



# Nexus Minerals

Nov 10<sup>th</sup> 2015

## Nexus Minerals targets extension to high-grade gold at Saracen JV

Nexus Minerals (ASX:NXM) has now kicked off a 2000 metre, seven hole reverse circulation drilling program at the Pinnacles gold project in Western Australia.

Nexus recently entered into a farm-in and joint venture at the project with mid-tier gold producer Saracen Mineral Holdings (ASX:SAR).

Drilling will target depth extensions of the high grade mineralisation identified to date, with the program to be wrapped up by the end of November.

The tenement has been significantly under explored considering its proximity to the multi-million ounce gold camp at Carosue Dam, which remains at over 4 million resource ounces.

### Why Pinnacles

The Pinnacles project fits into Nexus' criteria of a high grade gold, narrow vein project, with the ability to significantly grow the resource both at depth and along strike.

The project has an existing 28,000 gold ounce resource, access to haul roads and infrastructure, and is surrounded by Nexus tenements - providing the company with economies of scale.

Adding intrigue to the joint venture, it also includes an Ore Sale & Purchase clause to process potential ore at Carosue Dam, located 13 kilometres to the north.

This reduces significantly any project capital requirements, and has the potential to transition Nexus to a self-funded explorer.

The agreement has Saracen remaining as 15% partners at the completion of the earn-in period of the joint venture with Nexus 85%.

Saracen has the potential upside of seeing another project they are associated with possibly become a mining operation, and add higher grade ore feed to their mill at Carosue Dam.

### Importance of the ore agreement

The ability to access the Carosue Dam processing facility is a critical component of the agreement for Nexus.

Narrow vein high grade deposits such as Pinnacles can struggle to fund the CAPEX required (plus \$50 million) due to the tonnages to be processed and the often short reserve mine life.

Therefore the agreement not only removes the CAPEX requirement but also allows Nexus access to the mill and also to other Saracen mine infrastructure including workshops, camp and haul roads.

### Analysis

Nexus help \$6 million in cash at the end of September 2015, and even after the recent share price run to \$0.082, this

**Price:** A\$0.083

**Market Cap:** A\$5.842M

### 1 Year Share Price Graph



### Share Information

**Code:** NXM

**Listing:** ASX

**Sector:** General Mining

**Website:** www.nexus-minerals.com

### Company Synopsis:

*Nexus Minerals (ASX:NXM) is a diversified resources company with a portfolio of projects in Western Australia.*

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provides a market cap. of \$6 million.

Therefore Nexus is trading at an E/V of practically zero, yet the company still has the ability to enter agreements with the likes of Saracen, a \$400 million company.

The current drilling program and assay data would cost less than \$100,000 due to the availability of rigs and laboratories.

With news flow coming in December, Nexus remains a company to watch.

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