

# **NEXUS MINERALS LIMITED**

ACN 122 074 006

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held on  
12 November 2014 at  
9:00am (Western Standard Time) at**

**The Boardroom  
18 Stirling Highway  
Nedlands, Western Australia**

***This is an important document. Please read it carefully.***

***If you are unable to attend the Meeting, please complete the form of proxy enclosed  
and return it in accordance with the instructions set out on that form.***

## TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

### Venue

The Annual General Meeting of Nexus Minerals Limited will be held at:

The Boardroom	Commencing
18 Stirling Highway	at 9:00am (Western Standard Time)
Nedlands WA 6009	on 12 November 2014.

### How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

#### Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00am (Western Standard Time).

#### Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- Hand to the Company's office at Ground Floor, 47 Colin Street, West Perth, Western Australia, 6005;
- Facsimile to fax number +61 (8) 9481 1756;
- Post to PO Box 2803, West Perth, Western Australia, 6872; or
- Email to [pmacleod@gapcs.com.au](mailto:pmacleod@gapcs.com.au),

so that it is received not later than 9:00 am (WST) on 10 November 2014.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**NEXUS MINERALS LIMITED**  
**ACN 122 074 006**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting of the Shareholders of Nexus Minerals Limited will be held at The Boardroom, 18 Stirling Highway, Nedlands, Western Australia on Wednesday, 12 November 2014 at 9:00am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**GENERAL BUSINESS**

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**Financial Statements and Reports**

To receive and consider the annual financial report of the Company together with the Directors' Report, Directors' Declaration and the Independent Audit Report for the year ended 30 June 2014.

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**Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Annual Financial Report for the year ended 30 June 2014."*

**Voting Exclusion:**

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1;  
or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

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## **Resolution 2 - Election of Director – Mr Phillip MacLeod**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Phillip MacLeod, being a Director and holding office until this meeting in accordance with the Constitution, and being eligible, offers himself for re-election in accordance with rule 7.3(f) of the Constitution and for all other purposes, is hereby elected as a Director of the Company."*

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## **Resolution 3 - Re-election of Director – Mr Mark Elliott**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Mark Elliott, who retires by rotation in accordance with rule 7.3 of the Constitution, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

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## **Resolution 4 – Approval Employee Incentive Scheme**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.2 Exception 9(b) and for all other purposes, approval is given for the Company to grant Options (and issue any Shares upon exercise of those Options) under the employee incentive scheme titled "Aruma Resources Limited Employee and Officers Share Option Plan" for a period of 3 years commencing on the date of this Meeting and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **SPECIAL BUSINESS**

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## **Resolution 5 – Approval of additional placement capacity**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

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**By order of the Board**



Phillip MacLeod  
Company Secretary  
Dated: 10 October 2014

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## **VOTING AND PROXIES**

- 1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
- 2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- 3. The chairman of the Meeting will vote undirected proxies on, and in favour of, all of the proposed Resolutions (including Resolution 1 (Adoption of Remuneration Report)). In relation to Resolution 1, the proxy form expressly authorises the chairman of the Meeting to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year 30 June 2014. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.
- 4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 10 November 2014 at 5.00pm (Western Standard Time).
- 5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

## **EXPLANATORY STATEMENT**

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Shareholders may view the Company's annual financial report on its website at [www.nexus-minerals.com](http://www.nexus-minerals.com).

Shareholders will be offered the following opportunities:

- (a) Discuss the Annual Financial Report for the financial period ended 30 June 2014.
- (b) Ask questions and make comment on the management of the Company.
- (c) Ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the presentation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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### **2. INFORMATION RELATING TO RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election. The Company encourages all Shareholders to cast their votes on Resolution 1 (Remuneration Report).

#### **Previous Voting Results**

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## Proxy Restrictions

Pursuant to the Corporations Act, if you appoint a member of the key management personnel (other than the Chair) or any closely related party as your proxy to vote on this Resolution 1, ***you must direct the proxy how they are to vote***. Where you do not direct such a person on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

If you appoint the Chair as your proxy, and you do not direct the Chair on how to vote on this Resolution 1, then by signing and returning the proxy form you are giving express authorisation for the Chair to vote all undirected proxies **FOR Resolution 1** even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel..

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### 3. INFORMATION RELATING TO RESOLUTION 2 – ELECTION OF DIRECTOR – MR PHILLIP MACLEOD

Mr MacLeod was appointed by the Board as an additional Director of the Company on 16 May 2014. Pursuant to rule 7.3(f) of the Company's Constitution, Mr MacLeod holds office until this Meeting, and being eligible, offers himself for election as a Director of the Company.

