



Aeromagnetic Interpretation Identifies Pinnacles Targets

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)

- Southern Geoscience Consultants completed aeromagnetic data processing, imaging and interpretation
- Multiple targets analogous to Pinnacles East Resource identified – the “Pinnacles Corridor”
- “Pinnacles Corridor” target area extends 2.5km to the north and 1.5km to the south of the Pinnacles East Resource area
- Aeromagnetics highlight contact that follows Pinnacles North extensive coincident gold / arsenic soil geochemical anomaly (see ASX release 5/5/2016)
- Multiple regional “Areas of Interest” targets identified
- Ground IP geophysical program currently underway to better define “Pinnacles Corridor” and Pinnacles North anomalies
- Ground geology truthing of “Pinnacles Corridor” and Pinnacles North anomalous areas underway

Eastern Goldfields gold explorer, **Nexus Minerals Limited (ASX: NXM) (Nexus or the Company)** is pleased to announce the results of the recently completed aeromagnetic assessment by Southern Geoscience Consultants (SGC).

SGC were engaged to undertake aeromagnetic data processing, imaging and interpretation of the Pinnacles JV tenement and the surrounding Pinnacles Regional Tenement package. Multiple survey data previously collected by private companies – now available on open file, were combined with open file government data. This resulted in the production of a high quality tailored image of the study area.

Three main styles of features were highlighted (see Fig. 1 and Fig 2):

- 1) Magnetic Anomalies – Pinnacles East resource area and multiple other zones of analogous magnetic anomalism.
- 2) Contact Zone Anomaly – Highlights an interface of magnetic / non magnetic rock types. This contact follows the Pinnacles North coincident gold / arsenic geochemical anomaly.
- 3) Areas of Interest – Areas requiring follow up investigation based on multiple “weight of evidence” factors.

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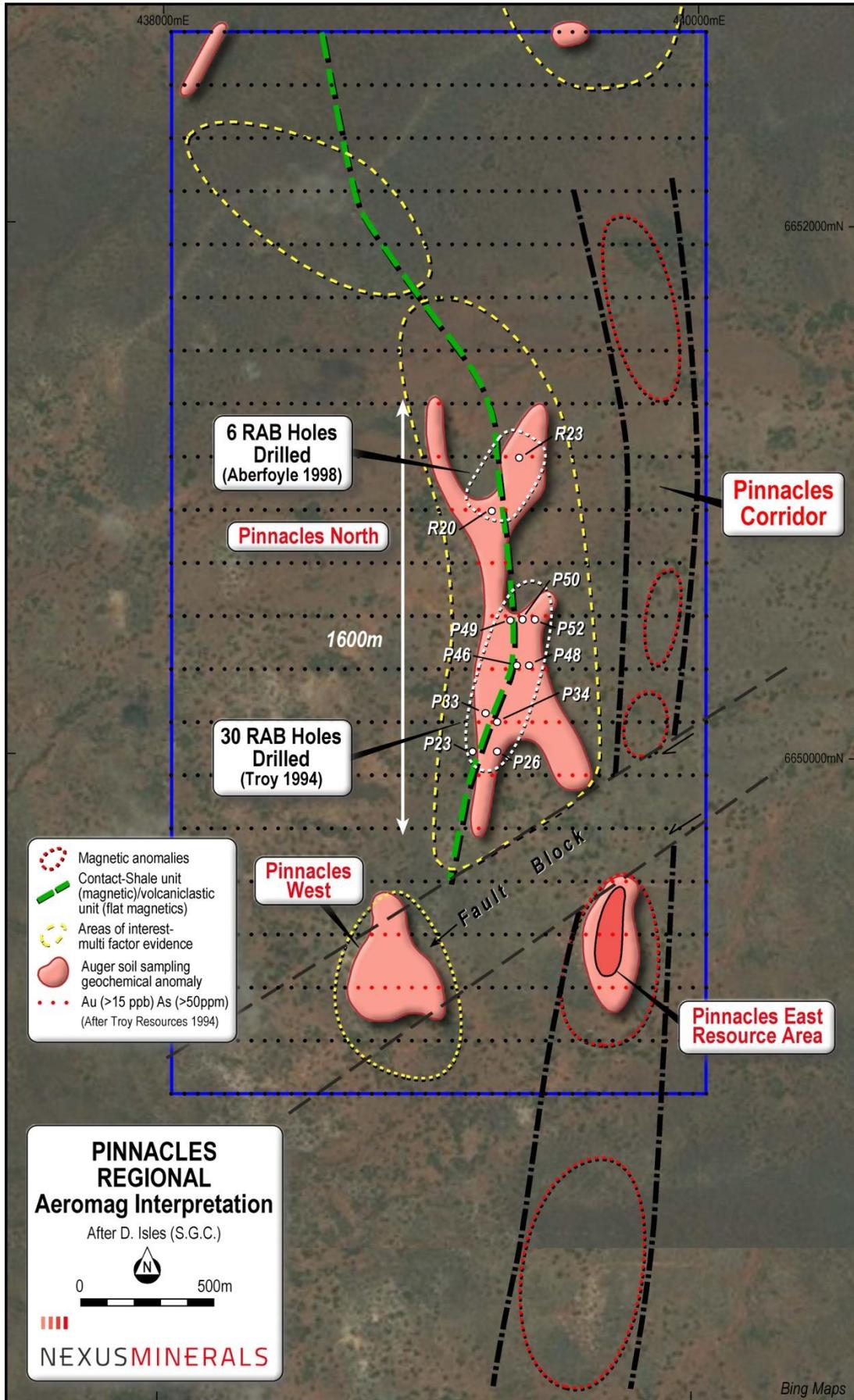


