



NEXUSMINERALS

NEXUS MINERALS LIMITED

ABN: 96 122 074 006

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2021

NEXUS MINERALS LIMITED

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NEXUS MINERALS LIMITED
CORPORATE INFORMATION

Directors

Paul Boyatzis (Non-Executive Chairman)
Andy Tudor (Managing Director)
Dr. Mark Elliott (Non-Executive Director)
Bruce Maluish (Non-Executive Director)

Auditors

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

Company secretary

Phillip MacLeod

Solicitors

Fairweather Corporate Lawyers
Suite 2, 589 Stirling Highway
Cottesloe WA 6011
Australia

Registered office

Unit 8-9, 88 Forrest Street
Cottesloe WA 6011
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Share register

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Australia

Principal place of business

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NEXUS MINERALS LIMITED
INTERIM FINANCIAL REPORT TO 31 DECEMBER 2021
DIRECTORS' REPORT

The directors of Nexus Minerals Limited submit herewith the interim financial report of Nexus Minerals Limited ("Nexus" or "the Company") and its subsidiaries ("Consolidated entity" or "Group") for the half-year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the Company during the half-year are:

Mr. P. Boyatzis	Non-Executive Chairman
Mr A. Tudor	Managing Director
Dr. M. Elliott	Non-Executive Director
Mr B. Maluish	Non-Executive Director

Directors were in office for the entire period unless otherwise stated.

REVIEW OF OPERATIONS

(a) Overview

Nexus is a well-funded resource company with a portfolio of gold projects in the Eastern Goldfields of Western Australia and a porphyry copper-gold project in Victoria. The Company has a well-credentialed Board assisted by an experienced management team.

The Wallbrook Gold Project ("Wallbrook") was acquired from multiple entities in 2018 and consists of a contiguous package of some 250km² in the eastern goldfields of Western Australia. The Wallbrook tenement package is considered highly prospective for gold mineralisation. The exploration conducted during the period resulted in the identification of significant gold mineralisation and Wallbrook project is now the primary focus of the Company's activities.

Nexus signed an option to acquire the Bethanga porphyry copper-gold project in Victoria in May 2021. The Bethanga Porphyry Copper-Gold Project covers an area 194km² and is considered to be prospective for copper-gold mineralisation. Subsequent to period end the Company has finalised the acquisition of the Bethanga Project where Nexus is targeting large-scale porphyry copper-gold systems.

Nexus previously entered into a Farm-In and Joint Venture Agreement with successful ASX- listed gold producer Northern Star Limited ("Northern Star"), (formerly Saracen Gold Mines Pty Ltd), over Pinnacles JV Gold Project ("Pinnacles JV") in September 2015. Nexus currently holds a 90% interest in the tenement JV (Northern Star Limited 10%). The Company also holds Pinnacles Gold Project ("PGP"), with tenements that cover approximately 125km² in Western Australia and encapsulate the Pinnacles JV Project.

(b) Review of Operations

The Group incurred a loss for the half-year ended 31 December 2021 of \$6,642,975 (2020: \$692,986).

WALLBROOK GOLD PROJECT

Nexus completed multiple drill programs at the Crusader / Templar Prospect, within the broader Eastern Goldfields Wallbrook Gold Project to follow up on the outstanding high-grade assay results received from previous drill campaigns.

As more drilling is completed, the density of drilling will increase and internal characteristics to the mineralisation including internal plunge geometry to the mineralisation will mature. Nexus has planned a follow-up RC and diamond drilling program to commence following analysis and interpretation of the 30,000m RC program commenced in the December 2021 quarter.

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The gold mineralisation tenor and widths observed to date indicate that broad mineralisation in the shallower levels <100m (i.e. Hole#195 **29m @ 4.60g/t Au** within **71m @ 2.06 g/t Au** from 25m and Hole #218 **16m @ 2.31g/t Au** within **68m @ 0.98g/t Au** from 28m), gives way to broad higher-grade intersections at depths of >100 meters (i.e. Hole#198 **13m @ 5.17g/t Au**, within **25m @ 2.95g/t Au** from 109m and Hole#201 **5m @ 4.93g/t Au**, within **8m @ 3.31g/t Au** from 115m).

