



## NEXUS PINNACLES JV and REGIONAL GOLD PROJECT UPDATE

### ASX: NXM

#### Capital Structure

Shares on Issue 83.1 million

Unlisted Options 1.5 million

Cash on Hand \$7.2million  
(1/9/16)

#### 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 hole drill program into GT1 geophysical anomaly intersects strong silicification and sulphide alteration**
- **4 hole drill program into GT2 soil geochemistry anomaly returns elevated gold results up to 2m@1.77g/t Au**
- **100km<sup>2</sup> gravity survey covering complete regional tenement package to commence early November**
- **Regional structural architecture assessment underway**
- **Auger geochemical orientation program being developed**

**Nexus Minerals Limited (ASX: NXM) (Nexus or the Company)** is pleased to announce the results of its recently completed 6 hole 825m RC drill program, within the Pinnacles JV Project, and a project update on its 100km<sup>2</sup> regional tenement package, located in the Eastern Goldfields, 120km northeast of Kalgoorlie.

Hole ID	GDA 94 East	GDA 94 North	Azimuth	Dip	From (m)	To (m)	Length (m)	Grade (g/t)
NMPRC14	439639	6650086	90	-60				NSI
NMPRC15	439404	6650324	90	-60	37	39	2	0.24
NMPRC16	439363	6650320	90	-60	28	35	7	0.75
	incl				28	30	2	1.77
					44	48	4	0.39
					64	68	4	0.25
NMPRC17	439377	6650427	90	-60	46	47	1	0.10
NMPRC18	439334	6650413	90	-60				NSI
NMPRC19	439738	6650492	90	-60				NSI

**Table 1. RC Drill Results (>0.1g/tAu).**

The positive anomalous gold results returned in the recent drill program, in association with strongly silicified stratigraphy, quartz-carbonate veining, extensive alteration, hydrothermal brecciation and up to 10% pyrite content – all provide encouragement for regional exploration success.

The Carosue Dam district exhibits a large scale mineralised hydrothermal gold system having produced multi-million ounces of gold to date, and still today contains >4Moz gold in regional resources.

Nexus holds a significant land package (100km<sup>2</sup>) of highly prospective geological terrain within a major regional structural corridor, and is actively exploring for gold deposits.

Nexus Minerals Limited (ASX: NXM)

ABN: 96 122 074 006

41-47 Colin Street, West Perth, Western Australia 6005

PO Box 2803, West Perth WA 6872

T: +61 8 9481 1749 F: +61 8 9481 1756 W: [www.nexus-minerals.com](http://www.nexus-minerals.com)



