

QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2014

HIGHLIGHTS

- ❖ Triumph Gold Project
 - Recorded Historical Production of:
 - 22,168t @ 46.4g/t gold from one section of workings and;
 - 8,100t @ 24.5g/t gold from another section of workings.
 - Geological and Structural mapping assessment completed.
 - IP Survey and High Resolution Ground Magnetics interpretation progressing.
 - Heritage “Work Area” clearance survey completed.
 - 4,000m RC Drill program to commence early February.
 - ❖ Project investigations continue for further farm-in / acquisition opportunities.
 - ❖ Continued investigations and discussions with third parties with regard to asset commercialisation.
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Nexus Minerals Limited (ASX: NXM) (“Nexus” or “the Company”) is pleased to provide the following update on progress made during the December quarter of 2014 (“the Quarter”).

Nexus entered into a farm-in/joint venture agreement on the Triumph Gold Project announced on the 15 October 2014 (see ASX release). 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 - \$50,000 cash deposit to be paid to the vendor 14 days from the date of the JV agreement being signed by both parties (75% of deposit funds to be spent in the ground by the vendor).
- Year 1 – Nexus to spend \$200,000 on the project to earn 40% interest.
- Year 2 – Nexus to spend \$250,000 on the project to earn a further 20% interest (60%).
- Year 3/4 - Nexus to spend \$250,000 on the project over a 2 year period to earn a further 20% interest (80%).
- Year 5 –The Vendor can elect to contribute to the JV expenditure in proportion to its interest. If the vendor elects not to contribute to JV expenditure, then Nexus can sole fund \$150,000 of expenditure to earn a further 15% interest (95%). Nexus will retain an option to acquire the remaining 5% in consideration of granting the vendor a 1% net smelter royalty capped at \$2,000,000.

Nexus has the right to elect to exit the JV after a minimum spend of \$100,000 (excluding deposit).

Detailed geological assessment on the Triumph Gold Project during the quarter has resulted in a 4000m RC drill program plan being finalised and Program of Work (POW) approval received from the Department of Mines and Petroleum (DMP).

The Triumph Project tenements provide a semi-continuous strike length of historic gold mine workings and shafts over a mineralised structure of 16km. The joint venture tenement package covers approximately 24km².

Nexus has also applied for an exploration license and 3 prospecting licenses (100% Nexus) of a further approximately 46km² that surrounds the area covered by the joint venture tenements providing a total tenement package area of approximately 70km².

The Triumph Project area covers part of a highly deformed greenstone sequence intruded by narrow porphyry units and characterised by sheared banded iron units, sediments and mafic rocks. A feature of the project area is the extensive strike of the mineralised shear zone and multiple quartz veins which have been mined for gold by shallow shafts.

Nexus is targeting high grade gold deposits in the Triumph Gold Project.

A number of other project opportunities were evaluated, principally for gold and copper in Western Australia, with site visits and extensive due diligence conducted by management. The Company continues to conduct due diligence on prospective assets as they are identified.

Triumph Gold Project

The Triumph Project is located in the Eastern Goldfields of Western Australia, some 145km northeast of Kalgoorlie (Fig 1 and 2).



Figure 1. Triumph Project location, Western Australia.

