NEXUS MINERALS LIMITED

ABN 96 122 074 006

NEXUS MINERALS

ANNUAL REPORT 2014

DIRECTORS
Paul Boyatzis (Non-Executive Chairman)
Dr Mark Elliott (Non-Executive Director)
Phillip MacLeod (Non-Executive Director)

COMPANY SECRETARY
Phillip MacLeod

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Nedlands, Western Australia, 6009

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Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe, Western Australia, 6011

AUDITOR
Nexia Perth Audit Services Pty Ltd
Level 3,
88 William Street
Perth, Western Australia, 6000

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Advanced Share Registry Services
110 Stirling Highway
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Dear Shareholders,

The past year has continued to be an extremely challenging period for the resources sector. Exploration companies have been particularly impacted due to “soft” commodity prices and a continued reduced appetite for risk within the capital markets.

Following on from the Company’s May 2013 strategic review the Board of Nexus Minerals Limited (“Nexus”) prudently curtailed its greenfield exploration activity in Tanzania A subsequent review determined that based on the tentative commodities outlook and the uncertainties of operating in Africa generally, it would be appropriate, at this point in time, to focus primarily on Australian based resource opportunities. Overseas projects were however continually reviewed and assessed on their merit, when presented.

During the year the Company was proactive in executing its strategy by exiting the final tenements of the Tanzanian package through the sale of the Company’s wholly owned subsidiary Nexus Minerals Tanzania Ltd to unrelated private mining interests.

The Company’s solid financial position of $7.17 million (as reported at the end of the June 2014 quarter) has been maintained and provides the Company with a unique opportunity to evaluate project acquisition opportunities that will continue to arise in the near term.

The Company has implemented further restructuring of the Board with Mr Jason Greive resigning his position as a Non-Executive Director of Nexus (effective from 16 May 2014). The Board of Nexus would like to thank Mr Greive for his valuable contribution to the Company. In addition to his existing role as Company Secretary Mr Phillip MacLeod was appointed as a Non-Executive Director of Nexus (effective from 16 May 2014). Mr MacLeod has over 20 years’ commercial experience covering a range of industries.

In line with the Company positioning itself to take advantage of growth opportunities emerging in the current market environment, the Board of Nexus was pleased to announce the appointment of highly experienced mining executive, Mr Andy Tudor as the Company’s Chief Executive Officer (CEO) (effective from 7 July 2014). Mr Tudor held the role of General Manager – Project and Corporate Development for Nexus from February to June 2014. Mr Tudor’s prime focus has been to identify potential projects, and undertake due diligence studies, on suitable gold and base metal project acquisition and development opportunities throughout Australia.

The Board of Nexus is looking forward to Andy’s continued valuable contribution to the direction and growth of the Company.

The Company remains in a strong financial position, with a capable and well-credentialed Board, assisted by an experienced management team. I believe Nexus is well positioned to capitalise on growth opportunities emerging in the Australian minerals sector.

Finally, I would like to thank shareholders for their support during the past twelve months. While the past year has had its market challenges, your Board believes that the difficult decisions made during this period will allow us to firmly focus on the new opportunities that lie ahead.

Paul Boyatzis
Chairman

The Company's focus for 2014 has been on developing value creation opportunities through the acquisition and development of Australian and overseas based projects. To date this has involved the assessment of predominantly gold and copper projects in Western Australia. A number of potential opportunities have been the subject of geological assessments, due diligence studies and associated site visits. There have also been a number of projects assessed in both other regions of Australia and overseas.

The Company's current portfolio of tenements is being actively maintained with geological assessment continuing. Investigations and discussions with third parties are also taking place with regard to asset commercialisation.

Figure 1: Nexus Minerals Australian Tenements Location.

Yandicoogina - Iron

As detailed in previous annual and quarterly reports and ASX announcements, the Company has undertaken a comprehensive review process to better assess the commercialisation options available to the Company for the Yandicoogina project.

This process saw the engagement of independent advisory groups to oversee the construction of complex financial models and also to investigate the possibility of other corporate and transactional outcomes with regard to the project.

As a result of both macro-economic and project specific realities the Company is unable to commercially justify any further development of the project at this time. However the Company will retain the project for the interim as it continues to investigate commercial options for it. The resource stated below remains in accordance with JORC Code 2004.

JORC Classification	Fe Cut-Off %	Million Tonnes	Fe %	SiO2 %	Al2O3 %	P %	LOI_950°C
Indicated	50	4.3	55.8	7.7	3.3	0.07	8.9
Including a higher grade zone of	50	1.9	58	5.8	2.8	0.08	8.1

Table 1: JORC 2004 - Compliant Mineral Resource for Yandicoogina South.

Hancock Range - Iron

The Hancock Range tenement has been subject to geological investigation and the Company will retain the project for the interim as it continues to investigate commercial options for it.

Mt Goldsworthy - Iron

The Mt Goldsworthy tenement has been subject to geological investigation and the Company will retain the project for the interim as it continues to investigate commercial options for it.

Gardiner Range – Gold / REE

The Gardiner Range project area consists of four tenements (E80/4229, E80/4300, E80/4402, and E80/4403). The Company holds this area near the Northern Territory border for its gold and rare earth elements (REE) potential. During the reporting period predictive prospectivity targeting was undertaken on the Gardiner Range tenement group. The Company engaged a consultant to review and process the significant amount of historical and current data over this project area. Predictive targeting involves layering and ranking various datasets to develop prospectivity maps that rate the relative potential for mineral occurrences on the tenements.

This resulted in a number of targets being identified for potential future testing by fieldwork, geochemical sampling, and drilling. The study used geological, geophysical, and structural data to assess the prospectivity of the tenements based on the occurrence of known gold deposits in the Tanami Region. Various features were ranked based on probability to host gold, and once combined an overall prospectivity model was generated which was then compared with existing drill hole coverage. A number of potential targets were generated that are either undrilled, or have only been subject to shallow and wide spaced drill programs.

Mt Celia

The Mt Celia mining area lies some 180km's north east of Kalgoorlie within a narrow belt of greenstones, bounded by granitoids to the east, and intruded by several small granitoid plutons. District historic gold production (~100kg) was from quartz veining within, and parallel to, the north-west trending greenstone sequence. The 3 prospecting licenses (P39/5484, P39/5485 and P39/5486) under application by Nexus cover 5.2km^2 and contain this north-west trending greenstone sequence, and occur approximately 1.5km's to the south east of Legacy Iron Ore's Mt Celia Gold Project (JORC compliant Blue Peter prospect - inferred resource 239,272t @ 3.97g/t Au for 30,554 ounces. See Legacy Iron Ore Limited website legacyiron.com.au for details). Upon grant of the tenements, field work will be undertaken to determine the prospectivity of this tenement package.

AFRICAN EXPLORATION

TANZANIA: Kalenge / Chipogoro / Kigoma / Katamatoma / Simbanguru

Following the Company's strategy of curtailing East African greenfield activities, and following the completion of a technical review of the Company's tenement holding in Tanzania – the decision was made to undertake an asset realisation process of the tenements and exit the region.

This process was completed in June 2014 with the sale of Company's wholly owned subsidiary Nexus Minerals Tanzania Pty Ltd.

Tenements

The Company has applied for 3 prospecting licences (5.2km^2) at Mt Celia in the eastern goldfields; P39/5484, P39/5485 and P39/5486.

The Company has relinquished 2 non-core Australian tenements (E45/3188 – Mt Tinstone and E47/2482 – Regional Pilbara). The decision to surrender these tenements was made following a geological review showing low prospectivity and exploration potential.

The Company applied for, and withdrew its application before grant, on 4 tenements in the eastern goldfields (E31/1068, P31/2053, E31/1072, P31/2056). The decision was based on a geological review showing low prospectivity and exploration potential.

The Company applied for an exploration licence (E80/4848) in the Gardiner Range but this was rejected by the DMP due to layout of the tenements in the application. The Company proceeded to apply for 2 individual exploration licences (E80/4894 and E80/4895) in the same area.

During the year the Company has relinquished / sold its Tanzanian tenements based upon company strategy and cost effective exploration. The Company terminated an option agreement to acquire the Chipogoro tenement (PLA7876/2012), and relinquished Simbanguru (PL8709/2012 & PL8711/2012) and Katamatoma tenements (PL8216/2012, PL8217/2012, PL8720/2012, PL8721/2012, HQ-G17421). The final 2 tenements of the Tanzanian package Kalenge (PL8796/2013) and Kigoma (PL7962/2012) were transferred to local interests through the sale of the Company's wholly owned subsidiary Nexus Minerals Tanzania Ltd.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by 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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". 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. All exploration results reported have previously been released to ASX and are available to be viewed on the Company website www.nexus-resources.com. The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. 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.

The information in this report that relates to Mineral Resources is based on information compiled by or reviewed by Mr Peter Schwann, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Schwann is a full-time employee of Aruma Resources Limited. Mr Schwann 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 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Schwann consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

Mineral Resources and Ore Reserves Statement at 30 June 2014

Project: Yandicoogina South Iron Project Mineral Resource

JORC Classification	Fe Cut-Off %	Million Tonnes	Fe %	SiO2 %	Al2O3 %	P %	LOI_950°C
Indicated	50	4.3	55.8	7.7	3.3	0.07	8.9
Including a higher grade zone of	50	1.9	58	5.8	2.8	0.08	8.1

This Mineral Resource information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Therefore, the resource stated above remains in accordance with JORC Code 2004.

Competent Person's Mineral Resources and Ore Reserves Statement

The information in this statement that relates to Mineral Resources is based on information compiled by or reviewed by Mr Peter Schwann, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Schwann is a full-time employee of Aruma Resources Limited. Mr Schwann 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 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Schwann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The directors present their report together with the financial report of the Group consisting of Nexus Minerals Limited ("the Company") and the entities it controlled for the financial year ended 30 June 2014 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Paul Boyatzis – Chairman, Non-Executive Director, appointed 6 October 2006

B.Bus, ASA, MSDIA

Mr Boyatzis has over 25 years' experience in the investment and equity markets, particularly with emerging growth companies in the Mining and Industrial sectors.