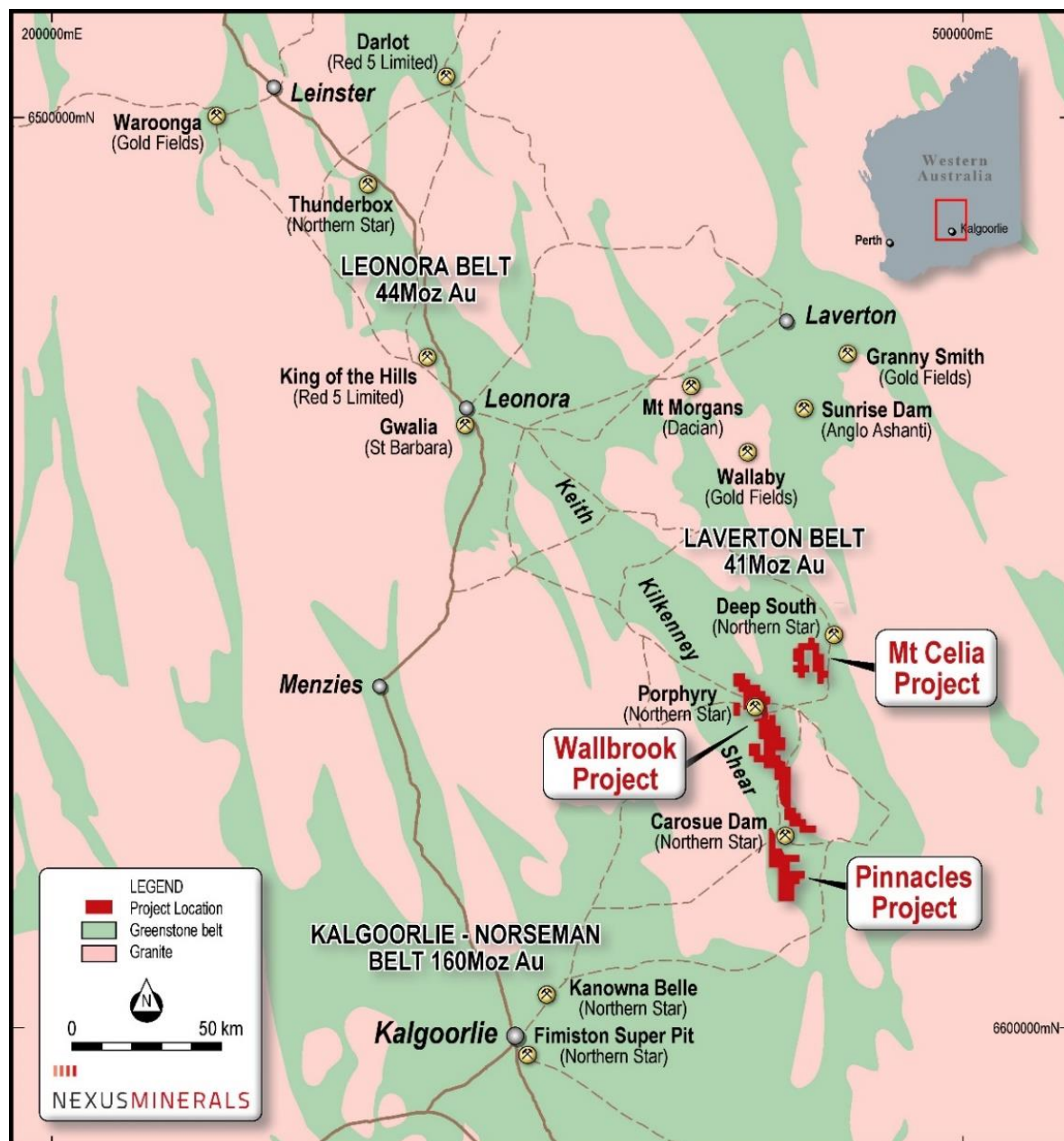


Figure 1: Nexus Eastern Goldfields projects

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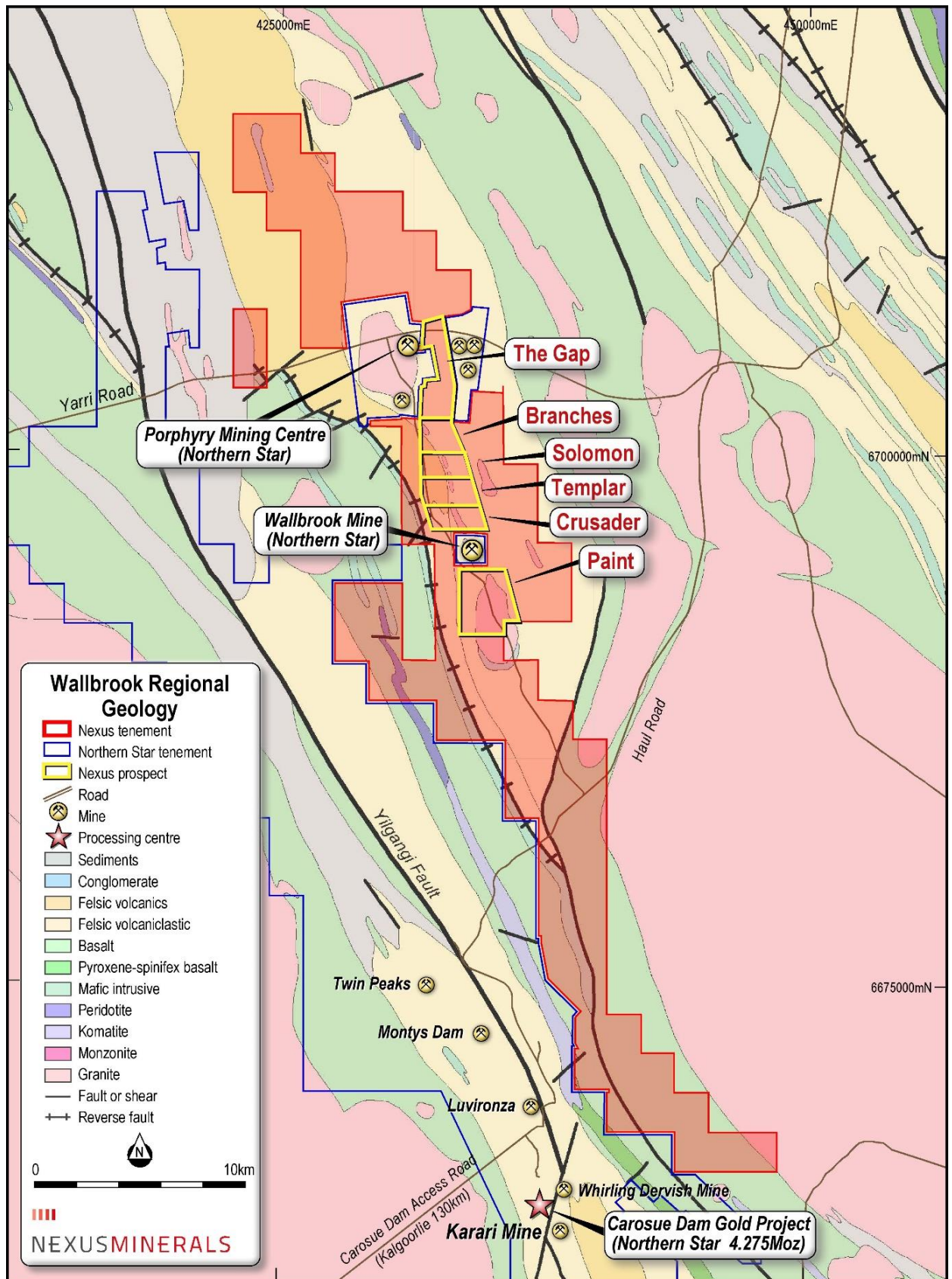


Figure 2: Nexus Eastern Goldfields Wallbrook Project Tenure and Prospects

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Selected results from RC drilling during the half-year include:

- **29m @ 4.60g/t Au** (within **71m @ 2.06g/t Au** from 25m);
- **13m @ 5.17g/t Au** (within **25m @ 2.95g/t Au** from 109m);
- **10m @ 4.45g/t Au** (from 74m);
- **16m @ 2.31g/t Au** (within **68m @ 0.98g/t Au** from 28m);
- **5m @ 4.93g/t Au** (within **8m @ 3.31g/t Au** from 115m);
- **3m @ 5.77g/t Au** (within **8m @ 2.52g/t Au** from 235m);
- **6m @ 2.87g/t Au** (within **26m @ 1.19g/t Au** from 55m);
- **4m @ 4.61g/t Au** (within **12m @ 1.72g/t Au** from 132m);
- **10m @ 5.49g/t Au** (from 224m to EOH);
- **12m @ 3.60g/t Au** (from 176m);
- **4m @ 4.66g/t Au** (within **16m @ 2.90g/t Au** from 196m);
- **4m @ 2.97g/t Au** (from 180m);
- **4m @ 2.88g/t Au** (from 216m);
- **14m @ 8.80g/t Au** (within **19m @ 6.57g/t Au** from 141m);
- **10m @ 6.42g/t Au** (within **17m @ 3.97g/t Au** from 182m);
- **10m @ 5.64g/t Au** (within **23m @ 2.85g/t Au** from 132m);
- **6m @ 6.21g/t Au** (from 90m);
- **2m @ 11.02g/t Au** (from 220m);
- **28m @ 3.64g/t Au** (within **72m @ 1.68 g/t Au** from 24m);
- **4m @ 5.07g/t Au** (within **20m @ 1.42g/t Au** from 176m);
- **4m @ 2.37g/t Au** (within **36m @ 1.10g/t Au** from 24m);