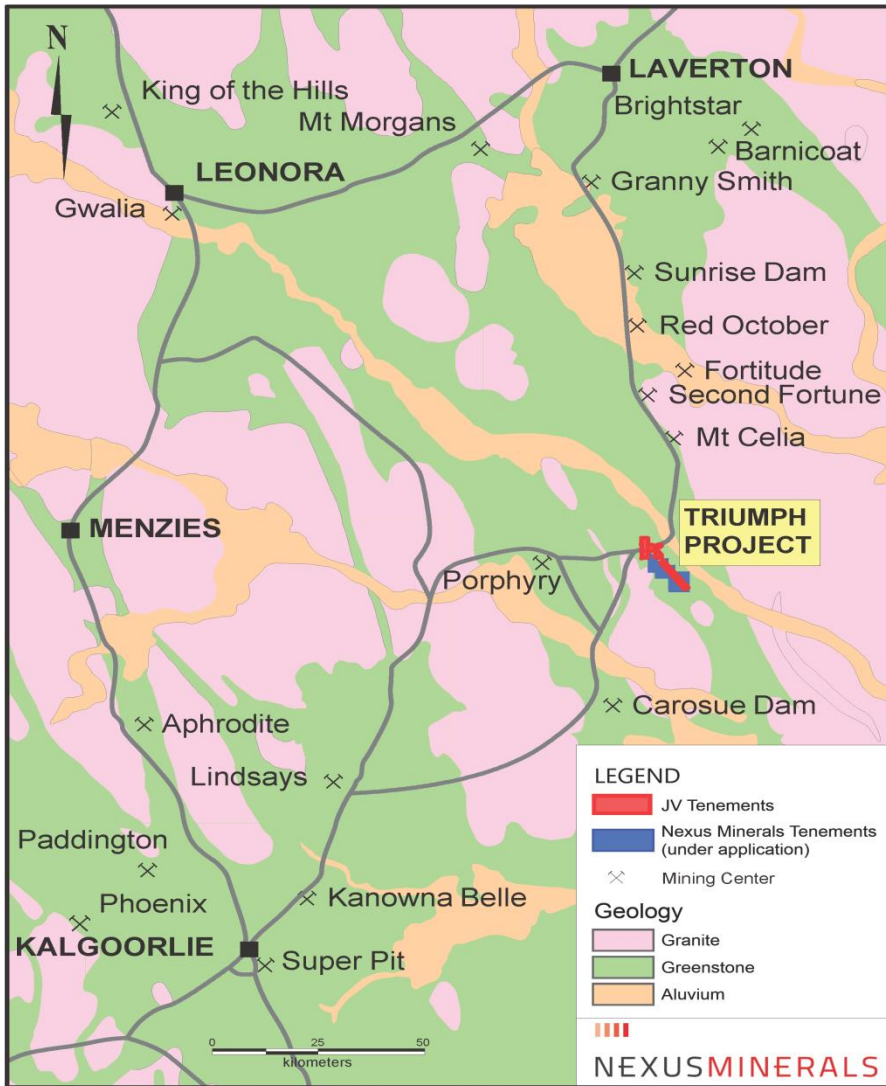


Figure 2. Triumph Project location, Eastern Goldfields.

Triumph Historical Production

The area was principally mined between 1897 and 1921, with recorded production of 22,168t @ 46.4g/t gold from the “Senate” line of workings (between Neta & Concordia prospects), and 8,100t @ 24.5g/t gold from the “Triumph” line of workings (between Perseverance & Glengarry prospects) (Fig 3).