Figure 1. Pinnacles JV tenement with Aeromagnetic Anomalies & Soil Geochem Anomalies.



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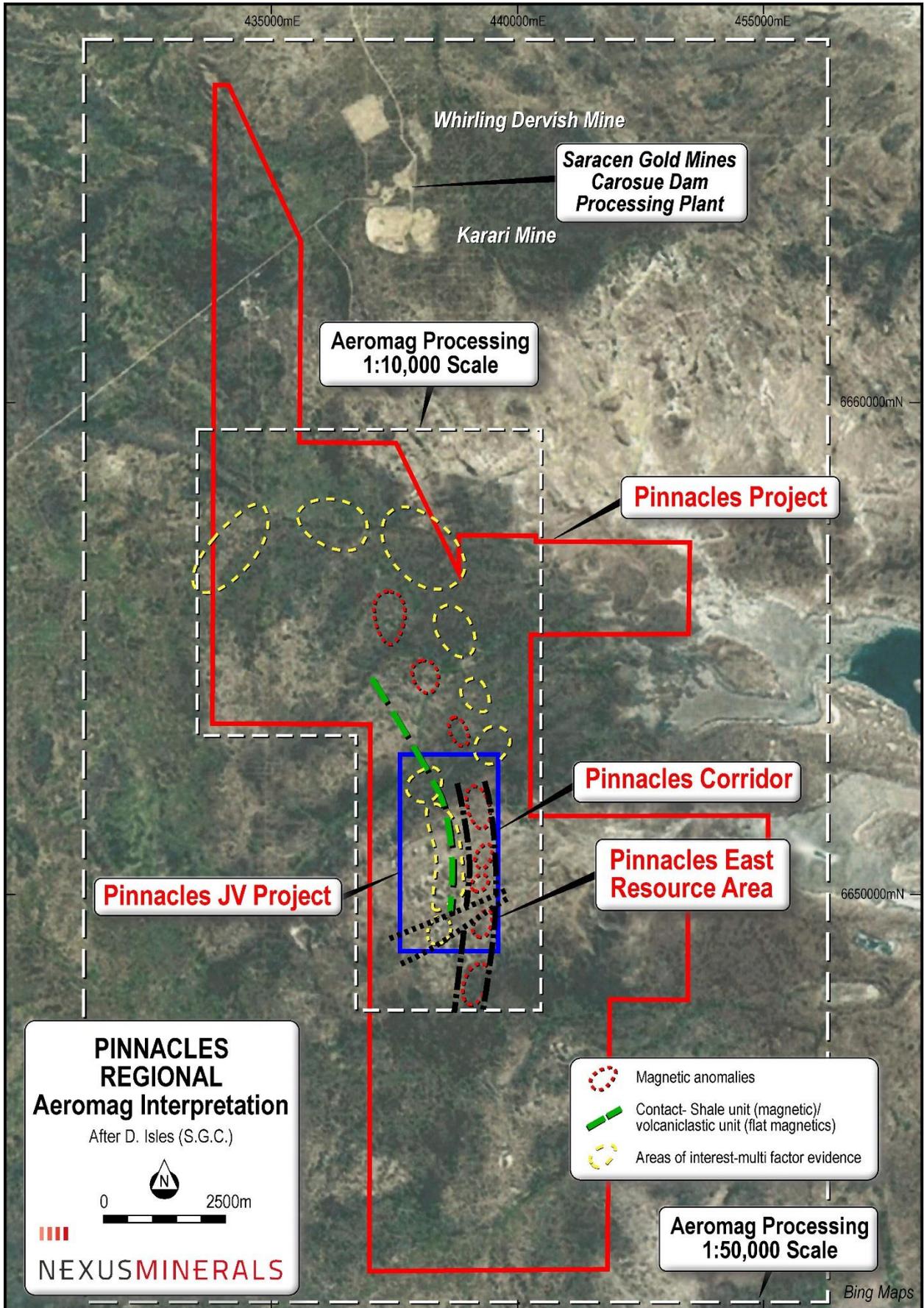


Figure 2. Pinnacles Regional Tenements with 1:10,000 Aeromagnetic anomalies.



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Discussion

Interpretation was carried out at 1:10,000 scale providing prospect scale levels of detail. Interpreted litho-stratigraphic zones, magnetic rock units and structural features were combined as “weights of evidence” to produce “Targets” and “Areas of Interest” on a solid geology and structural interpretation map.