# NEXUSMINERALS

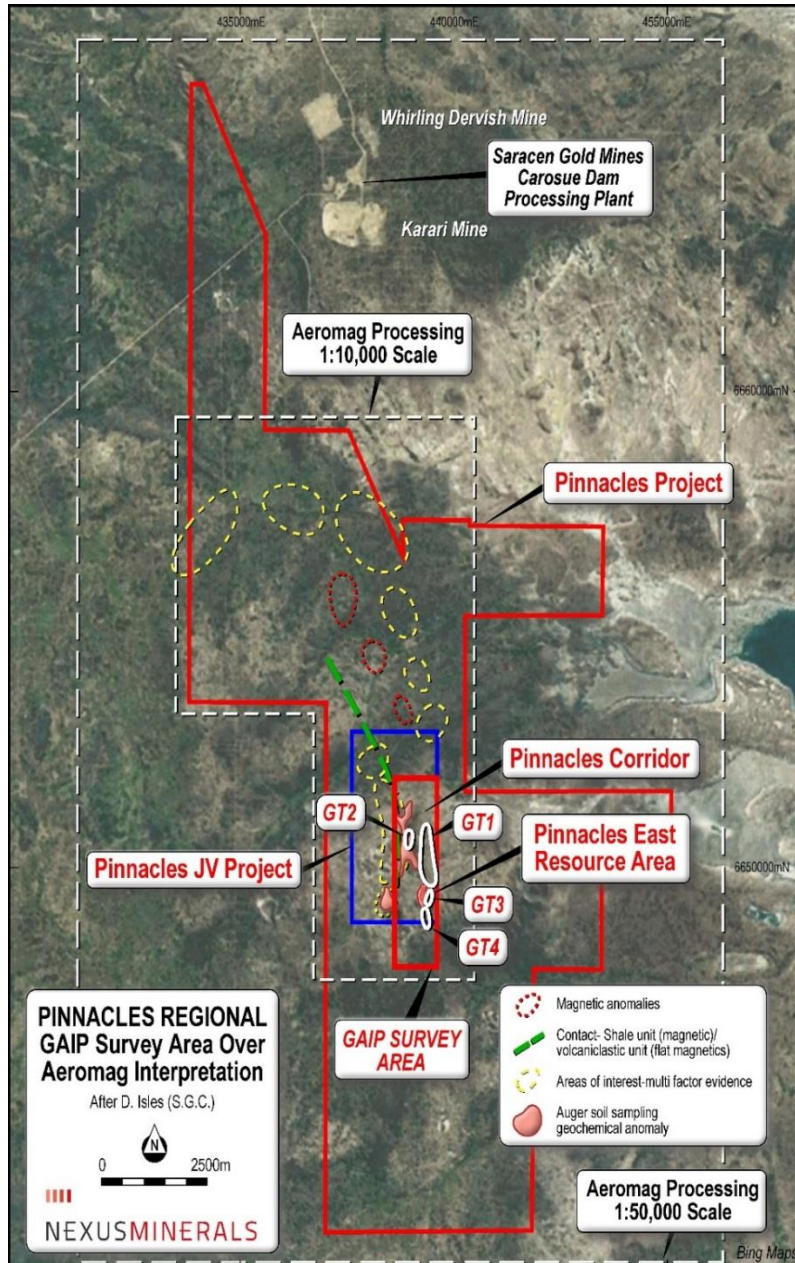


Figure 1. Pinnacles JV Gold Project (Blue) surrounded by Nexus Regional Tenement Package (Red).

## GT1 Anomaly

Two drill holes were designed to a depth of 200m to test anomalies identified from a Gradient Array Induced Polarisation (**GAIP**) survey undertaken by Nexus in June this year. This GT1 anomaly contains coincident high order resistivity (up to 650 ohm.m) and chargeability (up to 40mV/V) anomalism also coincident with previously identified aeromagnetic highs, representing potential high level intrusions.

Both drill holes encountered strongly silicified stratigraphy, with quartz-carbonate veining, extensive hydrothermal brecciation and up to 10% sulphide content – explaining the GAIP survey anomaly. Whilst no mineralised intersections were returned in this location, the presence of intense silicification and alteration provide for the existence of a large scale regional alteration system.





