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NAUTILUS MINERALS LAUNCHES MINERAL EXPLORATION IN TONGA

In 2008, Nautilus Minerals Tonga conducted the first deepwater commercial seafloor mineral resources exploration program in Tongan waters. Results from this exploration program in Tonga's exclusive economic zone were announced in February 2009. The work identified 10 new Seafloor Massive Sulphide ("SMS") systems. Six of these SMS discoveries were mapped by Nautilus itself during MV Norsky program in mid December 2008. A further six previously known SMS systems were also characterised during this work program, demonstrated the prospectivity of seafloor resources in Tonga.



Assay results reported high grade copper, gold, zinc and silver assays. Prospecting work continued in 2009 generating promising data for follow-up work in 2010. We look forward to continued exploration investment in Tonga in pursuit of a commercial resource.

WORK COMPLETED IN PAPUA NEW GUINEA

Nautilus has been exploring the territorial waters of Papua New Guinea ("PNG") since 1997, when the first offshore mineral exploration licenses were granted to Nautilus. The Company's most advanced project, Solwara 1, is located here.

The world's first deep sea mining lease was granted to Nautilus Minerals in January 2011, by the Government of Papua New Guinea, for the development of its Solwara 1 Project in the Bismarck Sea. The lease covers an area of approximately 59 km² surrounding Solwara 1, 30 km from the coast of New Ireland, where Nautilus intends to mine high-grade copper and gold deposits on the seafloor, at depths of approximately 1600 metres. The mining lease has been granted for an initial 20 year term.

The Environmental Permit for the Solwara 1 Project was granted by the Department of Environment and Conservation ("DEC") of Papua New Guinea ("PNG") in December 2009.

Key Findings of the EIS

- Solwara 1 can be developed with minimal impact
- Footprint is small (0.112 km²)
- No direct impact to communities, fisheries or reefs
- Near surface environmental impacts will be negligible - they have been engineered out.

The EIS and supporting documents are available on our website. For more information visit www.cares.nautilusminerals.com.

OVERVIEW

Nautilus Minerals Tonga ("Nautilus") was incorporated in 2007 following the granting of 16 Prospecting Licenses by the Government of Tonga to Nautilus. The Tongan office opened in January 2008 following the appointment of Paul Taumoepeau as Country Manager. Nautilus is the first company to commercially explore the seafloor for high-grade massive sulphide deposits - a potential source of copper, gold, zinc and silver. Nautilus is leading the world in the exploration of SMS deposits.

SEAFLOOR MASSIVE SULPHIDE DEPOSITS

SMS deposits form directly on the ocean floor where superheated water carrying metals from deep in the earth, mixes with cold seawater at the bottom of the ocean, depositing metal-rich minerals. They are considered the modern analogues of volcanogenic massive sulphide deposits, historically a major source of the world's copper, gold, zinc and silver.

SOLWARA 1 IN PNG

Nautilus is proposing to develop the world's first deep ocean mineral project - Solwara 1. The development involves the recovery of high-grade SMS's in the Bismarck Sea, New Ireland Province, PNG. Solwara 1 contains a significant resource of copper and gold.

The currently outlined mineralised zone is 0.112 km² and has been drilled to depths of up to 19 m. It occurs in water depths of approximately 1600 m.

ADVANTAGES

There are many advantages to seafloor resource production

- Potential new industrial development that will have positive social and economic effects within Tonga
- Skills and technology transfer
- Clean mining, low disturbance
- Little disruption of land holders
- Increased safety (compared to onshore operations)
- Royalties and taxes.



BENEFITS FLOW TO TONGA FROM EXPLORATION ON NAUTILUS TENEMENTS

Nautilus presented a payment of over TOP616,000 on December 14, 2010 to the government of Tonga being remittance for withholding tax incurred by Nautilus as a result of its exploration activities in Tonga during 2009. The Minister of Revenue, Honourable Teisina Fuko met with the Nautilus Country Manager, Paul M. Taumoepeau on December 14, to present the official receipt.



The Minister of Revenue, Honourable Teisina Fuko with the Nautilus Country Manager, Paul M. Taumoepeau

Nautilus has been granted mineral prospecting licenses to explore for minerals offshore within Tongan waters from the Government of Tonga. Under these licenses, Nautilus has undertaken low environmental impact geochemical and geophysical surveys and sampling of the seafloor using remotely operated vehicles.

SUPPORTING EDUCATION IN TONGA

Nautilus Minerals is furthering the study of science in Tonga by continuing its sponsorship of the University of Canterbury's EcoCare Pacific Trust National High School Science Competition. The National High School Science Competition is an annual event that aims to encourage high school students and their teachers to participate in the sciences, and encourage further study at a tertiary level.

'Eliesa Tonga Ma'u from Tonga High School and Sulia 'Asikia and Asena Toivaha Foliaki from Vava'u High School each received TOP500 from Nautilus Minerals for their science projects. In total, Nautilus Minerals donated TOP10,000 to the competition in 2010.



CAUTIONARY STATEMENT: This Company profile is intended only for information purposes. Statements made in this profile may contain information about the Company's future business prospects, such statements may be considered "forward looking". These statements – while expressed in good faith and believed to have a reasonable basis – are subject to risk and uncertainties that could cause actual results to differ materially from those set forth or implied by such forward looking statements. Investors should consult a professional advisor before making any investment decision.

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PHOTO GALLERY



Tongan Government Geologist holding an SMS sample



Tongan Maritime Polytechnic students on board the vessel DEA Surveyor during Teck Resources' 2008 campaign on 100% held Nautilus prospecting licenses



Nautilus Geologists from PNG & Tonga working together with a Tongan Government Geologist



Tongan Maritime Polytechnic students on board the vessel DEA Surveyor