Mr Boyatzis is a member of the Australian Institute of Company Directors and the Securities and Derivatives Industry Association. Paul has served as Chairman and Director of a number of public and private companies globally.

Mr Boyatzis is a director of Transaction Solutions International Limited, Ventnor Resources Limited and Aruma Resources Limited. During the past three years Mr Boyatzis has not served as a director of any other listed company.

Dr Mark Elliott – Non-Executive Director, appointed 6 October 2006

Dip App Geol, PhD, FAICD, FAusIMM(CPGeo), FSEG,

Dr Elliott is a chartered professional geologist with 38 years' experience in the resources industry. He has extensive experience in managing resource companies in a wide range of commodities.

Dr Elliott has a Diploma in Applied Geology (1973) from the Ballarat School of Mines, a Doctor of Philosophy Degree (1979) from the University of New South Wales. He is a qualified Company Director having completed the Company Directors course Diploma awarded by the University of Sydney Graduate School of Business in 1996. He is a Fellow of the Australian Institute of Company Directors, Australasian Institute of Mining and Metallurgy and Society of Economic Geologists.

Dr Elliott is an Non-Executive Director of geothermal developer and environmental audit and hazardous materials analytical laboratory company Hot Rock Limited.

During the past three years Dr Elliott has not served as a director of any other listed company.

Phillip MacLeod – Non-Executive Director appointed 16 May 2014/Company Secretary, appointed 6 October 2006

B.Bus, ASA, MAICD

Mr MacLeod has over 20 years' commercial experience and has held the position of company secretary with listed public companies since 1995. Mr MacLeod has provided corporate, management and accounting advice to a number of public and private companies involved in the resource, technology, property and healthcare industries.

During the past 3 years Mr MacLeod has not served as a director of any other listed company.

Jason Greive – Non-Executive Director appointed 1 September 2013, resigned 16 May 2014

B.Sc, MAusIMM

During the past three years Mr Greive had not served as a director of any other listed company.

2. DIRECTORS' MEETINGS

The number of Directors' meetings held and the number of meetings attended by each of the Directors of the Company during their term in office during the financial year is as follows.

Director	Meetings held	Meetings attended
Paul Boyatzis	4	4
Mark Elliott	4	4
Philip MacLeod*	-	-
Jason Greive**	4	4

*appointed 16 May 2014
**resigned 16 May 2014

The Company does not have any committees. Matters usually considered by an audit, remuneration or nomination committee were dealt with by the directors during regular Board meetings.

3. DIRECTORS' AND EXECUTIVES' INTERESTS

The relevant interest of each director and executive in the shares and options of the company and its subsidiaries as notified by the directors to the Australian Securities Exchange in accordance with Section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Directors	Fully paid ordinary shares Number	Share options Number
Mr P Boyatzis	7,898,566	500,000
Dr M Elliott	751,600	500,000
Mr P MacLeod	105,000	200,000

4. SHARE OPTIONS

Unissued shares under option

There are 8,800,000 options over unissued shares in Nexus Minerals Limited (2013: 8,700,000).

Number of shares under option	Exercise price of option (cents)	Expiry date of option
700,000	19.5	6 March 2015
3,000,000	18.6	23 July 2015
2,500,000	19.9	23 January 2016
1,000,000	21.1	23 July 2016
1,000,000	8.2	17 October 2016
600,000	10.5	30 June 2017

Share options lapsed

During the year 2 million options were cancelled (2013: nil). There were no options which lapsed or expired during the year (2013: nil).

Shares issued on exercise of options

There were no ordinary shares issued as a result of the exercise of options during the year (2013: none).

Share options granted to directors and senior management

During and since the financial year, share options were granted to the following key management personnel of the Company and the entities it controlled as part of their remuneration.

	Number of options granted	Number of ordinary shares under option
Paul Boyatzis	500,000	500,000
Mark Elliott	500,000	500,000
Andy Tudor*	600,000	600,000

*Appointed 7 July 2014

5. PRINCIPAL ACTIVITY

The principal activity of the Group during the course of the year was mineral exploration in Australia and East Africa.

6. REVIEW OF OPERATIONS

The Group made a loss after tax for the year of $667,427 (2013: $2,009,760). The Group had cash and term deposit balances at 30 June 2014 of $7,170,885, a decrease of $614,731 on the prior year.

Information on the operations of the Group, its business strategies and future prospects are set out on pages 2 to 5 of the annual report.

7. DIVIDENDS

No dividends were paid or declared by the Company during the year or since the end of the year.

8. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Company appointed Mr Andy Tudor as Chief Executive Officer. Mr Tudor had previously held the position of General Manager – Project and Corporate Development since February 2014. Mr Tudor was granted 600,000 options expiring 30 June 2017. The options have an exercise price of no less than 150% of the 5 day volume weighted average closing price of Nexus shares prior to 7 July 2014.

Other than the material event described above there have been no other material events occurring subsequent to the reporting date.

9. LIKELY DEVELOPMENTS

The Group will continue planning and executing mineral exploration work on its existing projects as well as any new projects or investments which come under review during the financial year.

10. ENVIRONMENTAL REGULATIONS

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements up to the date of this report. The board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

11. INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has entered into Director and Officer Protection Deeds (Deed) with each Director and the Company Secretary (officers). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Also pursuant to the Deed, the Company must insure the officers against liability and provide access to all board papers relevant to defending any claim brought against the officers in their capacity as officers of the Company.

The Company has paid insurance premiums during the year in respect of liability for any past, present or future directors, secretary, officers and employees of the Company or related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance or indemnification for the Auditor of the Company.

12. REMUNERATION REPORT (*Audited*)

12.1 Principles of compensation (audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Nexus Minerals Limited for the financial year ended 30 June 2014. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the company, including the directors of the company and other executives. Key management personnel comprise the directors of the company and other executives.

Key Management Personnel

The directors and other key management personnel of the Group during or since the end of the financial year were:

Directors

Paul Boyatzis	Chairman (non-executive)
Mark Elliott	Non-executive
Philip MacLeod	Non-executive (appointed 16 May 2014)
Jason Greive	Managing Director (resigned 30 August 2013),
	Non-executive (resigned 16 May 2014)

Executives

Andy Tudor	Chief Executive Officer (appointed 7 July 2014)

Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year.

Remuneration levels for key management personnel and other staff of the company are competitively set to attract and retain appropriately qualified and experienced directors and executives and take account of factors such as length of service, particular experience and expertise. The directors obtain independent advice on the appropriateness of compensation packages of the company given trends in comparative local companies and the objectives of the company's compensation strategy. Non-executive directors receive a fixed fee of up to $40,000 plus statutory superannuation, if applicable. The Chairman receives a fixed fee of $84,000 per annum. Currently key management personnel remuneration is not dependent on the satisfaction of any performance condition.

12.2 Directors' and senior executives' remuneration (audited)

Details of the nature and amount of each major element of remuneration of each director of the Company and named executives of the Company receiving the highest remuneration are shown in Tables 1 to 3 on pages 12 to 14.

12.3 Share-based payments granted as compensation for the current financial year

During the year 1,000,000 share options over unissued shares were granted to Directors and senior executives (2013: nil).

12.4 Service agreements (audited)

On 7th July 2014 the Company appointed Mr Andy Tudor to the position of Chief Executive Officer. Mr Tudor will receive a basic salary of $251,142 plus superannuation of 9.50%. The service agreement is open ended and may be terminated by either party with one month's notice. Mr Tudor (or his nominee) received 600,000 options expiring 30 June 2017 with an agreed exercise price of no less than 150% of the 5 day volume weighted average closing price of Nexus shares prior to 7 July 2014.

Table 1: Details of the nature and amount of each major element of remuneration of each director and named executives receiving the highest remuneration are:

Nexus Minerals Limited		Short-term				Post-employment	Other long term		Share-based payments			
		Salaries & fees $	Cash bonus $	Non-monetary benefits $	Total	Superannuation benefits $	$	Termination benefit $	Options and rights $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Non-executive directors												
Mr P Boyatzis	2014	84,000	-	-	84,000	-	-	-	16,361	100,361	-	16.30
	2013	84,000	-	-	84,000	-	-	-	-	84,000	-	-
Dr M Elliott (1)	2014	42,000	-	-	42,000	-	-	-	16,361	58,361	-	28.03
	2013	40,000	-	-	40,000	-	-	-	-	40,000	-	-
Mr P MacLeod (2)	2014	36,000	-	-	36,000	-	-	-	-	36,000	-	-
	2013	36,000	-	-	36,000	-	-	-	-	36,000	-	-
Mr J Greive (3)	2014	150,808		-	150,808	5,396	-	-	10,469	166,673	-	6.28
	2013	346,290	-	8,754	355,044	32,879	-	-	324,770	712,693	-	45.57
Mr T Fairhead (4)	2013	50,000	-	-	50,000	-	-	-	6,521	56,521	-	11.54
Total	2014	312,808	-	-	312,808	5,396	-	-	43,191	361,395	-	11.95
	2013	556,290	-	8,754	565,044	32,879	-	-	331,291	929,214	-	35.65

1 includes $2,000 for geological consulting services (2013: nil)

2 appointed 16 May 2014. Includes fees of $36,000 (2013: $36,000) for Company Secretarial services

3 resigned as Managing Director 30 August 2013, resigned as Non-executive director 16 May 2014. 2014 total includes salaries and fees of $98,908 and superannuation of $5,396 paid to Mr Greive whilst employed as Managing Director. Mr Greive was also paid $23,500 for geological consulting services during the year. 2,000,000 tranche 3 options were cancelled during the year by mutual consent.