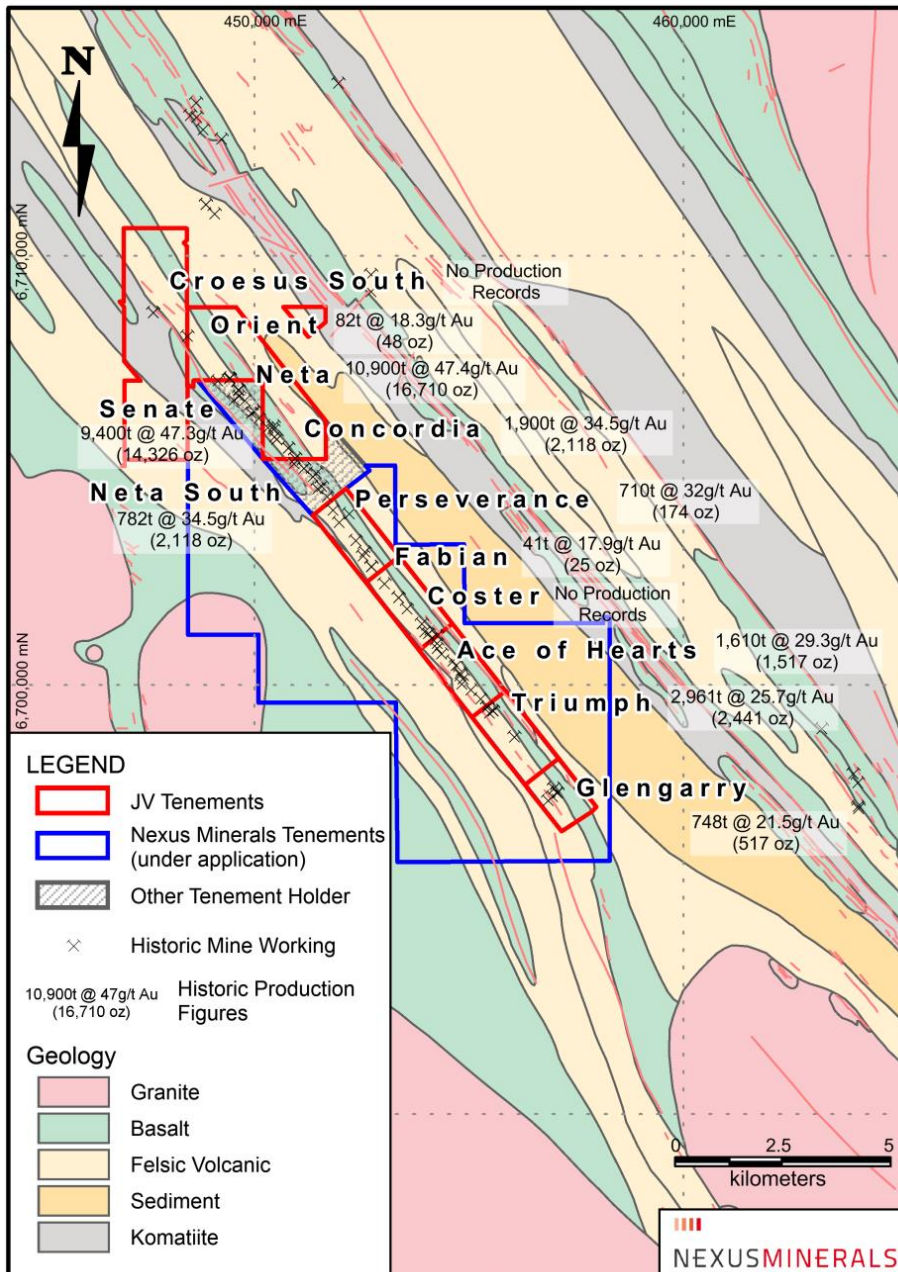


Figure 3. Triumph Project area (with major centres of historic production noted)

Triumph Geology

Geological and structural mapping of the Triumph Project covered the complete tenement package, with detailed mapping around the four main historic production centres – Perseverance, Ace of Hearts, Triumph and Glengarry (Fig 3 and 4). There was an emphasis on structural and alteration mapping to determine the extent of the high strain zone (Fig 4). Outcrop immediately surrounding the main trend of workings is more abundant than the surrounding area, suggesting a constrained silicified halo is present along these mineralized structures.

The central zone contains intense quartz + sericite + sulphide alteration which defines the highest grade gold zones and is best seen in the mullock dumps of the more developed workings. This extends to a broader bleached micaceous halo surrounded by strong zone of iron alteration. This intense purple iron alteration is strongly weathered but appears to have contained abundant fine grained sulphides. This extends into pervasive regional chlorite schist that is extensive through the central tenement package. This chlorite schist constrains the interpreted high strain zone.

The host structure to the known gold producing areas is a northwest striking high strain zone with a history of ductile deformation defined by a penetrative foliation. This high strain zone is located in the core of an isoclinal fold defined to the east and west by a banded iron formation. Evidence of at least 3 overprinting deformations is readily observable in surface exposures along the line of workings.