# NEXUSMINERALS

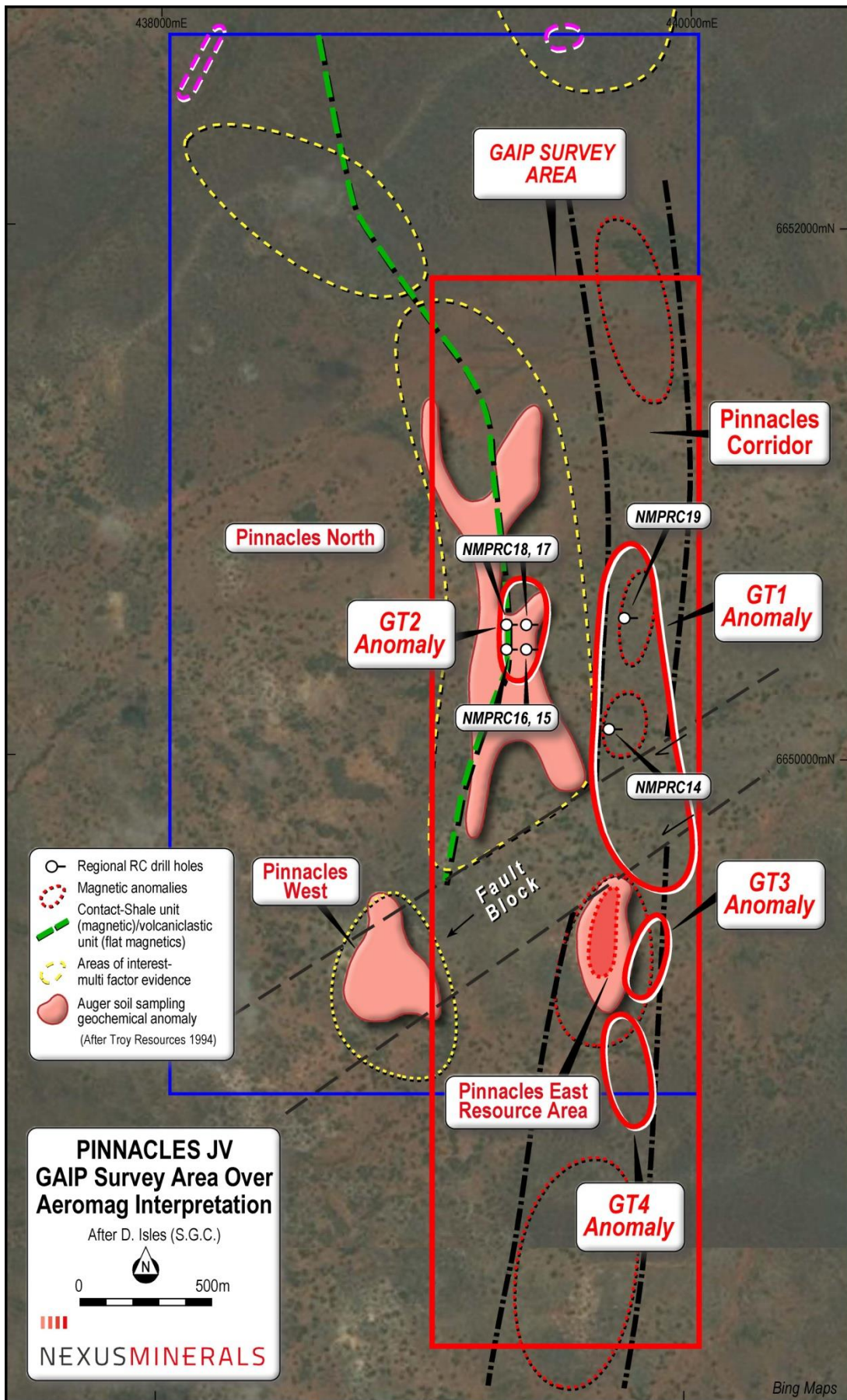


Figure 2. Nexus Pinnacles JV Tenement with Anomalies and Drill Hole Locations



# NEXUSMINERALS

## GT2 Anomaly

Four drill holes were designed to a depth of ~100m to test a geochemical/geophysical anomaly. The GT2 anomaly was centered over the Pinnacles North 1.6km x 300m geochemical coincident gold (>15ppb) arsenic (>50ppm) anomaly (after Troy 1994), and coincident resistivity high, identified in the survey undertaken by Nexus in June this year. This resistivity high appears to occur along contact zones of magnetic / non-magnetic rock units as interpreted from aeromagnetic data.

As can be seen in Table 1 three of the four holes drilled into the GT2 anomaly intersected elevated gold mineralisation, with the best intersection being 2m @ 1.77g/t Au. The holes intersected a regolith profile of clays to approximately 30m, grading into a fine to medium grained sandstone. Alteration products observed included quartz +/- chlorite +/- carbonate +/- pyrite.

The mineralisation in these holes is interpreted to be associated with a supergene horizon at the weathering boundary and as such prospectivity remains for the discovery of a proximal primary gold bearing system. This area will be assessed as part of the broader regional tenement geological exploration program.