4 resigned 30 June 2013

Table 2: Details of the nature and amount of each major element of remuneration of each director and named executives of Aruma Resources Limited, receiving the highest remuneration, to the date control of the entity was relinquished, 19 December 2012 are:

Aruma Resources Limited		Short-term				Post-employment	Other long term		Share-based payments		Proportion of remuneration performance related %	Value of options as proportion of remuneration %
		Salaries & fees $	Cash bonus $	Non-monetary benefits $	Total	Superannuation benefits $	$	Termination benefit $	Options and rights $	Total $		
Non-executive directors												
Mr P Boyatzis	2013	30,000	-	-	30,000	-	-	-	-	30,000	-	-
Mr K K Chong	2013	7,500	-	-	7,500	-	-	-	-	7,500	-	-
Executive director												
Mr P Schwann	2013	104,167	-	-	104,167	9,375	-	-	-	113,542	-	-
Total	2013	141,667	-	-	141,667	9,375	-	-	-	151,042	-	-

Table 3: Details of the nature and amount of each major element of remuneration of each director and named executives of the Group receiving the highest remuneration are:

Consolidated		Short-term				Post-employment	Other long term		Share-based payments			
		Salaries & fees $	Cash bonus $	Non-monetary benefits $	Total	Superannuation benefits $	$	Termin'n benefit $	Options and rights $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Non-executive directors												
Mr P Boyatzis	2014	84,000	-	-	84,000	-	-	-	16,361	100,361	-	16.30
	2013	114,000	-	-	114,000	-	-	-	-	114,000	-	-
Dr M Elliott (1)	2014	42,000	-	-	42,000	-	-	-	16,361	58,361	-	28.03
	2013	40,000	-	-	40,000	-	-	-	-	40,000	-	-
Mr P MacLeod (2)	2014	36,000	-	-	36,000	-	-	-	-	36,000	-	-
	2013	36,000	-	-	36,000	-	-	-	-	36,000	-	-
Mr J Greive (3)	2014	150,808		-	150,808	5,396	-	-	10,469	166,673	-	6.28
	2013	346,290	-	8,754	355,044	32,879	-	-	324,770	712,693	-	45.57
Mr T Fairhead (4)	2013	50,000	-	-	50,000	-	-	-	6,521	56,521	-	-
Mr K K Chong	2013	7,500	-	-	7,500	-	-	-	-	7,500	-	-
Executive directors												
Mr P Schwann	2013	104,167	-	-	104,167	9,375	-	-	-	113,542	-	-
Total	2014	312,808	-	-	312,808	5,396	-	-	43,191	361,395	-	11.95
	2013	697,957	-	8,754	706,711	42,254	-	-	331,291	1,080,256	-	30.67

1 includes $2,000 for geological consulting services (2013: nil)

2 appointed 16 May 2014. Includes fees of $36,000 (2013: $36,000) for Company Secretarial services

3 resigned as Managing Director 30 August 2013, resigned as Non-executive director 16 May 2014. 2014 total includes salaries and fees of $98,908 and superannuation of $5,396 paid to Mr Greive whilst employed as Managing Director. Mr Greive was also paid $23,500 for geological consulting services during the year. 2,000,000 tranche 3 options were cancelled during the year by mutual consent.

4 resigned 30 June 2013

12.5 Share-based payments granted as compensation to key management personnel during the current financial year

Directors	Date granted	Number granted during the year	Number vested during the year	% of grant vested	% compensation for the year consisting of options
Paul Boyatzis	18 Nov' 2013	500,000	500,000	100%	16.30%
Mark Elliott	18 Nov' 2013	500,000	500,000	100%	28.03%

There were no options that were granted to key management personnel as part of their compensation which were exercised during the year by key management personnel.

12.6 Options granted, exercised or cancelled during the year in relation to key management personnel as part of their remuneration

Directors	Value of options granted at the grant date $	Value of options exercised at the exercised date $	Value of options cancelled at the cancelled date $
Paul Boyatzis	16,361	-	-
Mark Elliott	16,361	-	-
Jason Greive*	-	-	152,921

An expense of $10,469 was recognised during the year in respect of options granted to Jason Greive in 2012.

12.7 Key management personnel equity holdings

The movement during the year in the number of ordinary shares in Nexus Minerals Limited held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

Directors	Held at 1 July 2013	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2014
Mr P Boyatzis	7,898,566	-	-	-	7,898,566
Dr M Elliott	751,600	-	-	-	751,600
Mr P MacLeod*	105,000	-	-	-	105,000
Mr J Greive**	-	-	-	-	-

* Appointed 16 May 2014

** Resigned 16 May 2014

12.7 Key management personnel equity holdings (continued)

	Held at 1 July 2012	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2013
Directors					
Mr P Boyatzis	7,898,566	-	-	-	7,898,566
Dr M Elliott	751,600	-	-	-	751,600
Mr J Greive	-	-	-	-	-
Mr T Fairhead*	-	-	-	-	-
Executives					
Mr P Schwann	142,000	-	-	(142,000)	-
Mr K K Chong	-	-	-	-	-

* Resigned 30 June 2013

The movement during the year in the number of options over ordinary shares in Nexus Minerals Limited held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

Directors	Held at 1 July 2013	Granted as compensation	Options exercised	Other changes	Held at 30 June 2014	Vested during the year	Vested and exercisable at 30 June 2014
Mr P Boyatzis	-	500,000	-	-	500,000	500,000	500,000
Dr M Elliott	-	500,000	-	-	500,000	500,000	500,000
Mr P MacLeod*	200,000	-	-	-	200,000	-	200,000
Mr J Greive**	7,500,000	-	-	(7,500,000)	-	3,000,000	-

*Appointed 16 May 2014

** Resigned 16 May 2014. 2,000,000 tranche 3 options were cancelled during the year by mutual consent. Mr Greive held 5,500,000 options at the date of resignation.

	Held at 1 July 2012	Granted as compensation	Options exercised	Other changes	Held at 30 June 2013	Vested during the year	Vested and exercisable at 30 June 2013
Directors							
Mr P Boyatzis	-	-	-	-	-	-	-
Dr M Elliott	-	-	-	-	-	-	-
Mr J Greive	7,500,000	-	-	-	7,500,000	4,500,000	4,500,000
Mr T Fairhead*	2,250,000	-	-	(1,750,000)	500,000	500,000	500,000
Executives							
Mr P Schwann	-	-	-	-	-	-	-
Mr K K Chong	-	-	-	-	-	-	-

* Resigned 30 June 2013. The 1,750,000 options did not vest due to failure to meet non-market performance conditions.

Mr Schwann and Mr Chong left the Group on 19 December 2012 when Nexus ceased to control Aruma Resources.

END OF REMUNERATION REPORT

13. NON-AUDIT SERVICES

During the year Nexia Perth Audit Services Pty Ltd, the Group's auditor, and PWC Tanzania, auditor for Nexus Minerals Tanzania Limited, performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditors and has resolved that it is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Corporations Act 2001*. The non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES110 (*Code of ethics for professional accountants*), as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to Nexia Perth Audit Services Pty Ltd and PWC,Tanzania and their related practices for audit and non-audit services provided during the year are set out below:

	2014	**2013**
	$	**$**
Audit and review services:		
Nexia Perth	40,525	40,539
PWC, Tanzania	6,738	16,401
	47,263	56,940
Non-audit services:		
Nexia Perth	7,400	10,625
PWC, Tanzania	-	17,237
	7,400	27,862

14. AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 18.

15. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of directors there were no significant changes in the state of affairs of the Group that occurred during the year other than as previously disclosed in this report.

Signed in accordance with a resolution of the directors:

P Boyatzis
Chairman

Perth
Dated 30th September 2014

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Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Nexus Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

30 September 2014
Perth

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Revenue from continuing operations	3	162,008	17,998
Exploration expenditure expensed as incurred		(314,734)	(519,696)
Employee benefits		(45,650)	(150,600)
ASX and regulatory expenses		(56,923)	(66,411)
Depreciation	15	(24,504)	(61,889)
Directors' fees		(210,734)	(561,923)
Impairment of assets	14	-	(142,812)
Insurance		(33,411)	(48,800)
Legal and professional fees		(6,998)	(84,184)
Travel expenses		(20,608)	(94,230)
Loss on disposal of plant & equipment		-	(14,944)
Occupancy expenses		(70,418)	(133,006)
Share-based compensation	20	(50,230)	(298,930)
Other expenses		(167,077)	(314,617)
Loss for the year	4	(839,279)	(2,474,044)
Financial income		276,110	328,773
Financial expenses		(72)	(382)
Net financing income	5	276,038	328,391
Loss from continuing operations		(563,241)	(2,145,653)
Income tax expense	8	-	-
Discontinued operations net of tax	22	(104,186)	135,893
Loss for the year		(667,427)	(2,009,760)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation		(23,717)	23,717
Net change in the fair value of available for sale assets		41,249	-
Other comprehensive income for the year net of tax		17,532	23,717
Total comprehensive loss for the year		(649,895)	(1,986,043)
Earnings/(loss) per share	7		
Basic and diluted loss per share		(0.95) cents	(2.86) cents
Loss per share from continuing operations		(0.80) cents	(3.05) cents

The accompanying notes form part of these financial statements.

	Note	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Current Assets			
Cash and cash equivalents	10	7,170,885	3,490,334
Trade and other receivables	11	181,456	122,964
Term deposit investments	12	-	4,295,282
Other assets	13	44,001	76,142
Total current assets		7,396,342	7,984,722
Non-current assets			
Available-for-sale assets	14	201,563	160,313
Plant and equipment	15	16,183	83,721
Deferred exploration expenditure	16	-	135,254
Total non-current assets		217,746	379,288
Total assets		7,614,088	8,364,010
Current liabilities			
Trade and other payables	17	98,017	192,672
Provisions	18	6,016	61,618
Total current liabilities		104,033	254,290
Total liabilities		104,033	254,290
Net assets		7,510,055	8,109,720
Equity			
Issued capital	19	17,182,333	17,182,333
Reserves	20	558,565	643,724
Accumulated losses	21	(10,230,843)	(9,716,337)
Total equity		7,510,055	8,109,720

The accompanying notes form part of these financial statements.