Selected results from diamond drilling during the half-year include:

- **DDH#3 8.22m @ 3.53g/t Au** (from 90.10m) and **4.61m @ 5.78g/t Au** (within **18.38m @ 2.40g/t Au** from 123.72m).

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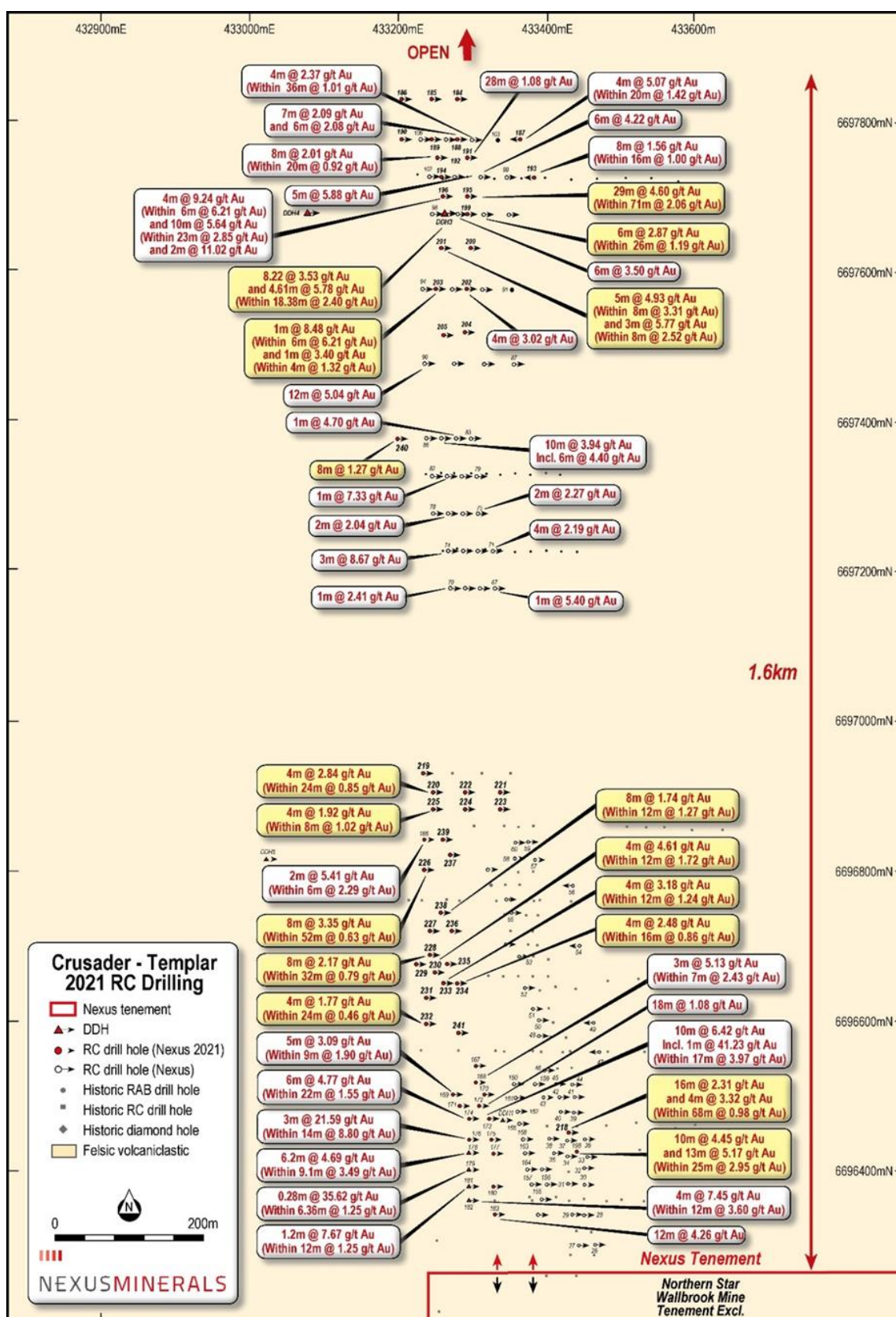


Figure 3: Crusader – Templar Prospects Drill Results
 (Yellow boxes new results / White boxes previous Nexus drill results)

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Regional Ground Magnetism Survey Update

Nexus continued its regional ground magnetism survey with results from this program received and interpreted.

