6,000m aircore program commenced to test 3km x 600m zone of gold anomalism.

During, and subsequent to, the quarter ended 31 March 2018, Eastern Goldfields explorer **Nexus Minerals Limited (ASX: NXM) (Nexus or the Company)** announced it had completed the Wallbrook transaction with Saracen Gold Mines and had received positive results of its RC drill programs at the **Pinnacles Gold Project**.

Nexus acquired the Wallbrook exploration tenements from Saracen for consideration of 1,490,000 Nexus shares. This acquisition is consistent with the Company's strategy of investing in advanced gold exploration assets.

The 58km² Wallbrook tenement package (including Nexus' surrounding exploration tenement) is considered highly prospective for the discovery of significant gold mineralisation.

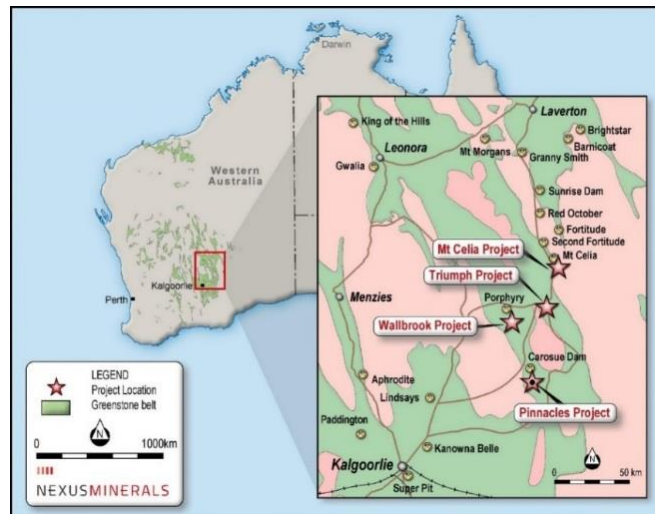


Figure 1: Nexus Project Locations, Eastern Goldfields, Western Australia

Wallbrook Gold Project

Previous Exploration Activities

The Wallbrook Project contains no prior commercial mining operations. A number of shafts exist at the Eastwood Reefs prospect, which was mined by prospectors in the early 1900's.

An extensive search of the Western Australian Department of Mines and Petroleum (DMP) database has shown Wallbrook to have undergone a number of periods of exploration activities by various exploration companies between 1977 to 2011. These activities included geological mapping and rock chip sampling, geophysical surveys, as well as RAB, RC and diamond drilling campaigns. The majority of the Wallbrook geology is under cover with limited areas of outcrop identified at the Eastwood Reefs, Jedi and Paint prospects.

There are 552 rock chip results available with 79 samples returning >1g/t Au and 34 samples returning >3g/t Au. There have been 12 series of drill programs between 1977 and 2011. RAB drill holes represent 1,772 holes for 39,000m, with the majority of these holes less than 10m in depth effectively representing surface geochemistry. RC drill holes represent 275 holes for 21,000m (average depth 76m), and a sole diamond drill hole 159m deep. Selected historical results in Fig. 2 below.