Pinnacles East resource area mineralisation style / aeromagnetic response has largely driven the initial targeting, with a “corridor” of multiple analogous targets being identified within the Pinnacles JV tenement, with further multiple analogous targets identified on the Pinnacles regional tenement.

The processing has also highlighted the contact between a magnetic shale unit and the flat magnetics of a volcanoclastic unit. This contact follows the previously reported Pinnacles North 1.6km x 300m geochemical coincident gold (>15ppb) arsenic (>50ppm) anomaly (see ASX release 5/5/2016). Troy Resources undertook the drilling of 30 shallow RAB holes (in 1994) into the southern part of the Pinnacles North anomaly which resulted in several anomalous intersections. The northern part of this anomaly was tested by Aberfoyle Resources (in 1998) with the drilling of 6 shallow RAB holes. This program also resulted in anomalous intersections. The anomalous intersections identified in these programs have never been followed up with further work.

The aeromagnetic work has yielded a coherent district and local geological framework – albeit preliminary at this stage. There is a suggested association between magnetic features and areas of mineralisation, the only known example to date being the Pinnacles East Resource area. Areas of exploration interest are proposed based on multiple factors culminating in “Weights of Evidence” anomalies. The potential broader regional association will require investigation through further ground work and ultimately the integration of future drill hole data.

Work Programs

Nexus is continuing to build up geological, structural and mineralisation information of the region with interpretation models being built and modified as new information is gathered and assessed.

In addition to Nexus field mapping of the JV tenement, a ground IP geophysical survey is currently being undertaken. This program is designed to cover the targets identified by the aeromagnetic work along the “Pinnacles Corridor”. Initially the survey will cover the Pinnacles East resource area, to provide the operator with a base response, with the survey then being extended to cover all of the “Pinnacles Corridor” and the Pinnacles North 1.6km x 300m gold/arsenic soil anomaly.

Following the integration of all geological/geophysical/structural/geochemical inputs, drill programs can be designed to test the prospective targets identified.

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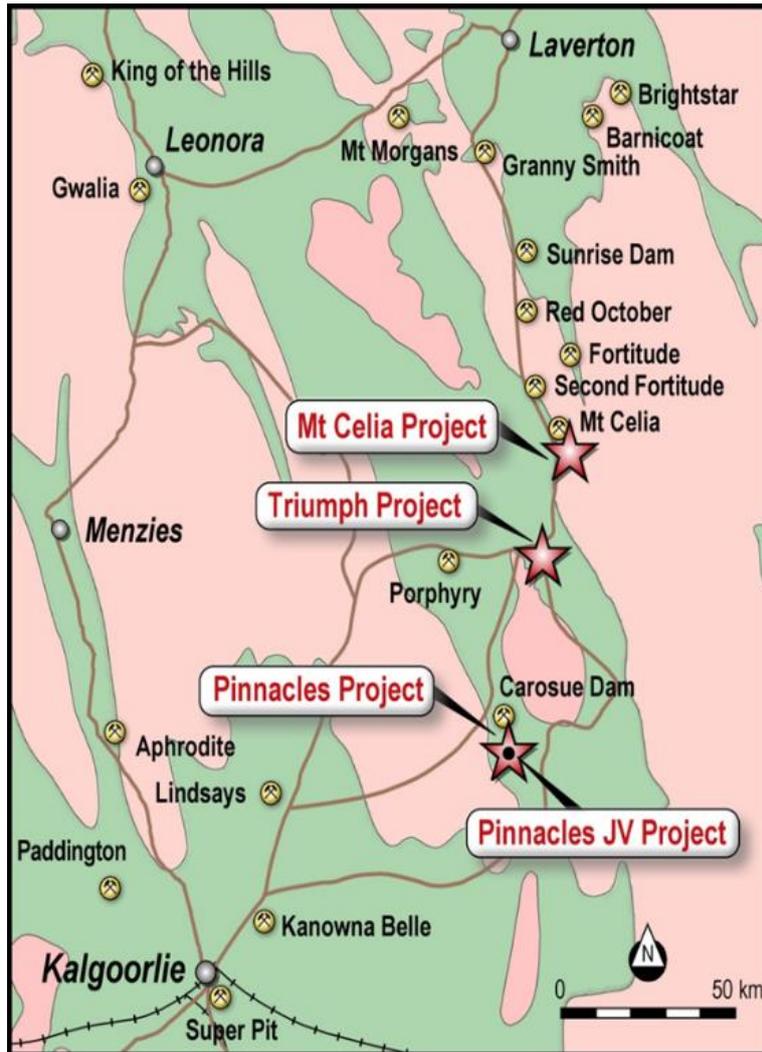


Figure 3: Nexus Project Locations – Eastern Goldfields, Western Australia.

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, and fairly represents, information and supporting documentation prepared, 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".

Nexus Minerals Limited confirms that it is not aware of any new information or data that materially affects the information included in the market announcement of 5/5/2016.

Mr Tudor consents to the inclusion of the matters presented in the announcement in the form and context in which they appear.

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