



Words from Mel Togolo PNG Country Manager

Welcome to my first Nautilus Minerals update for 2015.

2015 is going to be an exciting year for Nautilus Minerals. I look forward to telling you more about what my team are achieving on the ground as well as progress made on the Solwara 1 Project.

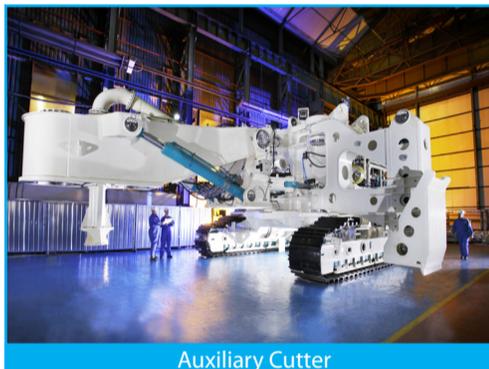
Last year, Nautilus Minerals entered into an agreement with Marine Assets Corporation (MAC) for the charter of a vessel to be first deployed for use at Solwara 1. MAC has since entered into a contract with Fujian Mawei Shipbuilders to design and construct the vessel. This vessel is expected to be completed by the end of 2017 in readiness for operations in 2018.

In other exciting news, the Seafloor Production Tools are now assembled and entering the commissioning and factory acceptance testing phase. These tools will be deployed at water depths of 1600 metres during mining operations.

These are milestone achievements for the Company and ones which we are extremely proud of. I look forward to updating you on the selection and training of PNG nationals who will eventually become the operators of these incredible machines.



Collecting Machine



Auxiliary Cutter

Earlier this year my team held its first community engagement program for 2015 alongside representatives from CEPA and MRA. The program focused on West Coast Central and Namatanai Local Level Government areas in New Ireland Province.

To better understand the needs of the communities close to the Solwara 1 site the team are currently undertaking a community needs assessment. Information collected during this study will help us finalise our CSR Strategic Plan with the NIPA and LLGs by identifying priority areas. The data will also form a baseline to track our progress.



Nautilus employees alongside Government representatives during a recent community meeting

We have received positive feedback for our Water and Sanitation Pilot Project which was implemented late last year. This project saw two schools receive training in the benefits of good hygiene practices, new toilet facilities and a water supply solution which provides access to clean drinking water. A recent audit of this project shows a positive improvement in the health of school children which has reduced the absenteeism rates in the two schools. I am proud to announce that throughout 2015 we will continue the implementation of this program in other schools along the west coast of New Ireland.

Nautilus Minerals is committed to working with the NIPG, the community and the State of PNG to implement health, education and infrastructure programs. It is envisioned that through these programs the villages close to the Solwara 1 site will benefit from improved living standards and see a lasting improvement in their quality of life as a result of our project.

Regards
Mel Togolo

About Nautilus Minerals Inc.

Nautilus is the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits and is developing its first project at Solwara 1, in the territorial waters of Papua New Guinea, where it is aiming to produce copper and gold. The company has been granted all necessary environmental and mining permits. For more information send a note to: PO Box 1161, Port Moresby, NCD or visit our websites: www.nautilusminerals.com / www.cares.nautilusminerals.com