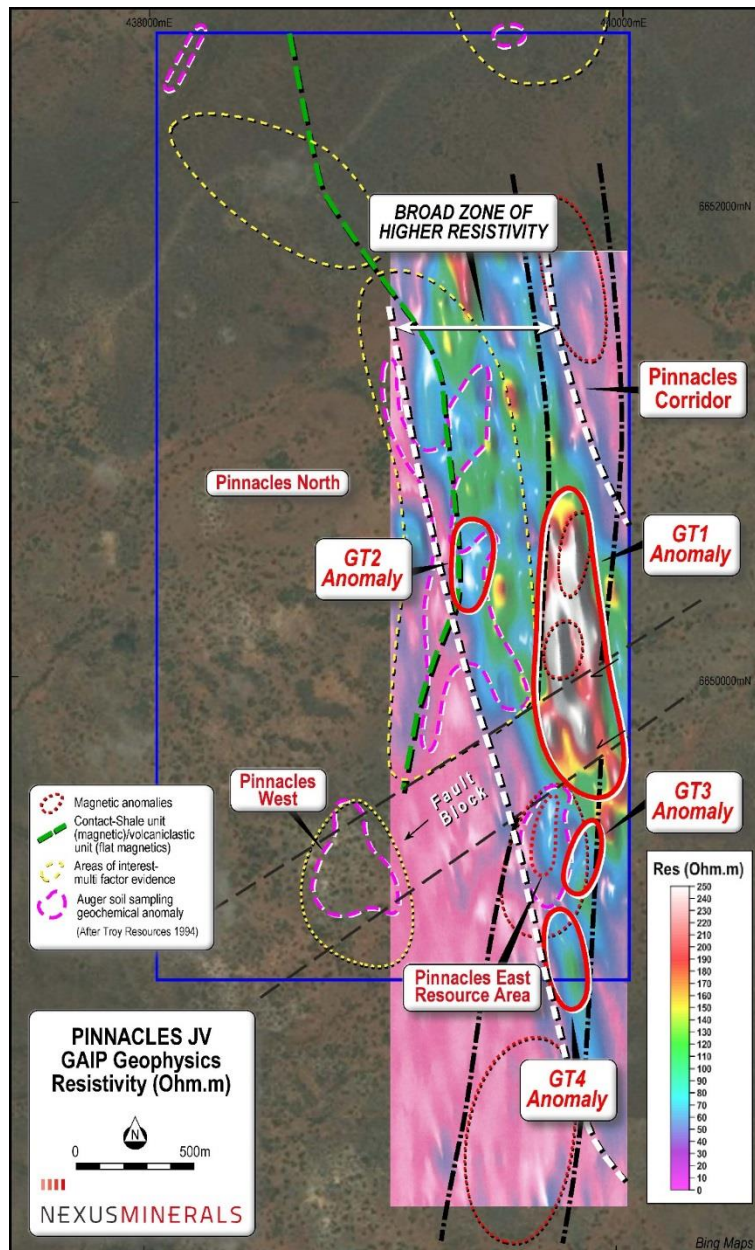


Figure 3. Pinnacles JV tenement GAIP Resistivity over Aeromagnetic & Soil Geochem Anomalies