	Note	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Cash flows from operating activities			
Receipts from customers		162,008	260,485
Interest received		216,627	392,665
Interest paid		(72)	(385)
Exploration expenditure		(397,941)	(943,415)
Payments to suppliers and employees		(719,182)	(1,815,139)
Net cash used in operating activities	28(b)	(738,560)	(2,105,789)
Cash flows from investing activities			
Mining tenement expenditure		-	(75,698)
Payments for purchase of plant and equipment		-	(68,924)
Proceeds from term deposit investments		4,295,282	-
Cash lost on disposal of subsidiary		-	(1,638,657)
Proceeds from disposal of Aruma shares		-	1,569,000
Proceeds from disposal of Nexus Tanzania shares	22(c)	123,829	-
Net cash provided by/(used in) investing activities		4,419,111	(214,279)
Cash flows from financing activities			
Proceeds from the issue of shares to non-controlling shareholders of subsidiary		-	-
Costs of capital raising		-	-
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		3,680,551	(2,320,068)
Cash and cash equivalents at 1 July		3,490,334	5,810,402
Cash and cash equivalents at 30 June	28(a)	7,170,885	3,490,334

The accompanying notes form part of these financial statements.

30 June 2013	**Issued capital** $	**Accumulated losses** $	**Foreign currency translation reserve** $	**Share-based payment reserve** $	**Other reserve** $	**Non-controlling interest** $	**Total equity** $
Balance at 1 July 2012	17,182,333	(11,181,357)	-	321,077	3,146,138	1,380,525	10,848,716
Total comprehensive loss for the year							
Loss for the year	-	(2,009,760)	-	-	-	-	(2,009,760)
Other comprehensive income							
Movement in foreign exchange on inter-company transactions	-	-	68,125	-	-	-	68,125
Movement in foreign exchange on translation	-	-	(44,408)	-	-	-	(44,408)
Total comprehensive loss for the year	-	(2,009,760)	23,717	-	-		(1,986,043)
Transactions with owners of the company recognised directly in equity							
Share-based payment transaction	-	-	-	298,930	-	-	298,930
Transfer of other reserve to accumulated losses on loss of control of Aruma	-	3,146,138	-	-	(3,146,138)	-	-
Total comprehensive loss for the year	-	3,146,138	-	298,930	(3,146,138)	-	298,930
Changes in ownership interests in subsidiaries							
Change in ownership interests resulting from loss of control	-	328,642	-	-	-	(1,380,525)	(1,051,883)
Total transactions with owners of the Company	-	3,474,780	-	298,930	(3,146,138)	(1,380,525)	(752,953)
Balance at 30 June 2013	17,182,333	(9,716,337)	23,717	620,007	-	-	8,109,720

30 June 2014	**Issued capital**	**Accumulated losses**	**Foreign currency translation reserve**	**Share-based payment reserve**	**Available-for-sale reserve**	**Non-controlling interest**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2013	17,182,333	(9,716,337)	23,717	620,007	-	-	8,109,720
Total comprehensive loss for the year							
Loss for the year	-	(667,427)	-	-	-	-	(667,427)
Other comprehensive income							
Movement in fair value of available-for-sale assets taken to reserve	-	-	-	-	41,249	-	41,249
Movement in foreign exchange on inter-company transactions	-	-	(23,717)	-	-	-	(23,717)
Total comprehensive loss for the year	-	(667,427)	(23,717)	-	41,249	-	(649,895)
Transactions with owners of the company recognised directly in equity							
Share-based payment transaction	-	-	-	50,230	-	-	50,230
Transfer of options to accumulated losses on cancellation of options	-	152,921	-	(152,921)	-	-	-
Total transactions with owners of the Company	-	152,921	-	(102,691)	-	-	50,230
Balance at 30 June 2014	17,182,333	(10,230,843)	-	517,316	41,249	-	7,510,055

The accompanying notes form part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Nexus Minerals Limited (the "Company") is a company domiciled in Australia. The financial report of the Company and its subsidiaries is for the year ended 30 June 2014.

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards issued by the Australian Accounting Standards Board and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group.

The consolidated financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the directors on 30 September 2014.

(b) Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, the Company's functional currency, unless otherwise noted.

(c) Adoption of New and Revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

New and revised Standards and amendments thereof and Interpretations that are effective for the current year that are relevant to the Group include:

AASB 10 Consolidated Financial Statements, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

When effective Applicable to annual reporting periods beginning on or after 1 January 2013

30 June 2014 – Applicability – Full years Mandatory

30 June 2014 – Applicability – Half-years Already Implemented

This Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee.

Accordingly, this Standard identifies the principles of control, determines how to identify control and whether or not the investee should be consolidated and the principles for the preparation of consolidated financial statements.

AASB 11 Joint Arrangements, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

When effective Applicable to annual reporting periods beginning on or after 1 January 2013

30 June 2014 – Applicability – Full years Mandatory

30 June 2014 – Applicability – Half-years already implemented

This Standard replaced AASB 131 Interests in Joint Ventures.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

Joint arrangements are now either joint operations or joint ventures. The determination of the type of joint arrangement requires a party to assess the rights and obligations and then to account for those rights and obligations in accordance with the type of joint arrangement. The application of the standard did not result in any change to this financial report.

AASB 127 Separate Financial Statements (2011), AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

When effective Applicable to annual reporting periods beginning on or after 1 January 2013

30 June 2014 – Applicability – Full years Mandatory

30 June 2014 – Applicability – Half-years already implemented

This Standard now only deals with the requirements for separate financial statements.

Requirements for consolidated financial statements are now contained in AASB 10 Consolidated Financial Statements.

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and joint ventures are accounted for either at cost, or in accordance with AASB 9 Financial Instruments.

The recognition of dividends, certain Group reorganisations and disclosure requirements are also included in this Standard. The application of this standard did not result in any change to this financial report.

AASB 13 Fair value

When effective Applicable to annual reporting periods beginning on or after 1 January 2013.

AASB 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

Previously the fair value of financial liabilities (including derivatives) was measured on the basis that the financial liability would be settled or extinguished with the counterparty. The adoption of AASB 13 has clarified that fair value is an exit price notion, and as such, the fair value of financial liabilities should be determined based on a transfer value to a third party market participant.

As required under AASB 13, the change to fair value measurements on adoption of the standard is applied prospectively, in the same way as a change in an accounting estimate. Comparative amounts have not been restated. There is no material change arising from the application of this standard.

AASB 128 Investments in Associates and Joint Ventures (2011), AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

When effective Applicable to annual reporting periods beginning on or after 1 January 2013

30 June 2014 – Applicability – Full years Mandatory

30 June 2014 – Applicability – Half-years already implemented

This Standard supersedes AASB 128 Investments in Associates.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

The Standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases) as well as prescribes how investments in associates and joint ventures should be tested for impairment. The application of this standard did not result in any change to this financial report.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

When effective Applicable to annual reporting periods beginning on or after 1 July 2013

30 June 2014 – Applicability – Full years Mandatory

30 June 2014 – Applicability – Half-years Mandatory

Amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures formerly required by Australian specific paragraphs.

Disclosure requirements in relation to remuneration referred to in s.300(1)(c) of the Corporations Act 2001 are detailed in Regulation 2M.3.03 of the Corporation Regulations 2001.

Standards in issue not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities.

The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2017 with early adoption permitted. The standard is not expected to have a material impact on the group financial instruments.

AASB 1031 Materiality (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn.

AASB 1031 (2013) is effective for annual periods beginning on or after 1 January 2014 and not available for early adoption.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

The AASB approved amending Standard AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments on 20 December 2013. AASB 2013-9 incorporates the IASB's Standard IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39).

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1 *Amendments to the Australian Conceptual Framework*. Part B mainly makes amendments to particular Australian Accounting Standards to delete references to AASB 1031.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments. The main amendments regarding financial instruments are as follows:

- to add Hedge Accounting and make consequential amendments to AASB 9 and numerous other Standards;
- to permit requirements relating to the 'own credit risk' of financial liabilities measured at fair value to be applied without applying any other requirements of AASB 9 at the same time; and
- to amend the mandatory application date of AASB 9 so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2017 instead of 1 January 2015.

AASB 2013-9 is effective for annual periods beginning on or after 1 January 2014.

(d) Basis of consolidation

The financial statements comprise the consolidated financial statements of Nexus Minerals Limited ("Company" or "Parent") and its subsidiaries as at 30 June each year (the "Group"). Control is achieved where the company has exposure to variable returns from the entity and the power to affect those returns.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Nexus Minerals Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Revenue Recognition

i. Interest revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii. Revenue from the sale of options

Revenue from the sale of options over interests in tenements is recognised when it is probable that consideration will be received for the options and the Group has no further obligations in respect of the options.

(f) Plant & Equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

(i)	office furniture and equipment	4 to 7 years
(ii)	computer software	2.5 years
(iii)	computer hardware	4 years
(iv)	exploration equipment	7 years
(v)	leasehold improvements	6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Issued Capital

Ordinary shares

Ordinary shares are classified as issued capital. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(k) Income tax

Income tax on the consolidated statement of profit or loss and other comprehensive income for the periods presented comprises current payable and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Group’s liability for current tax is calculated using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting, nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered by a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investment or financing activities which is payable to, or recoverable from, the taxation authority is classified within operating cash flows.

(n) Exploration and evaluation

Exploration and evaluation costs, excluding the costs of acquiring licences, are expensed as incurred. Acquisition costs will be assessed on a case by case basis and, if appropriate, they will be capitalised. These acquisition costs are only carried forward if the rights to tenure of the area of interest are current and either:

- They are expected to be recouped through successful development and exploitation of the area of interest; or
- The activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Nexus Minerals Limited.

(q) Financial Assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (“FVTPL”) ‘held to maturity’ investments, ‘available-for-sale’ (“AFS”) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

i) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

ii) *Financial assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial Assets (continued)

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if;

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both which, is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and AASB 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial Assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of profit or loss and other comprehensive income.

(iii) AFS financial assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Fair value is determined in the manner described in note 9. Gains and losses arising from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

(iv) *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost, using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial Assets (continued)

(v) *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets are assessed on an individual basis.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(r) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to directors and executives of the Group in the form of share-based payments, whereby directors and executives render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with directors and executives is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option valuation, further details of which are given in note 25.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share-based payment transactions (continued)

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(s) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

In the application of the Group's accounting policies which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with directors and executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in note 25.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the directors have elected for exploration assets relating to the acquisition of licences to be carried at cost. All other exploration and evaluation costs are expensed during the period in which they are incurred.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences where management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement has been effected to determine that no deferred tax assets be recognised, based on the expectation that the Group will not make any taxable profits over the next two years.

Impairment of available-for-sale financial assets

The Group follows the guidance of AASB 139 *Financial Instruments: Recognition and Measurement* to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
3. REVENUE		
Rental income	-	9,840
Option fee (1)	150,000	-
Refunds	12,008	8,158
	162,008	17,998

(1) Revenue from the sale of options over interests in tenements

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
4. LOSS BEFORE INCOME TAX		
Loss before income tax expense has been arrived at after charging the following items:		
Operating lease payments	33,402	105,005
5. FINANCING INCOME		
Interest income	276,110	328,773
Interest expense	(72)	(382)
	276,038	328,391
6. AUDITOR’S REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditors of the Group, its related practices and non-related audit firms:		
Auditor’s remuneration:		
Audit and review services:		
Nexia Perth	40,525	40,539
PWC, Tanzania	6,738	16,401
	47,263	56,940
Auditor’s remuneration:		
Taxation and other services:		
Nexia Perth	7,400	10,625
PWC, Tanzania	-	17,237
	7,400	27,862

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
7. EARNINGS/(LOSS) PER SHARE		
Earnings/(loss) per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date	(0.95) cents	(2.86) cents
Loss per share – continuing operations	(0.80) cents	(3.05) cents
(a) Weighted average number of shares used in calculation of basic loss per share		
Issued ordinary shares at 1 July	70,383,575	70,383,575
Weighted average number of ordinary shares at 30 June	70,383,575	70,383,575
(b) Loss used in calculating basic loss per share	$667,427	$2,009,760
(c) Loss used in calculating basic loss per share from continuing operations	$563,241	$2,145,653

As the Group incurred a loss for the year ended 30 June 2014 the options on issue have an anti-dilutive effect and therefore the diluted loss per share is deemed equal to the basic loss per share.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
8. INCOME TAXES		
Recognised in the statement of profit or loss and other comprehensive income		
The major components of the tax expense/(income) are:		
Current tax expense	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary timing differences	-	-
Total income tax attributable to continuing operations	-	-
The prima facie income tax expense/(benefit) on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:		
Numerical reconciliation between aggregate income tax expense recognised in the statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate.		
Profit/(loss) before income tax expense from continuing operations	(563,241)	(2,145,653)
Income tax expense/(income) calculated at 30%	(168,972)	(643,695)
Effect of expenses that are not deductible in determining taxable profit	15,192	190,134
Total current year tax loss	(153,780)	(453,561)
Tax on capital gain on sale of Aruma	-	411,600
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	153,780	41,961
	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses – revenue	2,780,203	2,576,466
Temporary differences	(10,383)	96,931
	2,769,820	2,673,397
Deferred tax assets have not been recognised in respect of the following items:		
Trade and other payables	(31,412)	75,902
Section 40-880 expenses	21,029	21,029
Tax losses carry forward	2,780,203	2,576,466
	2,769,820	2,673,397

9. FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. Cash and cash equivalents are held with Westpac and ANZ Banks which are Australian banks with an AA credit rating (Standard & Poor's).

Trade and other receivables

As the Group operates in the mining exploration sector it does not have trade receivables and is therefore not exposed to credit risk in relation to trade receivables. Other receivables relate to GST credits receivable from the Australian Taxation Office.

Presently, the Group undertakes exploration and evaluation activities in Australia. At the reporting date there were no significant concentrations of credit risk.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		CONSOLIDATED 2014 $	**CONSOLIDATED 2013** $
Term deposit investments	12	-	4,295,282
Trade and other receivables	11	147,630	90,399
Cash and bank balances	10	7,170,885	3,490,334

9. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Impairment losses

None of the Company's trade and other receivables are past due (2013: $nil). As the Group is not trading there is no management of credit risk performed through an ageing analysis.

The movement in the allowance for impairment in respect of available-for-sale financial assets during the year was as follows:

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Balance at 1 July	194,063	51,250
Impairment loss recognised	-	142,813
Balance at 30 June	194,063	194,063

During 2014 there was no transfer of impairment loss between the statement of profit or loss and other comprehensive income and available-for-sale asset reserve by the Group (2013: nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group ensures it has sufficient cash on demand to meet expected operational expenses for a minimum period of 90 days.

	Carrying amount $	Contractual cash flows $	6 months or less $	6 months or more $
30 June 2014				
Trade and other payables	98,017	(98,017)	(98,017)	-
	98,017	(98,017)	(98,017)	-
30 June 2013				
Trade and other payables	192,672	(192,672)	(192,672)	-
	192,672	(192,672)	(192,672)	-

9. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group no longer holds cash balances in East Africa (2013: US$53,335 and TZS4,897,023). The Group currently undertakes no transactions denominated in foreign currencies. The Group has no hedging policy in place to manage those risks, however all foreign exchange purchases are settled promptly.

Interest rate risk

The Group is exposed to interest rate risk due to variable interest being earned on its assets held in cash and cash equivalents.

The Group has no borrowings.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	CONSOLIDATED 2014		CONSOLIDATED 2013	
	Carrying amount	Interest rate	Carrying amount	Interest rate
	$	%	$	%
Fixed rate instruments				
Term deposit investments	-	-	4,295,282	4.10
Cash and bank balances	6,946,455	3.71	3,255,080	4.21
	6,946,455	3.71	7,550,362	4.15
Variable rate instruments				
Cash and bank balances	224,430	0.10	235,254	0.15

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

	Equity		Profit and loss	
	100bp increase	**100bp** decrease	**100bp** increase	**100bp** decrease
30 June 2014				
Variable rate instruments	2,244	(2,244)	2,244	(2,244)
30 June 2013				
Variable rate instruments	2,353	(2,353)	2,353	(2,353)

9. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Fair value of financial instruments

The Group is disclosing the fair value of financial assets and financial liabilities by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table present the Group's assets and liabilities measured and recognised at fair value at 30 June 2014 and 30 June 2013.

Consolidated				
30 June 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Assets				
Available-for-sale financial assets	201,563	-	-	201,563

30 June 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Assets				
Available-for-sale financial assets	160,313	-	-	160,313

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the close price at reporting date. These instruments are included in level 1.

The Group currently has available-for-sale securities that are traded in an active market.

9. FINANCIAL INSTRUMENTS (CONTINUED)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
10. CASH AND CASH EQUIVALENTS		
Cash at hand	75	73
Cash at bank	224,355	235,181
Term deposit investments	6,946,455	3,255,080
	7,170,885	3,490,334
	%	%
Weighted average interest rate.	3.60	3.94

Term deposit investments comprise term deposits with a maturity date of not more than 3 months and attract a weighted average interest rate of 3.71%

11. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Current		
Interest receivable	147,094	88,684
GST receivable	33,826	32,565
Other receivables	536	1,715
	181,456	122,964

Trade and other receivables are non-interest bearing.

12. TERM DEPOSIT INVESTMENTS

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Current		
Interest bearing term deposits	-	4,295,282

		CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
13.	**OTHER ASSETS**		
	Current		
	Deposits, bonds	24,661	24,076
	Prepayments	19,340	51,619
	Withholding tax	-	447
		44,001	76,142
14.	**AVAILABLE-FOR-SALE FINANCIAL ASSETS**		
	Non-current		
	Fair value at beginning of the year	160,313	3,125
	Impairment loss	-	(2,812)
	Revaluation of Global Nickel shares taken to reserve	1,250	-
	Recognise shares in Aruma Resources Ltd at fair value	-	300,000
	Revaluation of Aruma Resources Ltd shares taken to reserve	40,000	-
	Impairment loss on shares held in Aruma Resources Limited	-	(140,000)
	Fair value at end of the year	201,563	160,313
15.	**PLANT AND EQUIPMENT**		
	Exploration equipment at cost	7,008	7,008
	Accumulated depreciation	(3,793)	(2,792)
		3,215	4,216
	Motor vehicle at cost	-	64,859
	Accumulated depreciation	-	(26,591)
		-	38,268
	Leasehold improvements at cost	4,680	14,607
	Accumulated amortisation	(4,019)	(12,793)
		661	1,814
	Computer & office equipment at cost	135,682	148,262
	Accumulated depreciation	(123,375)	(108,839)
		12,307	39,423
	Total carrying value	16,183	83,721
	The reconciliation of plant and equipment is as follows:		
	Opening carrying value	83,721	110,843
	Additions	2,061	68,783
	Disposals	(25,359)	(22,253)
	Depreciation – continued operations	(24,504)	(61,889)
	Depreciation – discontinued operations	(19,093)	-
	Effect of exchange rate on carrying value	(643)	(11,763)
	Closing carrying value	16,183	83,721

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
16. DEFERRED EXPLORATION EXPENDITURE		
Balance at beginning of the year	135,254	598,474
Acquisition of tenements – at cost	-	75,698
Balance held by Aruma Resources Ltd on leaving the group	-	(538,918)
Impairment expense	(16,365)	-
Balance of tenements on disposal of subsidiary	(116,100)	-
Effect of foreign exchange rates	(2,789)	-
Balance at end of the year	-	135,254

During the year the Group recorded an impairment expense of $16,365 (2013: nil) due to the relinquishment of tenements held by the Group.

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance date the exploration projects have not reached a stage where this determination can be made.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
17. TRADE AND OTHER PAYABLES		
Trade creditors and accruals	98,017	192,672

All trade creditors and accruals are non-interest bearing.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
18. PROVISIONS		
Provision for employee entitlements	6,016	61,618

	COMPANY 2014 $	COMPANY 2013 $
19. SHARE CAPITAL		
Ordinary shares		
70,383,575 (2013: 70,383,575) fully paid ordinary shares	17,182,333	17,182,333

Movements during the year	2014 Number	2014 $	2013 Number	2013 $
Balance at beginning of year	70,383,575	17,182,333	70,383,575	17,182,333
Shares issued:	-	-	-	-
Transaction costs arising on share issues	-	-	-	-
Balance at end of year	70,383,575	17,182,333	70,383,575	17,182,333

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
20. RESERVES		
Share-based payment reserve	517,316	620,007
Foreign currency translation reserve	-	23,717
Available-for-sale reserve	41,249	-
	558,565	643,724
Movements:		
Share-based payment reserve		
Balance at beginning of year	620,007	321,077
Cancelled during the year (1)	(152,921)	-
Share-based payments	50,230	298,930
Balance at end of year	517,316	620,007
Foreign currency translation reserve		
Balance at beginning of year	23,717	-
Exchange difference on translation of foreign operations	-	(44,408)
Eliminate reserve on disposal of overseas subsidiary	(23,717)	-
Exchange differences on translation of inter-company transactions	-	68,125
Balance at end of year	-	23,717

(1) Share-options recorded at $152,921 (2013: nil) cancelled during the year and were transferred to accumulated losses.

20. RESERVES (CONTINUED)

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Assets classified as held–for-sale reserve		
Balance at beginning of year	-	-
Increase in fair value recognised in reserve	41,249	-
Balance at end of year	41,249	-
Other reserve		
Balance at beginning of year	-	3,146,138
Changes in ownership interests resulting in loss of control transferred to accumulated losses	-	(3,146,138)
Balance at end of year	-	-

Share-based payment reserve

The share-based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration. Refer to note 25 for further details of these payments.

Assets classified as held–for-sale reserve

This reserve is used to record increases in the fair value of assets classified as available-for-sale and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

Other reserve

This reserve reflects the change in equity arising on 19 December 2012 from the dilution of the parent company's interest in Aruma Resources Limited ("Aruma") from 100% to the current holding of 4% following Aruma's listing on the ASX.

Foreign currency translation reserve (FCTR)

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

21. ACCUMULATED LOSSES

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
Balance at beginning of year	9,716,337	11,181,357
Transfer from other reserve on loss of control	-	(3,146,138)
Change in ownership interest on loss of control	-	(328,642)
Cancellation of options	(152,921)	-
Loss for the year	667,427	2,009,760
Balance at end of year	10,230,843	9,716,337

22. DISCONTINUED OPERATION

On 12 June 2014 the Company sold its 100% holding in Nexus Tanzania Limited. The sale was made as a strategic decision to exit exploration activities in Tanzania. The net proceeds of the sale comprised US$640 (AUD$695) equal to the amount paid for the shares. As part of the consideration the Company received US$120,000 (AUD$123,134) as part repayment of the outstanding inter-company loan.

(a) Results of discontinued operation

	2014 $	2013 $
Revenue	-	68,125
Expenses	(104,186)	(430,998)
Results from operating activities	(104,186)	(362,873)
Income tax	-	-
Results from operating activities, net of tax	(104,186)	(362,873)
Loss on sale of discontinued operation	-	-
Loss for the year	(104,186)	(362,873)
Loss per share (cents)	(0.15)	(0.52)

(b) Cashflows from discontinued operation

	2014 $	2013 $
Net cash used in operating activities	(61,349)	(375,943)
Net cash from investing activities	123,829	(144,995)
Net cash from financing activities	54,526	538,969
Net cashflow for the year	117,006	18,031

(c) Effect of the transaction on the financial position of the Group

	2014 $
Property, plant & equipment	(25,360)
Fair value of exploration assets	(116,100)
Net assets and liabilities	(141,460)
Consideration received, satisfied in cash	123,829
Net cash inflow	123,829

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
23. COMMITMENTS		
Operating Lease Commitments		
Not later than 1 year	12,152	30,000
Later than 1 year but not later than 5 years	48,608	8,629
	60,760	38,629
Exploration Expenditure Commitments		
Minimum exploration expenditure:		
Not later than 1 year	275,000	378,199
Later than 1 year but not later than 5 years	1,100,000	2,994,792
	1,375,000	3,372,991

Exploration expenditure commitments are only mandatory to the extent the Group wishes to retain tenure to the underlying tenements.

24. CONTINGENT LIABILITIES

In the opinion of the directors, there were no contingent liabilities at the date of this report.

25. SHARE-BASED PAYMENTS

During the year 1,500,000 options were granted as share-based compensation. (2013: nil).

The following share-based payment arrangements were in place during the year:

Nexus Minerals Limited	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Option series No.1	700,000	7 March 2012	6 March 2015	0.195	45,068
Option series No.2	3,000,000	28 March 2012	23 July 2015	0.186	180,444
Option series No.3	2,500,000	28 March 2012	23 Jan’ 2016	0.199	182,600
Option series No.4	1,000,000	28 March 2012	23 July 2016	0.211	76,482
Option series No.5	1,000,000	18 Nov’ 2013	17 Oct’ 2016	0.082	32,722

25. SHARE-BASED PAYMENTS (CONTINUED)

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

Nexus Minerals Limited	2014 No.	2014 Weighted average exercise price $	2013 No.	2013 Weighted average exercise price $
Outstanding at the beginning of the year	8,700,000	0.20	10,450,000	0.20
Cancelled during the year*	(2,000,000)	0.21	-	-
Failed to vest during the year**	-	-	(1,750,000)	0.21
Granted during the year	1,500,000	0.12	-	-
Outstanding at the end of the year	8,200,000	0.18	8,700,000	0.20
Exercisable at the end of the year	8,200,000	0.18	8,700,000	0.20

* with the agreement of the holder 2,000,000 Series No.4 options were cancelled.
** 750,000 series No.3 options and 1,000,000 series No.4 options did not vest for failure to meet non-market performance conditions.

The outstanding balance as at 30 June 2014 is represented by 8,200,000 options over ordinary shares with an exercise price of between $0.082 and $0.211 each, exercisable up to dates of between 6 March 2015 and until 17 October 2016.

The inputs to the options valuation were:

	Series No. 1	Series No.2	Series No.3	Series No.4	Series No.5
Dividend yield (%)	n/a	n/a	n/a	n/a	n/a
Expected volatility (%)	100	100	100	100	97
Risk-free interest rate (%)	3.80	3.61	3.61	3.61	3.00
Expected life of option (years)	3.00	3.33	3.82	4.33	2.92
Exercise price (cents)	19.5	18.6	19.9	21.1	8.2
Grant date share price (cents)	12.0	12.0	12.0	12.0	6.0

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility of the Company is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

26. KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Group at any time during the year and unless otherwise indicated were key management personnel for the entire year.

Non-executive directors
Mr P Boyatzis (Chairman)
Dr M Elliott
Mr P Macleod (appointed 16 May 2014)

Executive directors
Mr J Greive (Managing Director, resigned 30 August 2013, Non-executive Director resigned 16 May 2014)

(a) Key management personnel compensation

The key management personnel compensation for the year is as follows:

	CONSOLIDATED 2014 $	CONSOLIDATED 2013* $
Short-term employee benefits	312,808	670,711
Share-based payments	43,191	331,291
Post-employment benefits	5,396	42,254
	361,395	1,044,256

* Includes compensation paid to executives of Aruma Resources Limited to 19 December 2012 on which date Aruma left the consolidated Group.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and executives. Remuneration packages comprise fixed remuneration Information regarding individual directors' and executives' compensation disclosures as permitted by *Corporations Regulations* 2M.3.03 and 2M.6.04 is provided in the remuneration report sections 12.1, 12.2, 12.3 and 12.4 of the Directors' report.

27. RELATED PARTIES

Controlled entities

Name of entity	Ownership interest 2014	Ownership interest 2013
Parent entity		
Nexus Minerals Limited		
Controlled entities		
Nexus Minerals Australia Pty Ltd (incorporated 19 August 2009)	100%	100%
Transformation Minerals Africa Pty Ltd (incorporated 18 July 2011)	100%	100%
Hemisphere Iron Pty Ltd (incorporated 18 July 2011)	100%	100%
Nexus Minerals Africa Pty Ltd (incorporated 12 January 2012)	100%	100%
Nexus Minerals Tanzania Limited (incorporated 30 April 2012)	-	100%
Transformation Minerals Tanzania Limited (incorporated 10 August 2012)	100%	100%
Nexus Minerals Uganda Limited (incorporated 21 September 2012)	100%	100%

Nexus Minerals Tanzania was disposed of 12 June 2014. Refer note 22.

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 26.

(b) Trade and other payables

Paul Boyatzis, who is a director of the Company was due an amount of $7,700 at 30 June 2014 (2013: $7,700) in respect of directors' fees. The outstanding amount was paid subsequent to year end.