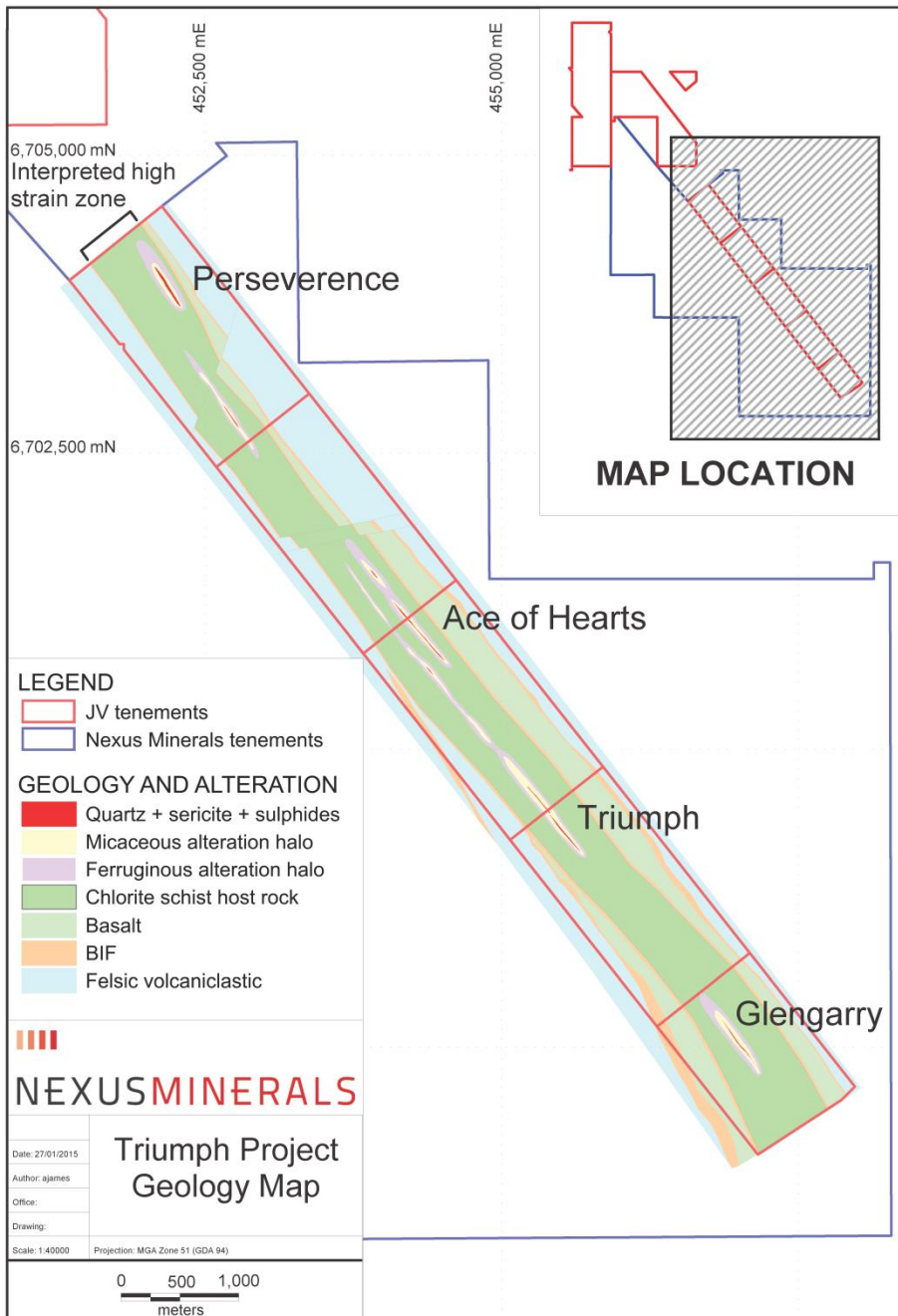


Figure 4. Triumph Geology

Distribution of Prospects

It is clear from the distribution of historic workings that a number of parallel horizons are mineralised. The geochemical patterns from previous auger, RAB and Aircore drilling, in association with historic workings, indicate that northwest trending parallel groups of prospects are also linked by previously unrecognised north-south structures. This is observed by the northwest striking composite foliation being crenulated by a sub-vertical north-south striking cleavage in the vicinity of the old workings. The host structure is intermittently mineralised over the entire strike length, with multiple opportunities for discovery of further deposits. Transported cover in palaeochannels adjacent to mining centres obscures the full extent of the mineralisation, and would certainly have hindered recognition of deposits and limited historical mining efforts.

Geophysical Surveys and Interpretation

A high resolution ground magnetic survey was completed in 2012 over the entire tenement package, but no detailed assessment of the results had been previously undertaken. This is now being progressed in conjunction with geological mapping to produce a detailed interpretation.

A ground geophysical IP survey undertaken by Newexco Geophysics completed the planned 6 lines in December 2014 (Fig 5). The aim of the survey was to complete 6 x 1km lines across the tenements. Four are designed to cross through the middle of significant historical mining centres (Perseverance, Ace of Hearts, Triumph and Glengarry), while two will be “control” lines crossing in areas with no historical mining activity or surface geological expression. The results will be layered on top of the geology/structural interpretation to better map the boundaries of the high strain zone, and to improve the Company’s knowledge of the controls and distribution of mineralization in the project area.

Heritage Survey

A heritage survey was completed across the tenement package with the Work Areas (the complete tenement area) surveyed with the aim to identify ethnographic and /or archaeological areas of significance. An archaeological reconnaissance survey of the work areas was also conducted.

No areas of Aboriginal Heritage significance were located on the Work Areas.

Drill Program

A 4,000m RC drill program has been developed and the POW submitted to the DMP has been approved. The POW allows for the final positioning of the drill holes to be selected upon completion of the geophysical interpretation. The program is scheduled to commence early February 2015 and is designed to test the Perseverance, Ace of Hearts, Triumph and Glengarry prospects. This first phase of drilling will test for the depth extensions 80-100m below surface of the mineralised structures identified to date. Encouraging results will allow Nexus to test the potential for further depth extensions (100 – 300m+) in future drill programs.

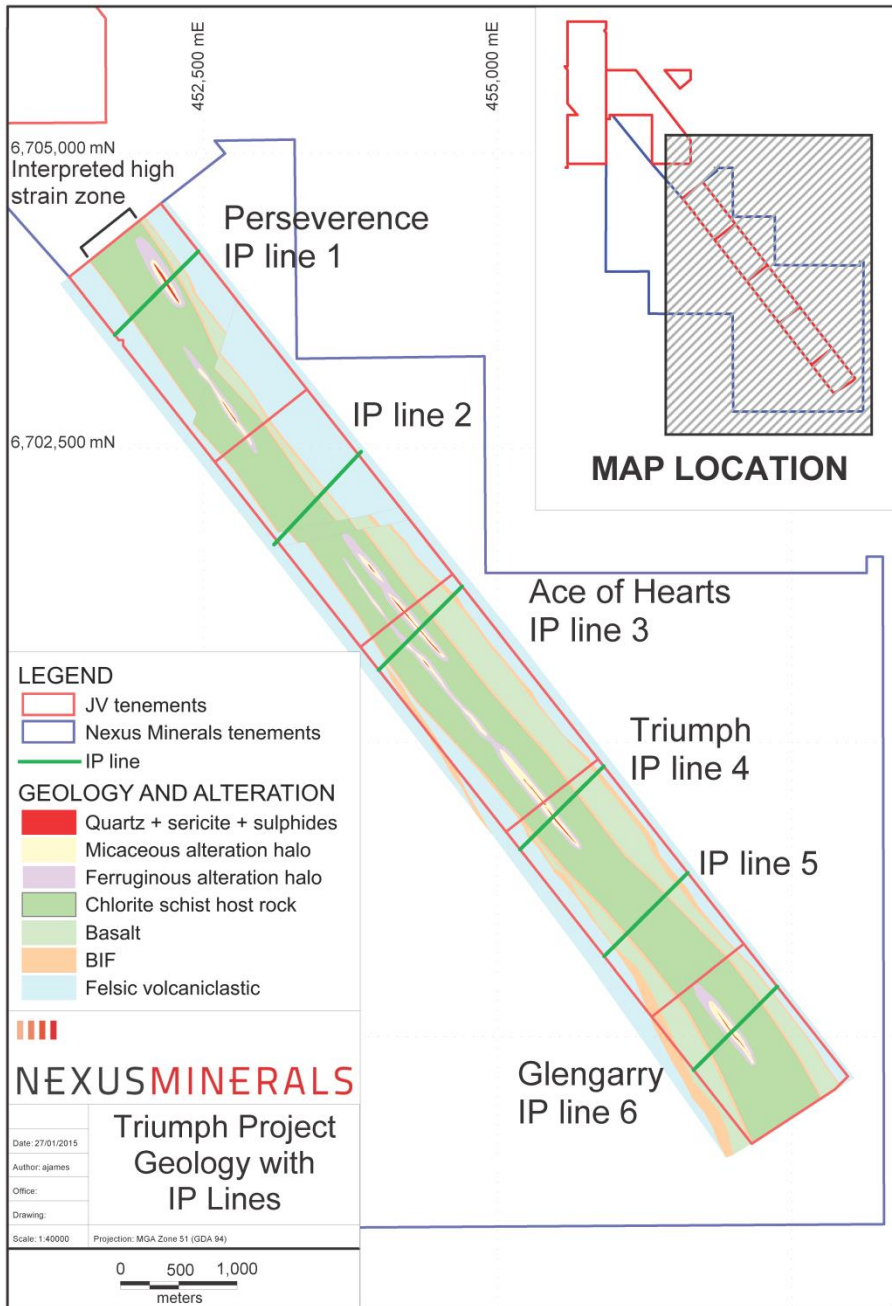


Figure 5. Triumph IP Survey

Conclusion

The Triumph Project has potential to contain high grade gold mineralization below shallow historical workings (generally <30m), which would allow the Company to establish significant gold resources from high grade mineralized structures identified from previous shallow drilling.

Other Company Tenements

Nexus continued to undertake geological assessments and maintain its commitments on all Company tenements and project areas.

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**

The information in this report that relates to Exploration Results and Mineral Resources 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. The Company confirms that the form and context in which the Competent Person's findings are present 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
Yandicoogina South (Iron)		
E47/1904	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
E47/2432		
E47/2473		
E47/2474		
Hancock Range (Iron)		
E47/2110	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
Mount Goldsworthy (Iron)		
E45/3376	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
Gardiner Range (Gold/REE)		
E80/4299	100% Nexus Minerals Australia Pty Ltd (wholly-owned subsidiary of Nexus Minerals)	100% Nexus Minerals Australia Pty Ltd
E80/4300		
E80/4402		
E80/4403		
E80/4894 - Application	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
E80/4895 - Application		
Mt Celia (Gold)		
P39/5484	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
P39/5485		
P39/5486		
Triumph (Gold)		
E31/1088 - Application	Nil	Nil
P31/2074 - Application		
P31/2075 - Application		
P31/2076 - Application		