# NEXUSMINERALS

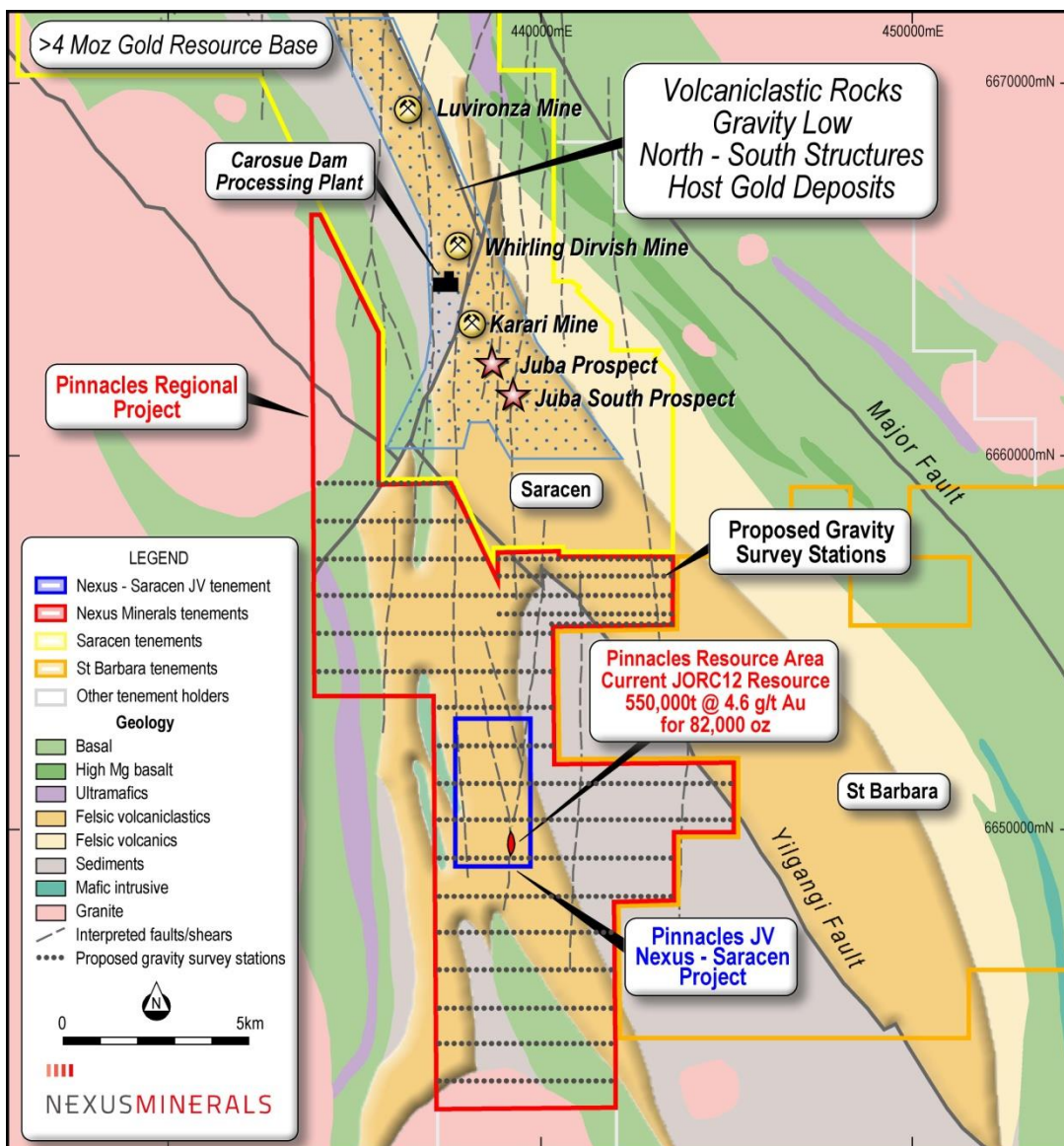
## Gravity Survey

The successful use of a gravity survey to identify major deposits in the Carosue Basin by Saracen Mineral Holdings Limited (**Saracen**), on their tenement immediately to the north of Nexus regional tenements, has provided Nexus with the encouragement to undertake its own gravity survey, covering the Company's 100km<sup>2</sup> regional package.

Saracen reported in its ASX release of 27 July 2016 that: *the gravity survey successfully defined the prospective corridor of late basin volcanoclastic sediments which host the major deposits in the Carosue Dam corridor. The key stratigraphy is defined in the gravity data as a gravity low. Many of the deposits in the Carosue district are hosted in this gravity low and are generally proximal to north south striking faults.*

Nexus will be commencing the gravity survey in the first week of November with the program consisting of approximately 700 stations on 1,000m spaced lines and 200m spaced stations. Areas of interest will have additional data collected from infill lines and stations.

This data will be integrated with regional geological and structural assessment, to prioritize regional first pass auger drill programs.



**Figure 4. Pinnacles JV Gold Project (Blue) surrounded by Nexus Regional Tenement Package (Red) with proposed Gravity Survey Station Locations**



# NEXUSMINERALS

## About Nexus

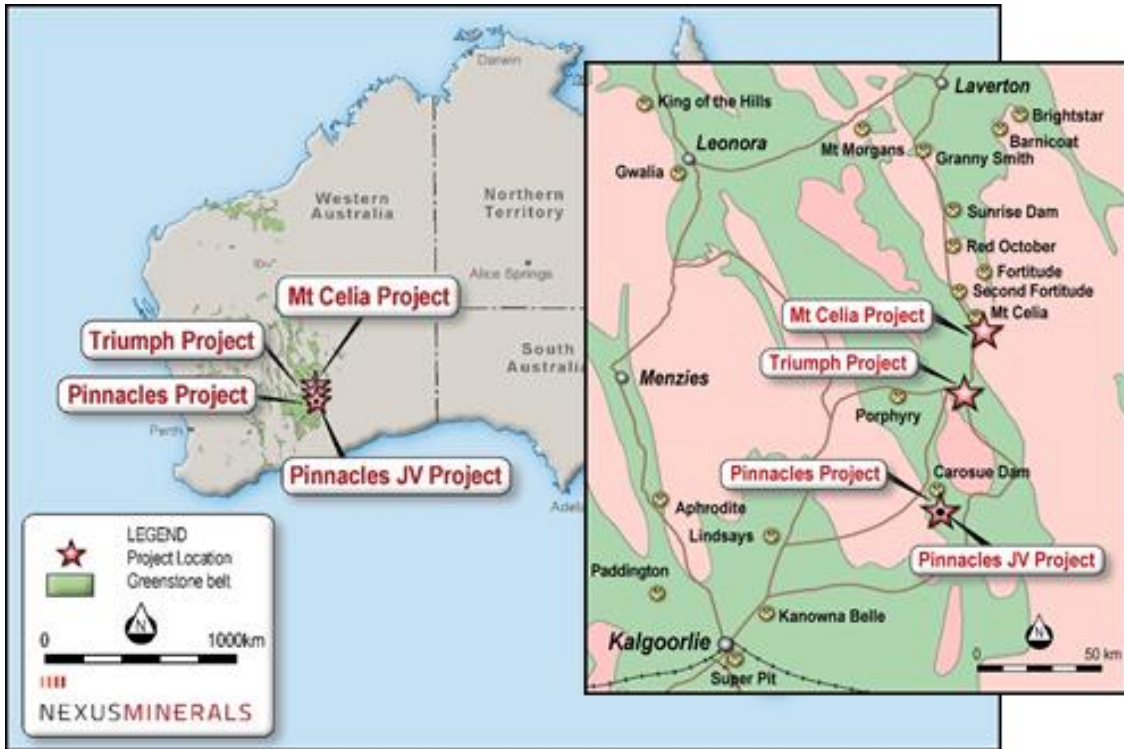


Figure 5. Nexus Project Locations – Eastern Goldfields, Western Australia

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**

Contact        **Phone: 08 9481 1749**  
                    **Fax: 08 9481 1756**

Website        [www.nexus-minerals.com](http://www.nexus-minerals.com)

ASX Code      **NXM**

For Media and Broker Enquiries:

**Andrew Rowell**  
**Cannings Purple**  
**+61 8 6314 6304**



# NEXUSMINERALS

## **Competent Persons' Statements**

*The information in this report that relates to Exploration Results is based on information compiled or reviewed by 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 "Australia Code for Reporting and Exploration Results, Mineral Resources and Ore Reserves". The exploration results are available to viewed on the Company website [www.nexus-minerals.com](http://www.nexus-minerals.com). The Company confirms it is not aware of any new information that materially affects the information included in the original announcements, 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 report of the matters based on his information in the form and context in which it appears.*

## Appendix A 17 October 2016

### 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
Sampling techniques	<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) (6 holes) were drilled in this program.</p> <p>RC chips provide high quality representative samples for analysis.</p> <p>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 samples had 4 consecutive 1m samples composited to form a 4m composite sample which was sent to the laboratory for analysis.</p> <p>24 samples were logged as mineralised with individual 1m samples 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>
Drilling techniques	<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 RC drilling and collect the samples. The face sampling bit had a diameter of 5.5 inches (140mm). 6 holes were completed. Total RC 825m.</p>
Drill sample recovery	<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 RC meter sample weight recovered was 25kg with minimal variation between samples.</p>



Criteria	JORC Code explanation	Commentary
	<p><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></p>	<p>No sample bias is believed to have occurred during the sampling process.</p>
<p><i>Logging</i></p>	<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: Lithology, mineralogy, alteration, mineralisation, colour, weathering and other characteristics as observed. All RC samples were wet sieved.</p> <p>All holes and all meters were geologically logged.</p>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<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>One meter RC 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>For composite samples four consecutive green bags were sampled using an aluminium scoop which penetrates the entire bag with multiple slices taken from multiple angles to ensure a representative sample is collected. These are combined to produce a 4m composite sample of 2-3kg.</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>

Criteria	JORC Code explanation	Commentary
	<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><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Sampling methods and company QAQC protocols are best industry practice.</p> <p>Sample sizes are considered appropriate for the material being sampled and the sample size being submitted for analysis.</p>
<p><i>Quality of assay data and laboratory tests</i></p>	<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>4m composite samples were analysed for gold only 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>1m samples are 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>No geophysical tools, spectrometers, handheld XRF instruments, etc, were used in this drill program</p> <p>Nexus Minerals protocol provides for Certified Reference Material (Standards and Blanks) to be inserted at a rate of 4 standards and 4 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>
<p><i>Verification of sampling and assaying</i></p>	<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>Significant intersections were verified by the Exploration Manager.</p> <p>No twin holes were drilled as part of this program</p>

Criteria	JORC Code explanation	Commentary
	<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>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>
<p><i>Location of data points</i></p>	<p><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></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>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.</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>
<p><i>Data spacing and distribution</i></p>	<p>Data spacing for reporting of Exploration Results.</p> <p>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.</p> <p>Whether sample compositing has been applied.</p>	<p>Drilling took place in 1 prospect area. Line spacing was 25-200m.</p> <p>The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for any Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.</p> <p>Yes as stated above.</p>
<p><i>Orientation of data in relation to geological structure</i></p>	<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). All holes were drilled -60 degrees towards 90 degrees.</p> <p>The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.</p>
<p><i>Sample security</i></p>	<p><i>The measures taken to ensure sample security.</i></p>	<p>Pre numbered calico bags were placed into green plastic bags, sealed and transported to the Intertek laboratory in Kalgoorlie by company personnel.</p>
<p><i>Audits or reviews</i></p>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>All sampling, logging, assaying and data handling techniques are considered to be industry best practice.</p>



## 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>	<p><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> <p><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></p>	<p>Drilling was undertaken on tenement M28/243.</p> <p>Nexus is the manager of a Farm-In &amp; JV Agreement with Saracen Mineral Holdings Limited (as detailed in ASX release 17/09/2015).</p> <p>There are no other known material issues with the tenements.</p> <p>The tenements are in good standing with the Western Australian Mines Department (DMP).</p>
<i>Exploration done by other parties</i>	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>The tenement was subject to minor mining activities in the early 1900's (2 shafts) and modern exploration activities since the mid 1980's.</p> <p>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 East 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.</p>
<i>Geology</i>	<p><i>Deposit type, geological setting and style of mineralisation.</i></p>	<p>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.</p> <p>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.</p> <p>Nexus released a Mineral Resource Update on the Pinnacles East Resource area. See ASX release 13/10/2016. The updated JORC 2012 compliant resource being 550,000t @ 4.6g/t gold for 82,000 ounces.</p>

Criteria	JORC Code explanation	Commentary
<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"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> <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 understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	Refer to ASX announcements for full tables.
<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>Grades are reported as down-hole length weighted averages greater than 0.1g/tAu. No top cuts have been applied to the reported assay results.</p> <p>No aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results.</p> <p>No metal equivalent values were reported.</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 (180 degrees). All holes were drilled -60 degrees towards 90 degrees.</p> <p>All reported intersections are down-hole length – true width not known.</p>
<i>Diagrams</i>	<p><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></p>	Refer to the maps and sections included in the text.

Criteria	JORC Code explanation	Commentary
<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>	See Table 1. Results are reported with results above 0.1g/t Au cut off.
<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>	No other exploration data to be reported.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).  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>	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 drill program.