The results identify and highlight some distinct features associated with known mineralisation, and hence highlight the potential for repeat structures and new prospects for detailed ground truthing and drill targeting. The most highly prospective prospects show:

- 1) Magnetic signature of magnetic low within a magnetic high;
- 2) Gravity low corridor; and
- 3) North-easterly structural trends.

These are observed in multiple locations on the magnetic image below. The newly named Solomon prospect lies midway between the Templar and Branches prospects and strongly exhibits this magnetic signature, gravity low position and structural setting.

Nexus has identified a second structural trend ~1.5km to the east of the corridor containing the Crusader-Templar, Solomon and Branches prospects. This structural trend correlates with the historical open pits of the Enterprise and Margaret gold mines immediately to the north (owned by Northern Star). There is also a third structural trend a further 1km to the east that also shows promising magnetic signatures in the right structural setting. All of these regional targets will be subject to detailed ground truthing and drill targeting.

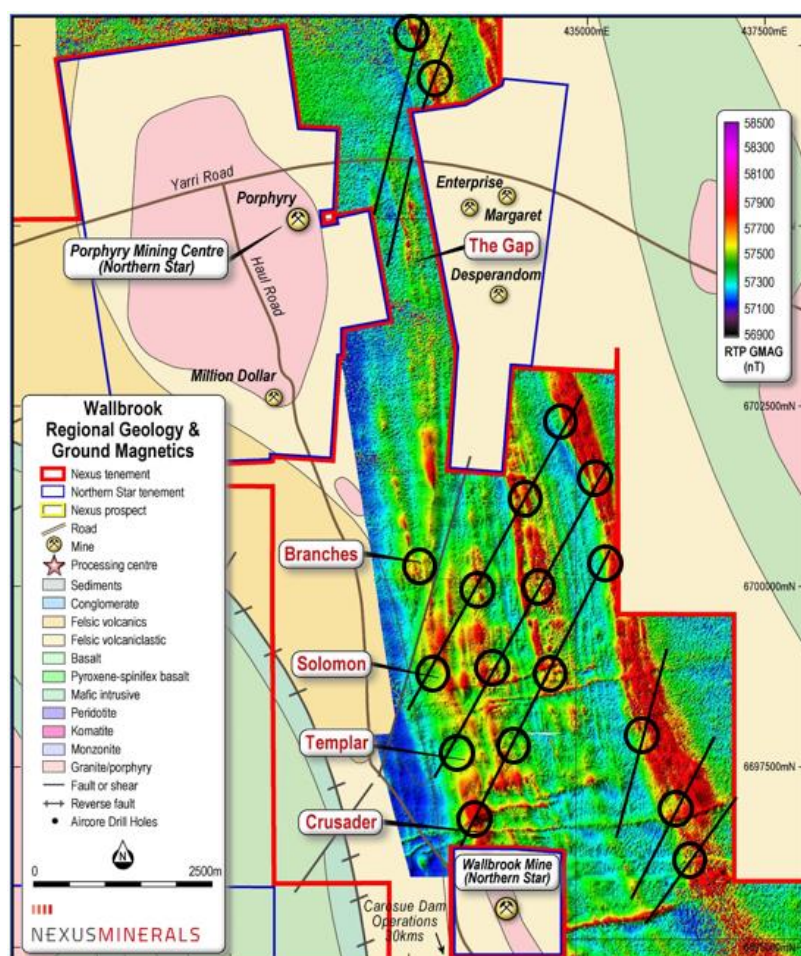


Figure 4: Regional Ground Magnetic Image – Target Areas Circled

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Paint Prospect

The dominant feature in the prospect area is the Wallbrook Monzonite. Northwest of the monzonite are smaller felsic porphyry dykes/sills. The monzonite has intruded predominantly intermediate volcanoclastic sediments and volcanics.

The Paint prospect is considered to be prospective for “Karari style” mineralisation and shows numerous similarities to the Northern Star Karari gold deposit (30km to the south):

- Complex contact zone between monzonitic intrusive and intermediate volcanoclastic sediments and volcanics;
- Swarms of narrow monzonitic porphyry dykes proximal to the volcanic / intrusive contact;
- Located within significant structural corridor, adjacent to regional crustal scale fault;
- