



QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2016

ASX: NXM

Capital Structure

Shares on Issue 83.1 million

Unlisted Options 2.3 million

Cash on Hand \$5.98 million
(31/12/16)

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 Projects

Eastern Goldfields WA
Company and Farm-In JV
tenements

Pinnacles JV Project (Gold)

Pinnacles Project (Gold)

Triumph Project (Gold)

Mt Celia Project (Gold)

HIGHLIGHTS

- **2,425m Pinnacles East Resource drill program completed**
- **Mine studies at Pinnacles East Resource Area progressed**
- **Pinnacles Regional gravity survey 70% complete**

Eastern Goldfields gold explorer, **Nexus Minerals Limited (ASX: NXM) (Nexus or the Company)** is pleased to announce that during the December quarter, it completed a number of successful work programs.

Nexus commenced mine studies at Pinnacles East during the September quarter following the engagement of consultants to undertake a mineral resource update, and also to assist the Company in determining the potential of establishing an initial open cut pit followed by an underground gold mining operation. This work has continued through the December quarter.

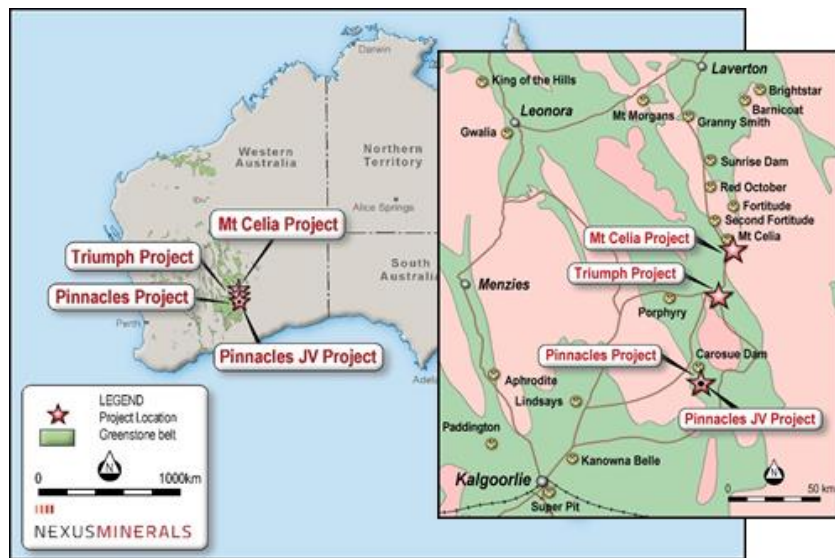


Figure 1: Nexus Project Locations – Eastern Goldfields, Western Australia.



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Pinnacles JV and Pinnacles Regional Gold Project

The combined Pinnacles Project area covers 100km² of 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. This geological and structural setting is considered to be highly prospective for gold mineralisation.

Pinnacles JV

At the Pinnacles East Resource area, a drill program of 18 RC holes for 1,933m and 4 diamond drill holes for 492m was completed. The drill program was designed to gain information required by the various consultants to utilise in the mine study, predominantly geotechnical, bulk density and hydro-geological information. All samples have been submitted to Intertek Genalysis laboratory for analysis.

Pinnacles Regional

A ground based gravity survey commenced on the Pinnacles Regional gold project during the quarter (Fig. 2), with approximately 70% of the survey completed by the end of the quarter. The balance of the survey to be completed in the first quarter of 2017.

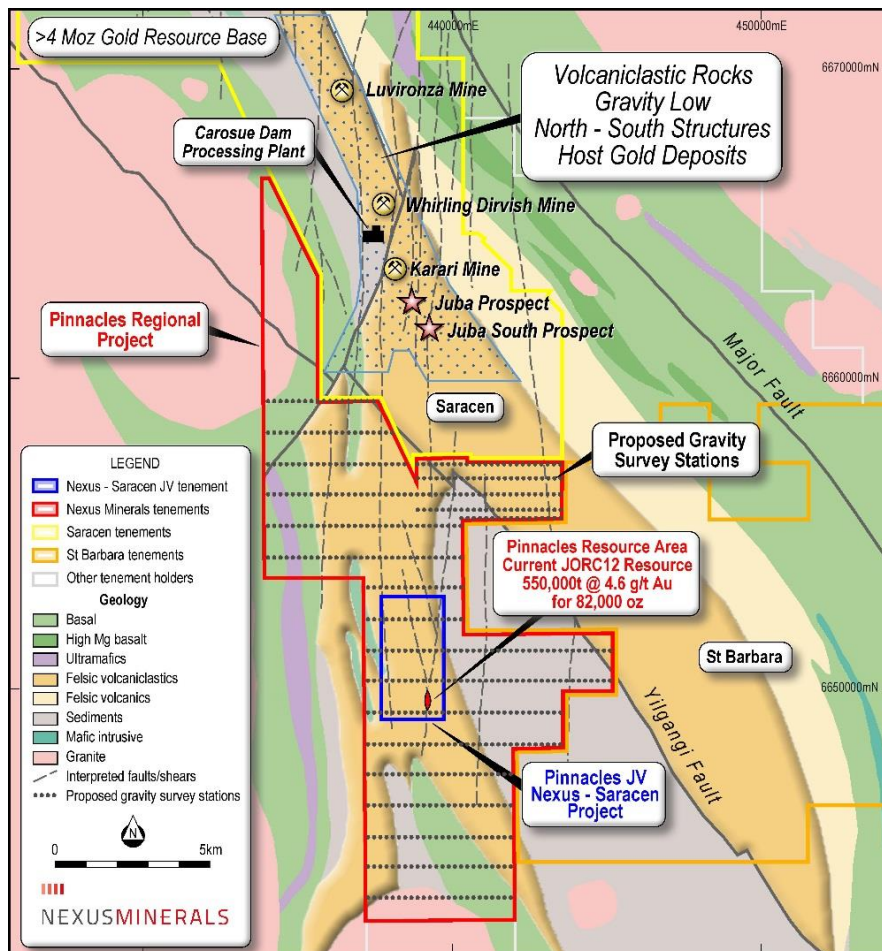


Figure 2. Pinnacles Regional Gold Project Gravity Survey



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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 ~70km². To date, the Company has undertaken multiple IP ground geophysical programs, which identified a central high strain zone. When layered with geology, structural interpretation and ground magnetics, the structural controls on mineralisation are better understood. 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.

As previously reported, a follow up IP ground geophysical program was undertaken during the June quarter, to cover the most prospective areas identified in previous IP ground geophysical and drill programs.

The Gradient Array IP program was designed to measure multiple dipole receiver separations – at line spacings of 200m and receiver spacings of 25m, 50m and 100m. The 25m and 50m separation providing more specific shallow anomaly targeting information with the 100m most effective for first pass survey work to characterise the regional setting. The data has been processed and interpreted and has successfully highlighted and constrained the north west striking chlorite schist alteration package known to host gold mineralisation. The data also identified anomalous zones where later north-north west to south-south east oriented structures intersect the primary north west striking rock package. Further ground work will be undertaken to determine the significance of these features.

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 is along strike directly south of Legacy Iron's Blue Peter project that contains an Inferred Resource of 239,232t @ 3.97g/t Au for 30,554oz gold (1g/t cut-off) (see legacyiron.com.au).

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

During the quarter, Managing Director Andy Tudor presented at the 121 Hong Kong Investment Conference and the Precious Metal Summit in Zurich. The presentations were well received and provided an update of the Company's activities including the Pinnacles Joint Venture and Farm-In Agreement with Saracen Gold Mines, and the status of the Pinnacles JV Gold project, the Pinnacles Regional Gold project and other Company projects.

At the end of the December quarter, the Company held \$5.98 million cash and equivalents.



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March 2017 Quarter – Work Program

During the March 2017 quarter, the Company intends to undertake the following activities:

Pinnacles JV Gold project

- Complete mine potential studies.

Pinnacles Regional Gold project

- Complete final 30% coverage of gravity survey to complete coverage of total 100km² regional tenement package.
- Commence auger geochemical orientation survey post assessment of gravity survey data and integration with structural and geological information.

About Nexus

Nexus has entered into a Farm-in and Joint Venture Agreement over the Pinnacles JV Gold Project with Saracen Gold Mines Pty Ltd, a subsidiary of Saracen Mineral Holdings Limited (**ASX:SAR**) (see ASX Release 17 September 2015). This investment 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.

The information in this report that relates to the Nexus Minerals Limited Pinnacles JV Mineral Resource is based upon information from the Company's announcement dated 13 October 2016 and is available to view on the Company's website at www.nexus-minerals.com. The information was compiled by Mr Paul Blackney, a Competent Person who is a member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blackney is a full-time employee of Optiro Pty Ltd, consultants to Nexus Minerals Limited. Mr Blackney has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

SUMMARY OF NEXUS MINERALS LIMITED TENEMENTS

AUSTRALIA	Interest at beginning of Quarter	Interest at end of Quarter
Pinnacles JV (Gold)		
M28/243	50% Nexus Minerals Limited	74% Nexus Minerals Limited
Pinnacles Regional (Gold)		
P28/1185	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
E28/2526	90% Nexus Minerals Ltd	90% Nexus Minerals Ltd
E28/2487	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd
Triumph (Gold)		
E31/1088	100% Nexus Minerals Australia Pty Ltd	100% Nexus Minerals Australia Pty Ltd
P31/2074		
P31/2075		
P31/2076		
E31/819	40% - 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	100% Nexus Minerals Ltd	100% Nexus Minerals Ltd