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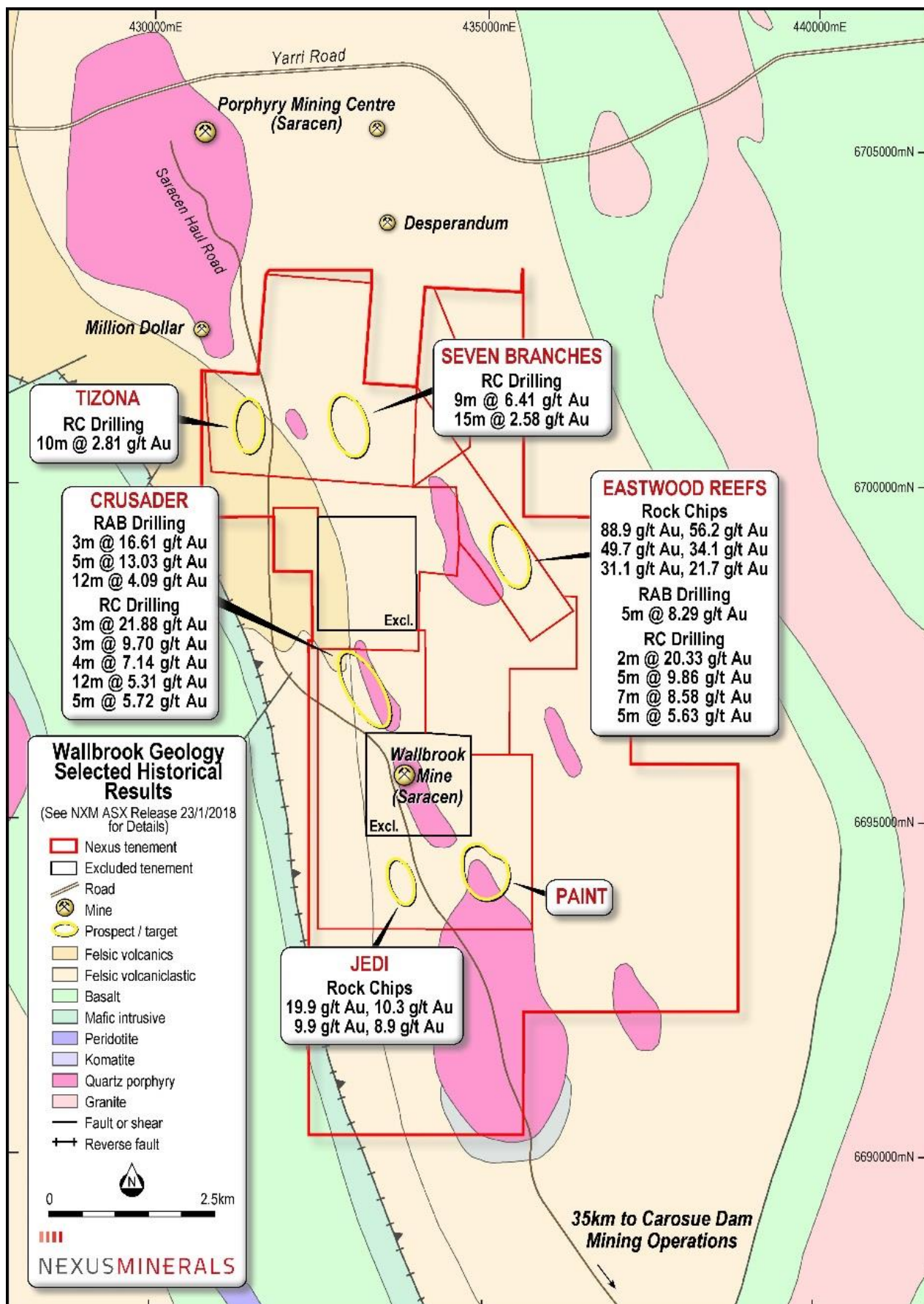


Figure 2: Wallbrook Regional Geology with Selected Historical Results



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Regional and Local Geology

The region is dominated by metamorphosed volcanoclastic sediments, andesite, basalt and other sedimentary and variously metamorphosed rock units (Fig. 3). These rock units have been intruded by numerous small, variably mineralised, porphyritic intrusions. The majority of these intrusions identified to date are under cover or very weathered. Their composition varies from syenite to quartz monzonite and tonalite. These intrusions are discordant with respect to the lithological layering and major regional structures, suggesting emplacement late in the tectonic evolution of the greenstone belt, indicating mineralisation associated with the intruded porphyries may be relatively “local” to the position of the intruded porphyry.

The main sites of gold mineralisation in the district are on the margins of porphyritic intrusions. Mineralisation is known to occur within the margins of these porphyries themselves, and also developed within the intruded sheared and altered greenstone sequence lithologies and as mineralised quartz vein stockworks.