Details of the qualifications and experience of Mr MacLeod are set out in the 2014 Annual Report of the Company.

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### 4. INFORMATION RELATING TO RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MARK ELLIOTT

Mr Elliott was appointed a director of the Company on 6 October 2006 and was last re-elected on 23 November 2012.

Pursuant to rule 7.3 of the Company's Constitution, Mr Elliott, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Details of the qualifications and experience of Mr Elliott are set out in the 2014 Annual Report of the Company.

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### 5. INFORMATION RELATING TO RESOLUTIONS 4 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

#### 5.1 Background

In June 2011 the Board adopted an Employee and Officers Share Option Plan (**Option Plan**) to enable the Company to issue Options to eligible participants including employees and officers. The terms of the Option Plan were included in the notice of general meeting dated 25 October 2011 and approved by Shareholders in the meeting held 30 November 2011 for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) for a period of 3 years. .

The Option Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth and provide an incentive to contribute to that growth. The Option Plan is further designed to assist in retaining employees.

A copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting and can be sent to Shareholders upon request to the Company Secretary (Phillip Macleod). In addition, a copy of the Option Plan will be made available for inspection at the Meeting. A summary of the Option Plan is set out in Schedule 1.

Resolution 4 seeks Shareholders approval for the grant of Options (and any issue of Shares upon the exercise of those Options) under the Option Plan for a period of 3 years from the date of this Meeting in accordance with ASX Listing Rule 7.2 (Exception 9(b)). This has the effect of extending the approval of Shareholders obtained on 30 November 2011 and which ceases on 29 November 2014.

#### 5.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the ASX Listing Rules for the establishment or operation of the Option Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the 15% limit imposed by ASX Listing Rule 7.1 on the number of securities that may be issued without shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) provides an exception to ASX Listing Rule 7.1 which provides that issues of securities under an employee incentive scheme that has been approved by shareholders are exempt for a period of 3 years from the date of shareholder approval of the issue of securities under the employee incentive scheme.

If Resolution 4 is passed, the Company will be able to issue Shares under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The table below sets out the Options issued under the plan.

Option series	Date granted	Expiry date	Exercise price \$	Number issued	Number exercised	Number cancelled or lapsed	Number on issue
1.	07/03/2012	06/03/2015	0.195	700,000	-	-	700,000
2.	28/03/2012	23/07/2015	0.186	3,000,000	-	-	3,000,000
3.	28/03/2012	23/01/2016	0.199	3,250,000	-	(750,000)	2,500,000
4.	28/03/2012	23/07/2016	0.211	4,000,000	-	(3,000,000)	1,000,000
5.	18/11/2013	17/10/2016	0.082	1,000,000	-	-	1,000,000
6.	18/07/2014	30/06/2017	0.105	600,000	-	-	600,000

The objective of the Plan is to attract, motivate and retain key employees and officers and it is considered by the Company that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

If an offer is made to a related party or person whose relation with the Company is, in ASX's opinion, such that approval should be obtained, to participate in the Option Plan then separate Shareholder approval will need to be obtained under either ASX Listing Rule 10.11 or ASX Listing Rule 10.14.

### 5.3 Recommendation

The Board recommends that Shareholders approve the Option Plan for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) for a period of 3 years. It will allow the Company to issue securities for the benefit of participants of the Option Plan whilst preserving the Company's 15% limit of issuing securities and provide flexibility in the manner in which the Option Plan is managed.

## 6. INFORMATION RELATING TO RESOLUTION 5 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

### 6.1 General

ASX Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

ASX Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("Additional Placement Capacity").

The Company seeks Shareholder approval under Resolution 5 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in ASX Listing Rule 7.1A.2 (set out below).

### 6.2 Requirements of ASX Listing Rule 7.1A

#### (a) Eligible entities

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

(b) **Shareholder approval**

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting. A resolution for the Additional Placement Capacity under ASX Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) **Equity Securities**

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX being fully paid ordinary Shares. The Company also has unquoted Options on issue.

(d) **Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity**

If Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none"><li>• plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;</li><li>• plus the number of partly paid shares that became fully paid in the 12 months;</li><li>• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under ASX Listing Rules 7.1 or 7.4;</li><li>• less the number of fully paid shares cancelled in the 12 months.</li></ul>
D	10%
E	The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

(e) **Interaction between ASX Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under ASX Listing Rule 7.1A is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company has 70,383,575 Shares on issue as at the date of this Notice. If Resolution 5 is passed, the Company will be permitted to issue (as at the date of this Notice):

- 10,557,536 Equity Securities under ASX Listing Rule 7.1; and
- 7,038,357 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 5 will be to allow the Company to issue securities under ASX Listing Rule 7.1A without using the Company's placement capacity under ASX Listing Rule 7.1.

6.3 **Information for Shareholders as required by ASX Listing Rule 7.3A**

(a) **Minimum price**

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or

- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

(b) **Risk of economic and voting dilution**

If Resolution 5 is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under ASX Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		2.75 cents	5.5 cents	11 cents
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
<b>Current Variable A</b> 70,383,575 Shares	<b>10% Voting Dilution</b>	7,038,357 Shares	7,038,357 Shares	7,038,357 Shares
	<b>Funds raised</b>	\$193,555	\$387,110	\$774,219
<b>50% increase in current Variable A</b> 105,575,362 Shares	<b>10% Voting Dilution</b>	10,557,536 Shares	10,557,536 Shares	10,557,536 Shares
	<b>Funds raised</b>	\$290,332	\$580,664	\$1,161,329
<b>100% increase in current Variable A</b> 140,767,150 Shares	<b>10% Voting Dilution</b>	14,076,715 Shares	14,076,715 Shares	14,076,715 Shares
	<b>Funds raised</b>	\$387,110	\$774,219	\$1,548,439

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No Options are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is 5.5 cents, being the closing price of the Shares on ASX on 8 October 2014.

The Company's ability to issue securities under ASX Listing Rule 7.1A is in addition to its ability to issue securities under ASX Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 12 November 2014 (the date of this Meeting) and expires on the earlier of:

- 11 November 2015, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new mineral exploration and/or mining assets or investments (including the expenses associated such acquisitions), continued expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of new mineral exploration and/or mining assets and investments (including expenses associated with such acquisitions) or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

On 18 November 2013, the Company received Shareholder approval for the Additional Placement Capacity at its 2013 annual general meeting. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 12 November 2013) is 1,600,000 Options. The total number of Equity Securities on issue as at 12 November 2013 was 70,383,575 Shares and 7,200,000 Options. The total number of Equity Securities issued in the 12 months since 12 November 2013 is 1.13% of the total number of Equity Securities on issue at 12 November 2013.
- The details of Equity Securities during the 12 months preceding the date of the Meeting are:

Date of issue:	5 December 2013
Number of Equity Securities:	1,000,000
Summary of terms:	Unlisted Options exercisable at 8.2 cents each expiring 17 October 2016. The Options vested immediately from date of issue.
Names of allottees:	Elliott Nominees Pty Ltd – 500,000 Options Paul Boyatzis – 500,000 Options
Price:	The Options were issued for no consideration.
Discount to market price:	Not Applicable
Current value of the non-cash consideration:	The Company has valued the Options as at 6 October 2013 at 2.96 cents per Option using the Black-Scholes method. Therefore, the current value of the 1,000,000 Options is \$29,600.

Date of issue:	18 July 2014
Number of Equity Securities:	600,000
Summary of terms:	Unlisted Options exercisable at 10.5 cents each expiring 30 June 2017. The Options vested immediately from date of issue.
Names of allottees:	Andrew Tudor
Price:	The Options were issued for no consideration pursuant to the terms of engagement of Mr Tudor as CEO.
Discount to market price:	Not Applicable
Current value of the non-cash consideration:	The Company has valued the Options as at 10 October 2014 at 2.72 cents per Option using the Black-Scholes method. Therefore, the current value of the 600,000 Options is \$16,320.

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## 7. ENQUIRIES

Shareholders may contact Phil MacLeod on (+ 61 8) 9481 1749 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

**"Additional Placement Capacity"** means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

**"Annual General Meeting"** and **"Meeting"** means the meeting convened by this Notice.

**"ASIC"** means the Australian Securities and Investment Commission.

**"ASX"** means the ASX Limited (ABN 98 008 624 691).

**"ASX Listing Rules"** or **"Listing Rules"** means the Listing Rules of the ASX.

**"Board"** means the Board of Directors of the Company.

**"Business Day"** has the same meaning as in the Listing Rules.

**"Chairman"** means the chairman of the Company.

**"Company"** or **"Nexus Minerals"** means Nexus Minerals Ltd (ACN 122 074 006).

**"Constitution"** means the constitution of the Company.

**"Corporations Act"** means the Corporations Act 2001 (Cth).

**"Directors"** mean the directors of the Company from time to time.

**"Equity Securities"** has the same meaning as in the Listing Rules.

**"Explanatory Statement"** means this Explanatory Statement.

**"Notice"** means the notice of meeting that accompanies this Explanatory Statement.

**"Option"** means an option to acquire a Share.

**"Optionholder"** means a holder of an Option.

**"Placement Period"** means the period during which Shareholder approval under Listing Rule 7.1A is valid.

**"Resolution"** means a resolution referred to in the Notice.

**"Share"** means a fully paid ordinary share in the capital of the Company.

**"Shareholder"** means a registered holder of shares in the Company.

**"WST"** or **"Western Standard Time"** means Western Standard Time, Perth, Western Australia.

**"\$"** means Australian dollars unless otherwise stated.

**SCHEDULE 1**  
**Terms and Conditions of Option Plan**  
**(Resolution 4)**

Following is a summary of the terms and conditions of the Option Plan:

- 1. Purpose** The purpose of the Option Plan is to offer Options to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants** Eligible participants are a full or part-time employee, consultant or an officer of the Company or a subsidiary ("**Eligible Participants**").
- 3. Offers** Subject to any necessary Shareholder approval, the Board may offer Options to Eligible Participants for nil consideration.
- 4. Exercise Price** The exercise price of Options will be determined by the Board in its discretion provided that the exercise price will not be less than 80% of the average closing sale price of Shares on ASX over the 5 trading days immediately preceding the date of the offer.
- 5. Expiry Date** The expiry date of Options will be determined by the Board but will be no later than 5 years from the date of issue of an Option.
- 6. Vesting and Lapse**

An Option may only be exercised after that Option has vested and before its expiry date. The Board may determine the vesting period, conditions and restrictions (if any). On the grant of an Option the Board may in its absolute discretion impose other conditions on the exercise of an Option.

An Option will lapse upon the first to occur of its expiry date; the holder acting fraudulently or dishonestly in relation to the Company; 60 days following the participant ceasing to be an officer, employed or engaged by the Company; or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

If, in the opinion of the Board, a change of control event (scheme of arrangement, takeover bid or a person with a sufficient relevant interest to replace the Board) has or is likely to occur, then the Board may declare an Option to be free of any conditions of exercise. Similarly, Options will be free of any conditions of exercise where a notice of meeting is issued to enter into a scheme of arrangement resulting in a person obtaining a relevant interest in not less than 90% of the Shares.
- 7. Shares issued on exercise of Options** Each Option entitles the holder to one fully paid ordinary share on exercise of the Option.
- 8. Transferability and quotation** Options may not be transferred other than to a nominee of the holder or with the prior consent of the Board. Quotation of the Options on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on exercise of Options.
- 9. Limitation on number of Options** Shares to be received on the exercise of all Options under the Option Plan when aggregated with the number of Shares issued during the previous 5 years under any employee share plan of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.
- 10. Administration of the Plan** The Option Plan will be administered under the directions of the Board and the Board may make regulations and establish procedures for the administration and management of the Option Plan as it considers appropriate.
- 11. Operation** The operation of the Plan is subject to the ASX Listing Rules and the Corporations Act.

# NEXUS MINERALS LIMITED

ACN 122 074 006

## PROXY FORM

I/We being a Shareholder of Nexus Minerals Limited entitled to attend and vote at the Annual General Meeting, hereby appoint

The Chairman of the Meeting  
(mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate you are appointing as your proxy.

### Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at The Boardroom, 18 Stirling Highway, Nedlands, Western Australia on 12 November 2014 at 9:00am (WST) and at any adjournment thereof.

### Voting on Business of the Annual General Meeting

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Phillip MacLeod	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mark Elliott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Important note for Resolutions 1 and 4:** If you appoint a member of the Company's key management personnel (other than the Chair of the Meeting) or a closely related party of a member of the Company's key management personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 1 and 4 your proxy will NOT cast your vote on the resolution and your votes will not be counted.

If you appoint the Chair of the Meeting as your proxy (or the chair of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 1 and 4, your vote will be cast in favour of Resolutions 1 and 4 and you hereby expressly authorise the Chair of the Meeting to exercise your proxy even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of the members of the Company's key management personnel.

### The Chair intends to vote any undirected proxies in favour of all Resolutions.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Please return this Proxy Form to the Company Secretary, Nexus Minerals Limited, Ground Floor, 47 Colin Street, West Perth, Western Australia, 6005 or by fax to (08) 9481 1756 by 9:00am (WST) on 10 November 2014.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole Secretary

**NEXUS MINERALS LIMITED**  
**ACN 122 074 006**

**Instructions for Completing Appointment of Proxy Form**

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: Ground Floor, 47 Colin Street, West Perth, Western Australia, 6005

Fax Number: +61 (8) 9481 1756

Email Address: [pmacleod@gapcs.com.au](mailto:pmacleod@gapcs.com.au)

Postal Address: PO Box 2803, West Perth, Western Australia, 6872

by no later than 48 hours prior to the time of commencement of the Meeting.