(c) Related party transactions

(i). Transactions with Nexus Minerals Australia Pty Ltd (formerly Universal Explorers Pty Ltd)

During the year the Company advanced a total sum of $5,567 (2013: nil) in working capital to Universal Explorers Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $150,054. A provision for impairment of $136,591 has been recognised by the Company.

(ii). Transactions with Nexus Minerals Tanzania Limited

During the year the Company advanced a total sum of $54,526 (2013: advanced a total of $538,269) in part repayment of funds previously loaned to fund the acquisition of exploration assets, the operation of an office and the relocation of the Managing Director in Tanzania. The Company sold its interest in the subsidiary on 12 June 2014 for a consideration of $123,829. An expense of $532,735 has been recognised by the Company being the balance of loan written off. Refer note 22 for further details.

(iii). Transactions with Hemisphere Iron Pty Ltd

During the year the Company loaned a total sum of $1,485 (2013: $522) in working capital to Hemisphere Iron Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $2,622. A provision for impairment of $598 has been recognised by the Company.

(iv). Transactions with Nexus Minerals Africa Pty Ltd

During the year the Company received a total sum of $64 (2013: loaned the sum of $736) in working capital from Nexus Minerals Africa Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $672.

27. RELATED PARTIES (CONTINUED)

(c) Related party transactions (continued)

(v). Transactions with Transformation Minerals Africa Pty Ltd

During the year the Company received a credit balance of $64 (2013: loaned a total sum of $1,236) in working capital from Transformation Minerals Africa Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $18,082. A provision for impairment of $17,778 has been recognised by the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
28. NOTES TO STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June		
Cash at hand	75	73
Cash at bank	224,355	235,181
Short term deposit investments	6,946,455	3,255,080
	7,170,885	3,490,334

28. NOTES TO STATEMENT OF CASH FLOWS (CONTINUED)

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
(b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:		
Loss for the year	(667,427)	(2,009,760)
Adjustments for:		
Loss on sale of property, plant & equipment	-	14,944
Gain made on disposal of Aruma	-	(797,987)
Depreciation	43,597	61,889
Share-based payments	50,230	298,930
Impairment of financial assets	-	142,813
Impairment of exploration assets	16,365	-
Movement in FCTR	-	23,717
Add/(less):		
(Increase)/decrease in trade and other receivables	(58,492)	314,703
(Increase)/decrease in prepayments	32,141	3,381
(Increase)/decrease in term deposit investments	-	(35,528)
Increase/(decrease) in trade and other payables	(99,372)	(121,643)
Increase/(decrease) in provisions	(55,602)	(1,248)
Net cash used in operating activities	(738,560)	(2,105,789)

29. SEGMENT INFORMATION

The consolidated entity’s operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the consolidated entity’s operations and allocation of working capital.

Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Western Australia following the disposal of its subsidiary in Tanzania on 12 June 2014.

29. SEGMENT INFORMATION (CONTINUED)

	Exploration WA*	Exploration Tz*	Unallocated	Total
	$	$	$	$
Consolidated 30 June 2013				
Segment revenue	8,158	-	9,840	17,998
Segment finance revenue	-	-	328,773	328,773
Segment exploration expenditure	(291,270)	(228,426)	-	(519,696)
Segment depreciation	(496)	(24,200)	(37,193)	(61,889)
Impairment of segment assets	-	-	(142,813)	(142,813)
Share based payments	-	-	(298,930)	(298,930)
Other segment expenses	-	(178,371)	(1,154,832)	(1,333,203)
Segment result	**(283,608)**	**(430,997)**	**(1,295,155)**	**(2,009,760)**
Included within segment result:				
Interest revenue	-	-	328,773	328,773
Segment assets				
Cash and term deposits	-	62,363	7,723,253	7,785,616
Trade and other receivables	-	-	122,964	122,964
Other current assets	-	24,409	51,733	76,142
Financial assets	-	-	160,313	160,313
Exploration assets	-	135,254	-	135,254
Plant and equipment	4,216	45,095	34,410	83,721
Total segment assets	4,216	267,121	8,092,673	8,364,010
Segment liabilities				
Trade and other payables	(12,507)	(55,788)	(124,377)	(192,672)
Provisions	-	-	(61,618)	(61,618)
Total segment liabilities	(12,507)	(55,788)	(185,995)	(254,290)
NET SEGMENT ASSETS	**(8,291)**	**211,333**	**7,906,678**	**8,109,720**

*WA - Western Australia, Tz – Tanzania

Unallocated includes the operations of Aruma Resources Limited which left the consolidated group on 19 December 2012.

30. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Company appointed Mr Andy Tudor as Chief Executive Officer. Mr Tudor had previously held the position of General Manager – Project and Corporate Development since February 2014. Mr Tudor was granted 600,000 options expiring 30 June 2017. The options have an agreed exercise price of not less than 150% of the 5 day volume weighted average closing price of Nexus shares prior to 7 July 2014.

Other than the material event described above there have been no other material events occurring subsequent to the reporting date.

31. DIVIDENDS

No dividends were paid or declared by the Group during the year or since the end of the year.

32. PARENT ENTITY INFORMATION

As at, and throughout, the financial year ending 30 June 2014 the parent company of the Group was Nexus Minerals Limited.

	COMPANY	
	2014	**2013**
	$	$
Result of the parent entity		
Loss for the year	(691,144)	(597,506)
Other comprehensive income/(expense)	41,249	131,888
Total comprehensive loss for the year	(649,895)	(465,618)
Financial position of parent entity at year end		
Current assets		
Cash and term deposits	7,167,425	7,721,459
Trade and other receivables	173,638	114,068
Other current assets	44,001	51,702
Total current assets	7,385,064	7,887,229
Non-current assets		
Financial assets	201,563	160,313
Plant and equipment	16,183	38,626
Other non-current receivables	11,278	246,044
Total non-current assets	229,024	444,983
Total assets	7,614,088	8,332,212
Current liabilities		
Trade and other payables	98,017	160,874
Provisions	6,016	61,618
Current liabilities	104,033	222,492
Total liabilities	104,033	222,492
Net assets	7,510,055	8,109,720
Total equity of the parent entity comprising:		
Share capital	17,182,333	17,182,333
Reserves	690,447	751,889
Accumulated losses	(10,362,725)	(9,824,502)
Total Equity	7,510,055	8,109,720

1. In the opinion of the directors of Nexus Minerals Limited (the 'Company'):

    a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

        i. giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year then ended; and
        ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

    b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.

P Boyatzis
Chairman

Perth

Dated this 30th day of September 2014

Independent auditor's report to the members of Nexus Minerals Limited

Report on the financial report

We have audited the accompanying financial report of Nexus Minerals Limited which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nexus Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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Opinion

In our opinion:

(a) the financial report of Nexus Minerals Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Nexus Minerals Limited for the year ended 30 June 2014 complies with Section 300A of the *Corporations Act 2001*.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

30 September 2014
Perth

The primary responsibility of the Board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has established a set of corporate governance policies and procedures that are based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"). A copy of the Board Charter and corporate governance policies are available on the Company's website at www.nexus-minerals.com .

The Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the Principles and Recommendations during the period. Where a recommendation has not been followed that fact has been disclosed, together with the reasons for the departure.

Corporate Governance Compliance

A description of the Company's main corporate governance practices are set out below. All these practices, unless otherwise stated, have been in place for financial year ended 30 June 2014. The Company has considered the ASX Corporate Governance Principles and the corresponding Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

Disclosure of Corporate Governance Practices
Summary Statement

	ASX Principles and Recommendations	"If not, why not"
Recommendation 1.1	✓	
Recommendation 1.2	✓	
Recommendation 2.1		✓
Recommendation 2.2		✓
Recommendation 2.3	✓	
Recommendation 2.4		✓
Recommendation 2.5	✓	
Recommendation 2.6	✓	
Recommendation 3.1	✓	
Recommendation 3.2		✓
Recommendation 3.3		✓
Recommendation 3.4	✓	
Recommendation 4.1		✓
Recommendation 4.2		✓
Recommendation 4.3		✓
Recommendation 4.4	✓	
Recommendation 5.1	✓	
Recommendation 6.1	✓	
Recommendation 7.1	✓	
Recommendation 7.2	✓	
Recommendation 7.3	✓	
Recommendation 8.1		✓
Recommendation 8.2		✓
Recommendation 8.3	✓	

Principle 1 – Lay solid foundations for management and oversight

"Companies should establish and disclose the respective roles and responsibilities of board and management."

Recommendation 1.1:
Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:
The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The Board has sole responsibility for the following:

- Appointing and removing the Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary and Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Company and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Company's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
- Review and ratify systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the CEO who may also be the Managing Director and their performance is monitored and evaluated by the Board. During the year, the Managing Director/CEO reverted to a non-executive role with the whole Board assuming the responsibilities of the CEO. Subsequent to year end Mr Andy Tudor was appointed to the role of CEO.

Some Board functions may be handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Recommendation 1.2:
Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:
The Board is responsible for evaluating the senior executives. The performance of senior executives is reviewed with reference to the terms of their employment contracts and any KPIs set by the Board. The performance of the senior executives was evaluated during the financial year.

Principle 2 – Structure the board to add value

"Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties."

Recommendation 2.1:
A majority of the Board should be independent directors.

Disclosure:
The Company does not have a majority of independent directors.

The Board takes the view that during the financial year ended 30 June 2014 Mr Boyatzis (Non-Executive Chairman) and Mr Greive (Managing Director until 30 August 2013, resigned 16 May 2014) were not independent in terms of the ASX Corporate Governance Council's discussion of independent status. Mr Boyatzis is a substantial shareholder of the Company. Mr Greive, as Managing Director, was an executive of the Company. Despite these relationships, the Board believes that these directors are able, and do make, quality and independent judgements in the best interests of the Company on all relevant issues before the Board. Mr MacLeod (appointed 16 May 2014) and Mr Elliott are independent, non-executive directors.

The Board's policy is that the majority of directors should be independent, non-executive directors. From 16 May 2014 the composition of the Board conformed to this policy.

Recommendation 2.2:
The Chair should be an independent director.

Disclosure:
The Company's Chairman, Mr Paul Boyatzis, is not considered to be independent as he is a substantial shareholder. However, the Board believes the Chairman is able and does bring a quality and independent judgement to all relevant issues falling within the scope of the role of a Chairman. The Board's policy is that the Chairman shall be independent and non-executive at a time when the size and activities of the Company warrant such a position.

Recommendation 2.3:
The roles of the Chair and CEO should not be exercised by the same individual. The role of CEO was assumed by the full Board from 31 August 2013 until the appointment of a CEO in July 2014.

Disclosure:
The role of the Chairman and the CEO are not exercised by the same person. From 1 September 2013, the role of CEO has been assumed by the whole Board. Subsequent to year end Mr Andy Tudor has been appointed to the position of CEO.

The division of responsibilities between the Chairman and the CEO is set out in the Board Charter.

Recommendation 2.4:
The Board should establish a Nomination Committee.

Disclosure:
A Nomination Committee has not been established. The role of the Nomination Committee has been assumed by the full Board.

Recommendation 2.5:
Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:
The Chairman is responsible for evaluation of the CEO, the Board and the committees. The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance.
Induction procedures are in place for all directors and senior executives report to the Board as to their area of responsibility at each Board meeting, if required.

Recommendation 2.6:
Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:
Skills, Experience, Expertise and term of office of each Director and re-election procedure
A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.
In accordance with the Constitution, one third of the directors retire by rotation each year and may offer themselves for re-election.
The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to the Board duties and physical ability to undertake the Board duties and responsibilities.

Identification of Independent Directors
Mr Elliott and Mr MacLeod (appointed 16 May 2014) were independent directors of the Company during the year ended 30 June 2014 in terms of the ASX Corporate Governance Council's discussion of independent status.

Statement concerning availability of Independent Professional Advice
To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 – Promote ethical and responsible decision-making

"Companies should actively promote ethical and responsible decision-making."

Recommendation 3.1:
Companies should establish a Code of Conduct and disclose the code or a summary of the code.

Disclosure:
The Company has a Code of Conduct that applies to all directors, senior executives, employees and contractors. The Code is disclosed on the Company's website.

Recommendation 3.2:
Companies should establish a policy concerning diversity and disclose the policy or a summary of the policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.

Disclosure:
The Board has not adopted a Diversity Policy; however, the Board recognises the benefits of having an appropriate blend of diversity on the Board and in all areas of the Group's business. The employees and officers of the Group currently represent a range of ethnicity, cultural background, age, gender and

experience. A formal Diversity Policy will be adopted once the size and complexity of the organization warrants its implementation.

Recommendation 3.3:
Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

Disclosure:
The Board has not yet established formal measurable objectives for achieving gender diversity as they are not considered to be warranted given the size and stage of development of the organization.

Recommendation 3.4:
Companies should disclose in each annual report the proportion of women employees in the whole organization, women in senior executive positions and women on the board.

Disclosure (as at 30 June 2014)**:**

	Number
Women employees in the Group:	1 of 2
Women in senior executive positions:	0 of 1
Women on the Board:	0 of 3

Principle 4 – Safeguard integrity in financial reporting

"Companies should have a structure to independently verify and safeguard the integrity of their financial reporting"

Recommendation 4.1:
The Board should establish an Audit Committee.

Disclosure:
An audit committee has not been established. The role of the Audit Committee has been assumed by the full Board.

Recommendation 4.2:
The Audit Committee should be structured so that it:
- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent Chair, who is not Chair of the Board; and
- has at least three members.

Disclosure:
There is no audit committee.

Recommendation 4.3:
The Audit Committee should have a formal charter.

Disclosure:
The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. When the establishment of an audit committee it is considered to be justified an appropriate Charter will be adopted.

Recommendation 4.4:
Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure:
There is no Audit Committee and the whole Board acts in this capacity.
The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed as required by the Board.

Principle 5 – Make timely and balanced disclosure

"Companies should promote timely and balanced disclosure of all material matters concerning the company."

Recommendation 5.1:
Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:
In order to ensure that the Company meets its obligations with regard to the continuous disclosure requirements, the Company has adopted a Continuous Disclosure Policy. The Continuous Disclosure Policy sets out the Company's obligations and its policies and procedures to ensure timely and accurate disclosure of price sensitive information to the market.

Principle 6 – Respect the rights of shareholders

"Companies should respect the rights of shareholders and facilitate the effective exercise of those rights."

Recommendation 6.1:
Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:
The Company has a Shareholder Communications Policy and a website for making information available to shareholders. Shareholders are encouraged to attend and participate in general meetings.

Principle 7 – Recognise and manage risk

"Companies should establish a sound system of risk oversight and management and internal control."

Recommendation 7.1:
Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:
The Board has adopted an Integrated Management System through which a risk management standard and policy are administered and performance managed. As detailed in 7.2 a Risk Management Committee has not been formed and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:

1. Assessing the internal processes for determining and managing key risk areas, particularly:
   - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
   - litigation and claims; and
   - relevant business risks other than those that are dealt with by other specific Board Committees.

2. Ensuring that the Company has an effective risk management system and that major risks to the Company are reported at least annually to the Board.
3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
4. Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
5. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Company's control environment.

Recommendation 7.2:
The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:
Management designs, implements and maintains risk management and internal control systems to manage the Company's material business risks. As part of regular reporting procedure, management report to the Board confirming that those risks are being managed effectively.
The Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.
A Risk Management Committee has not been formed and no internal audit function exists. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by Management as at the date of this report.

Recommendation 7.3:
The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:
The Board has received the declaration from the Chief Executive Officer and the person assuming the role of Chief Financial Officer.

Principle 8 – Remunerate fairly and responsibly

"Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear."

Recommendation 8.1:
The Board should establish a Remuneration Committee.

Disclosure:
A Remuneration Committee has not been established and the role of the Remuneration Committee has been assumed by the full Board. The Board considers that the Company is not of a size to justify the formation of a remuneration committee.

Recommendation 8.2:
The Remuneration Committee should be structure so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

Disclosure:
There is no remuneration committee. When the establishment of a remuneration committee is considered to be justified an appropriate committee Charter will be adopted.

Recommendation 8.3:
Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:
Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).
Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed periodically to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings as at 19 September 2014

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number
Graeme Kirke	7,719,881
Ultimate Victory Holdings Limited	6,800,000
Jane Elizabeth Boyatzis	4,298,566

Voting rights

Ordinary shares

One vote for each ordinary fully paid share.

On-market buy-back

There is no current on-market buy-back.

Distribution of equity security holders

Quoted Ordinary Shares

Category	Number of holders	Number of Shares
1 - 1,000	48	18,093
1,001 - 5,000	147	458,192
5,001 - 10,000	123	1,050,236
10,000 - 100,000	317	11,879,826
100,000 and over	97	56,977,228
	732	70,383,575

248 shareholders hold less than a marketable parcel of ordinary shares.

Unquoted Options		Number of Holders	
Category	Exercisable at 19.5 cents expiring 6 March 2015	Exercisable at 18.6 cents expiring 23 July 2015	Exercisable at 19.9 cents expiring 23 January 2016
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,000 - 100,000	-	-	-
100,000 and over	2	3	1
	2	3	1

Unquoted Options

Category	Number of Holders Exercisable at 21.1 cents expiring 23 July 2016	Exercisable at 8.2 cents expiring 17 October 2016	Exercisable at 10.5 cents expiring 30 June 2017
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,000 - 100,000	-	-	-
100,000 and over	1	2	1
	1	2	1

Restricted Securities

The Company has 70,383,575 shares and 8,800,000 options on issue. No shares or options are subject to ASX or voluntary escrow.

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
Ultimate Victory Holdings Limited	6,800,000	9.66
KSLCorp Pty Ltd	3,600,000	5.12
Pillage Investments Pty Ltd	3,119,881	4.43
Westedge Investments Pty Ltd	2,751,166	3.91
Citicorp Nominees Pty Limited	2,693,633	3.83
Ringsford Pty Ltd	2,350,000	3.33
Piat Corp Pty Ltd	3,000,000	4.26
Megatop Nominees Pty Ltd	2,227,510	3.16
Lesuer Pty Ltd	1,500,000	2.13
Paso Holdings Pty Ltd	1,325,000	1.88
Puresteel Holdings Pty Ltd	1,306,000	1.86
Perth Select Seafoods Pty Ltd	1,040,000	1.48
Graeme Eric Kirke	1,000,000	1.42
Blue Beach Pty Ltd	888,888	1.26
Sodell Investments Pty Ltd	750,000	1.07
Jennifer Monckton	700,000	0.99
Cleland Projects Pty Ltd	675,000	0.96
HSBC Custody Nominees (Australia) Ltd	630,806	0.90
DMG & Partners Securities Pte Ltd	575,000	0.82
Rosemont Assets Pty Ltd	565,000	0.80
	37,497,884	53.27

SUMMARY OF NEXUS MINERALS LIMITED TENEMENTS

WESTERN AUSTRALIA	
Yandicoogina South (Iron)	
E47/1904	100% Nexus Minerals Ltd
E47/2432	
E47/2473	
E47/2474	
Hancock Range	
E47/2110	100% Nexus Minerals Ltd
Mt Goldsworthy	
E45/3376	100% Nexus Minerals Ltd
Gardiner Range(Gold/REE)	
E80/4299	100% Nexus Minerals Australia Pty Ltd (wholly-owned subsidiary of Nexus Minerals)
E80/4300	
E80/4402	
E80/4403	
E80/4894 - Application	100% Nexus Minerals Ltd
E80/4895 - Application	
Mt Celia (Gold)	
P39/5484 – Application	100% Nexus Minerals Ltd
P39/5485 – Application	
P39/5486 – Application	