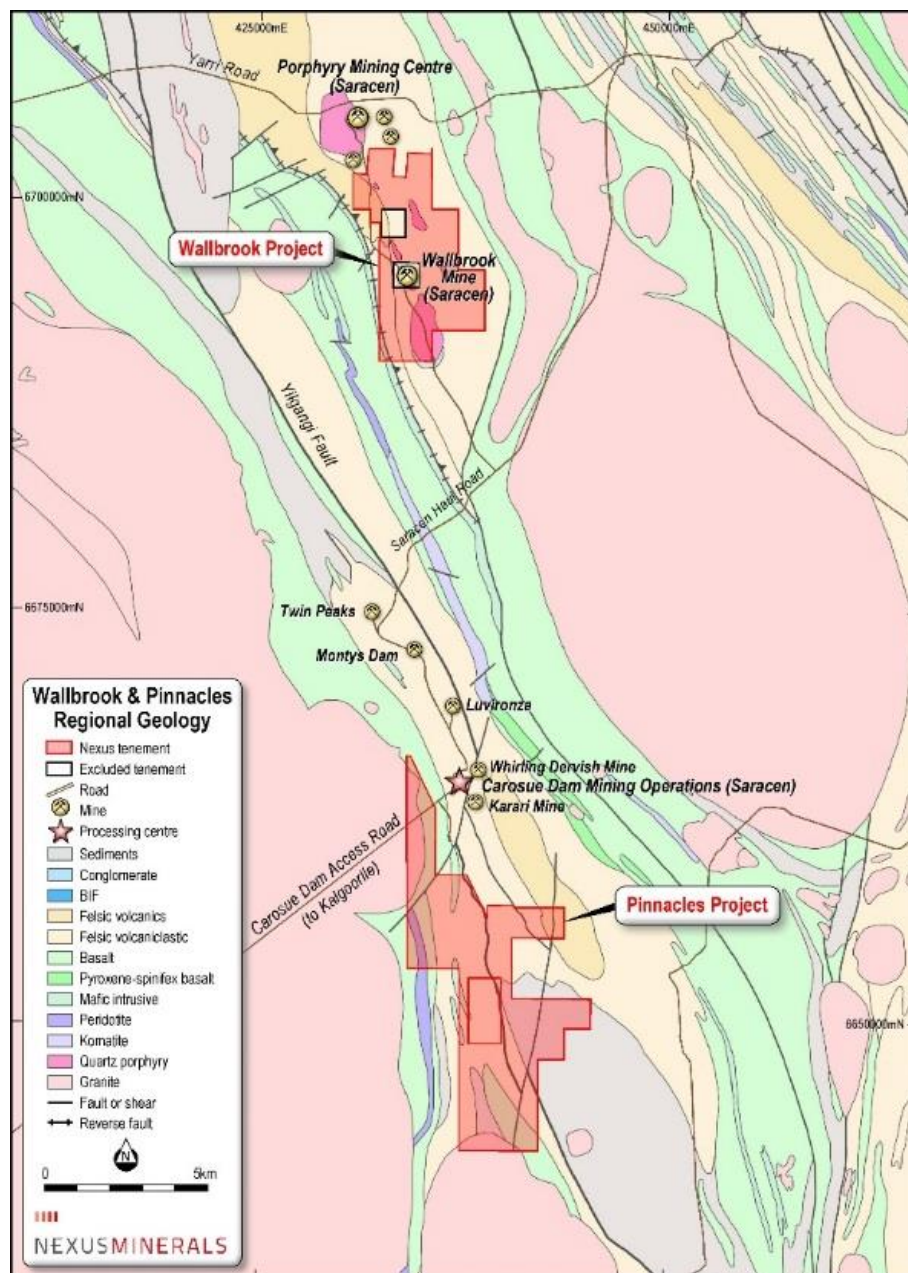


Figure 3: Wallbrook and Pinnacles Regional Geology – Eastern Goldfields, Western Australia



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Settlement of Wallbrook Transaction

On 5 April 2018 Nexus settled with Saracen on the purchase of the Wallbrook Gold Project for consideration of 1,490,000 Nexus shares. Saracen also subscribed for 3,800,000 Nexus shares at a price of 8.4 cents per share with 1,900,000 attaching unlisted options exercisable at 16.8 cents each expiring 5 April 2020 raising \$319,200.

The transaction resulted in Saracen having a 6% shareholding in Nexus.

Pinnacles Gold Project

The drill results from Nexus' 2017 initial drill program at GT6 prospect provided the Company with encouragement to test the full 3km x 600m extent of the anomalous gold zone. The geological and mineralisation features exhibited to date are consistent with results returned from initial exploration programs at the Karari gold mine, 20 kilometres to the north, in the mid 1990's. This Karari-style gold mineralisation is known to be confined to a gravity low within volcanoclastic sediments and is associated with quartz-hematite alteration assemblages. These features were observed in the 2017 Nexus drilling at GT6, hence the prospect will be subject to targeted exploration programs in 2018.

GT6 Prospect

The 6,000m aircore drill program commenced during the quarter will consist of approximately 75 holes drilled to top of fresh rock. Bottom of hole samples will be subjected to multi-element geochemical analysis and geological / alteration mapping. These elements will be critical in providing key evidence as to the existence of a major gold mineralising system.

The setting of the GT6 anomaly is considered highly prospective for the discovery of significant gold mineralisation. The anomaly is situated on a north-south offset of the Yilgarni Fault, a structural setting synonymous with all Carosue Dam deposits. In addition to this, the anomaly is situated over Carosue Dam Basin sediments and is proximal to a 1.7km gravity low corridor.

The GT6 anomaly covers an area of some 3.5km x 600m (+9 ppb Au), with associated trace elements arsenic (As) and wolfram (W). The extensive GT6 anomaly is composed of three areas, the main central anomaly which overlies a gentle to moderate ferruginous topographic rise, and two smaller anomalies to the south and north that overly a lower residual regolith regime. The larger central anomaly forms a rough crescent shape which fringes a gravity low to the south west. The southern anomaly is centred on the gravity low that extends in a corridor to the south, whilst the northern anomaly is offset to the northeast of the main anomaly.

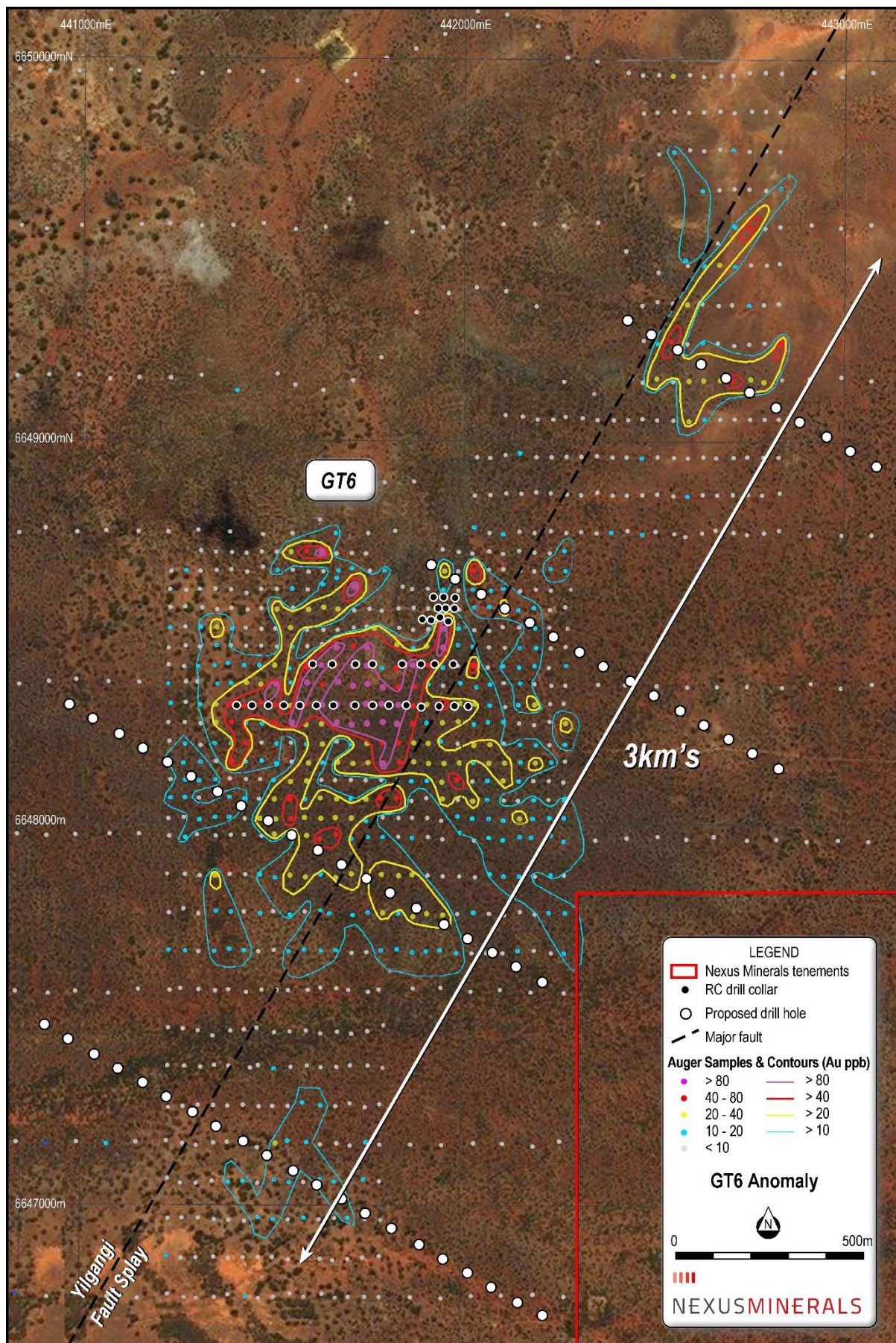


Figure 4: Nexus Pinnacles GT6 Prospect– Proposed Aircore holes over Auger Geochemistry



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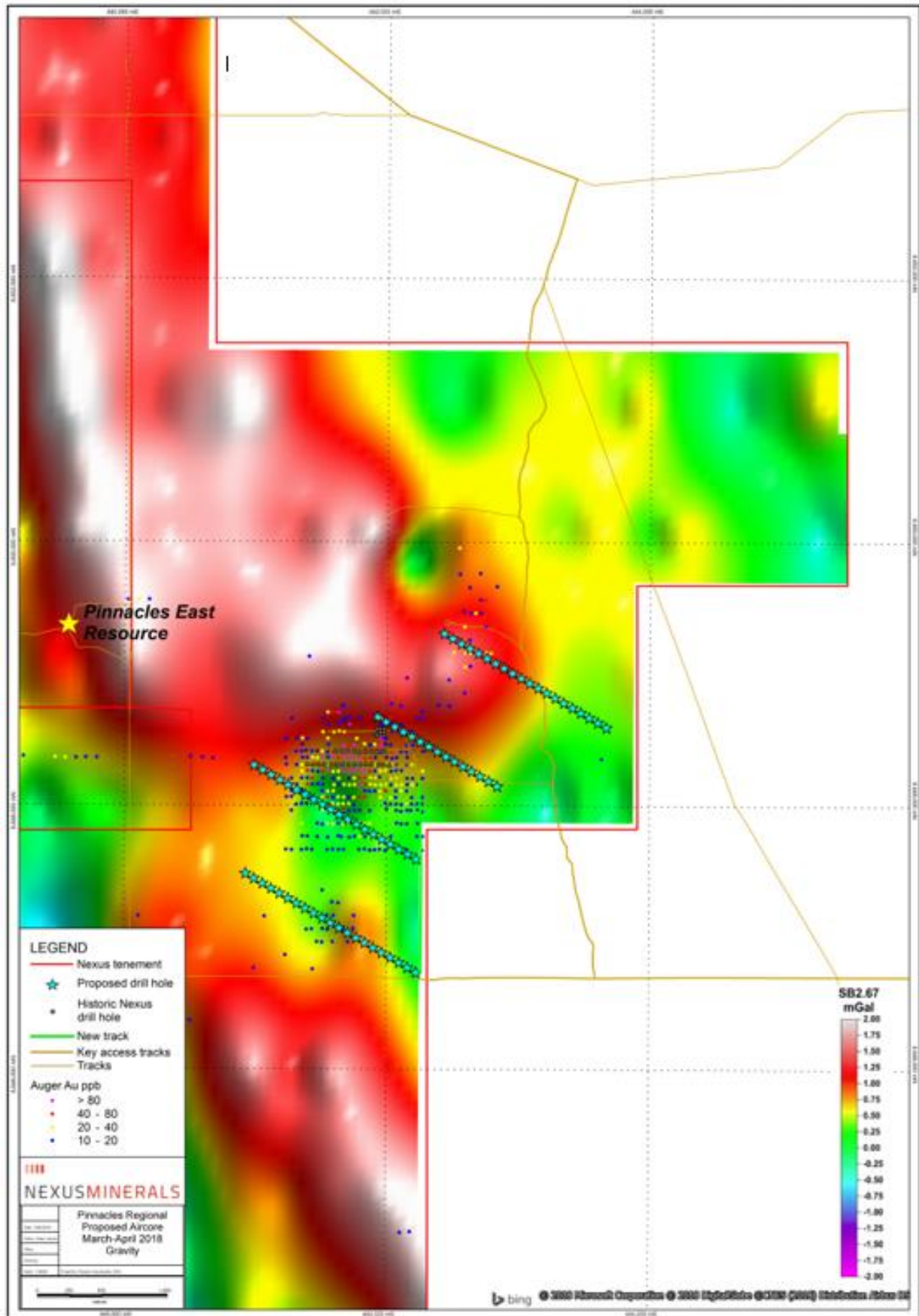


Figure 5: Nexus Pinnacles GT6 Prospect – Proposed Aircore holes over Gravity



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Exploration Methodology

Zoned alteration patterns and trace element geochemistry provide excellent vectors in the exploration for Carosue Dam style gold deposits (Karari and Whirling Dervish gold mines).

Alteration

Rock alteration will be mainly constrained to the bottom of hole fresh rock sample of the aircore drill hole. The alteration framework is outlined below.

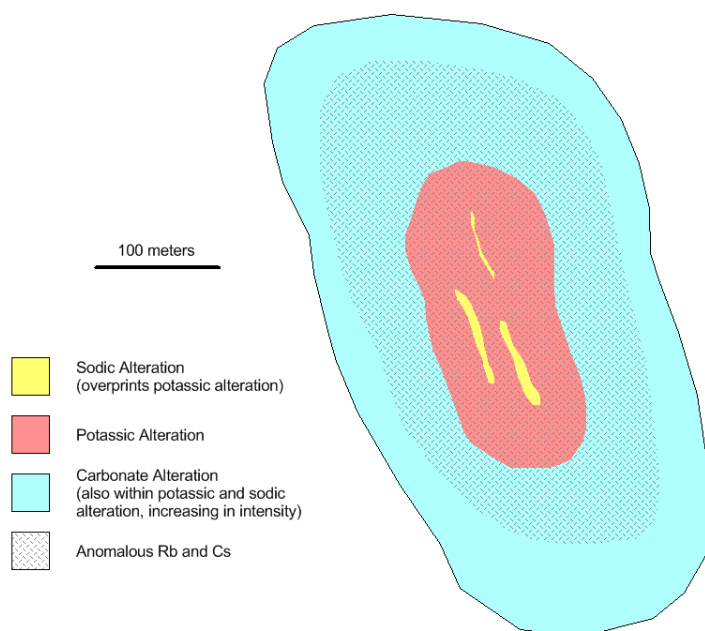
- **Carbonate alteration** - Alteration mapping at the deposit scale will focus on the recognition of a wide-spread carbonate alteration zone. Carbonate alteration at the Carosue Dam deposits extends up to 200 metres from the known ore bodies, increasing in intensity towards the highest-grade components.
- **Potassic alteration** - Potassic alteration minerals including biotite, magnetite and pyrite are key indicators of the broad low-grade alteration halo at the Carosue Dam deposits. Potassic alteration extends some tens of meters up to 100 metres from the centre of the known ore bodies.
- **Sodic alteration** – Sodic alteration overprints the potassic alteration and comprises the highest-grade components of the Carosue Dam deposits. Sodic alteration minerals include albite, ankerite and pyrite. Albite alteration is a particularly obvious feature in this zone, as is an increase in quartz veining and carbonate intensity.

In addition to the above, haematite dusting is ubiquitous within the ore zone.

Trace Element Geochemistry

Bottom-of-hole samples analysed for trace element concentrations are considered an instrumental component of the air core drilling campaign to assist in the deposit-scale targeting.

Anomalous values of cesium and rubidium have historically been found to extend up to 70 metres from the potassic alteration zone, whilst anomalous values do not extend beyond the limits of the carbonate alteration zone. Further geochemical vectors to high-grade ore shoots within the Carosue Dam deposits include Au, As, Sb, Cs, Rb, Bi (+/-Te).





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Regional Auger Geochemistry Program

Regional auger geochemical sampling programs have successfully identified multiple target areas over the Pinnacles tenement package. Work commenced during the quarter will complete first pass coverage of the complete Pinnacles project area and will provide infill data over three gold anomalies identified in previous regional programs.

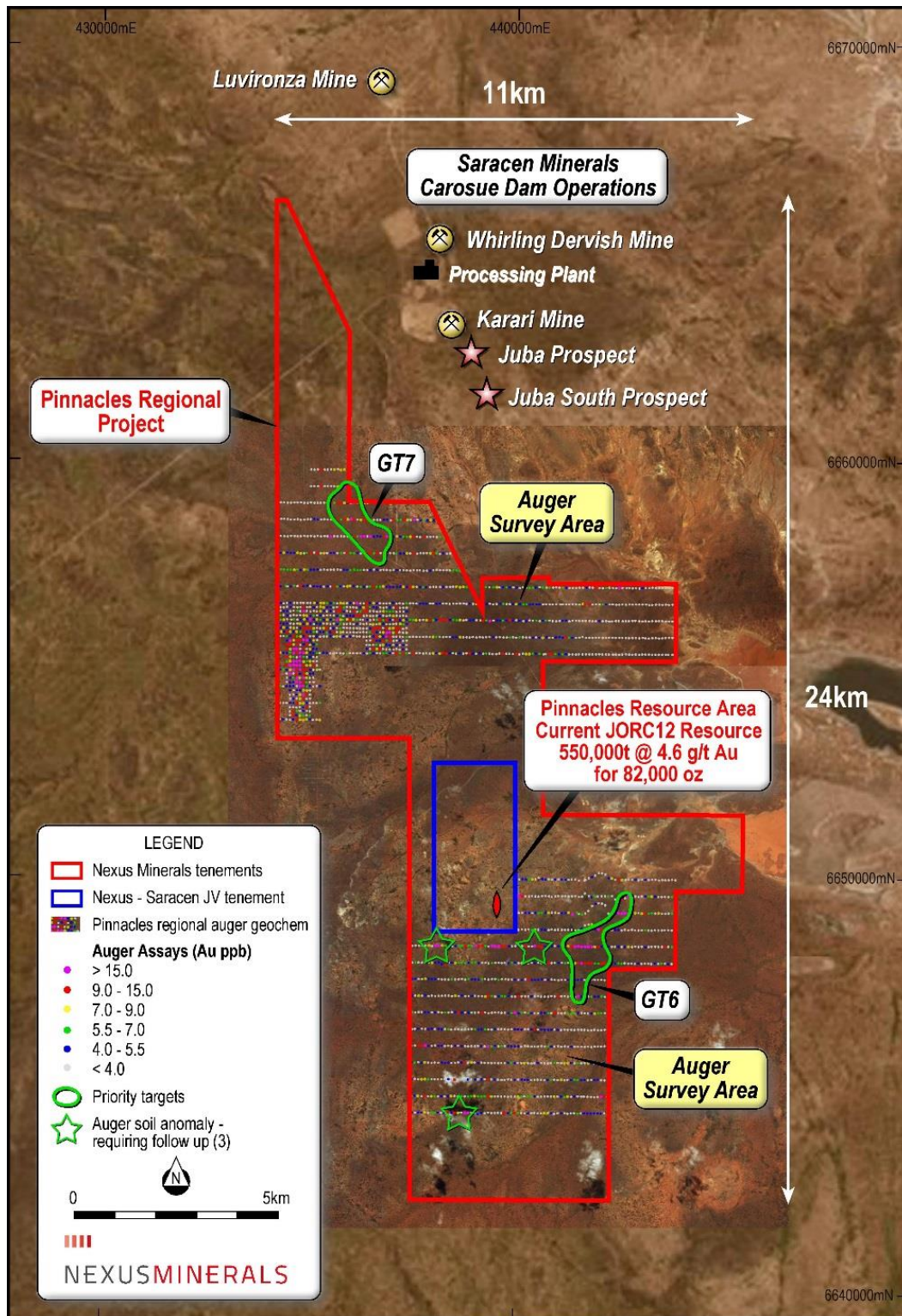


Figure 6: Nexus Pinnacles Auger Soil Survey Results and Prospect Areas



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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 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.

Triumph Project

An application was made during the quarter for an exploration tenement covering the regional trend of the historical Triumph Gold Project.

Corporate

During the quarter, Managing Director Andy Tudor presented updates to brokers on the Company's activities.

At the end of the March quarter, the Company held A\$4.23m cash and equivalents.

June 2018 Quarter – Work Program

During the June 2018 quarter, the Company intends to undertake the following activities:

Wallbrook Gold Project

- Complete project database integration of historical datasets
- Undertake regional gravity geophysical survey
- Ground geological mapping and interpretation
- Undertake initial drill program of priority targets

Pinnacles Gold Project

- Complete aircore program on GT6 prospect and result interpretation
- Complete auger soil geochemistry program and result interpretation
- Drill planning based on results



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About Nexus

Nexus is actively exploring for gold deposits on its highly prospective tenement package in the Eastern Goldfields of Western Australia. The addition of the Wallbrook tenement package will further advance these gold exploration efforts.

Nexus Minerals' tenement package at the Pinnacles Gold Project is largely underexplored and commences less than 5km to the south of, and along strike from, Saracen's >4Moz Carosue Dam mining operations, and current operating Karari underground gold mine. Nexus holds a significant land package (125km²) of highly prospective geological terrain within a major regional structural corridor, and is actively exploring for gold deposits.

The Company also has a joint venture over the Pinnacles JV Gold Project with Saracen (see ASX Release 17 September 2015). This joint venture 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 -

Enquiries Mr Andy Tudor, Managing Director
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, 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.

No Ore Reserves have currently been defined on the Pinnacles or Wallbrook tenements. 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 or Wallbrook tenements has yet to be established.



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SUMMARY OF NEXUS MINERALS LIMITED TENEMENTS

| AUSTRALIA | Interest at beginning of Quarter | Interest at end of Quarter |
|-------------------------|----------------------------------|----------------------------|
| Pinnacles (Gold) | | |
| M28/243 | 88% Contributing JV | 88% Contributing JV |
| P28/1185 | 100% | 0% |
| E28/2526 | 90% | 90% |
| E28/2487 | 100% | 100% |
| Wallbrook (Gold) | | |
| E31/1160 | 0% | 100% |
| Triumph (Gold) | | |
| E31/1161 | 0% | 100% |
| E39/2044 | 0% | 100% |
| E39/2045 | 0% | 100% |
| E31/1179 (Application) | 0% | 0% |
| Mt Celia (Gold) | | |
| P39/5484 | 100% | 100% |
| P39/5485 | | |
| P39/5486 | | |
| E39/1890 | | |
| E39/2037 | 0% | 100% |
| P39/5836 | 0% | 100% |
| E39/2025 | 0% | 100% |
| Lindsays (Gold) | | |
| P27/2384 (Application) | 0% | 0% |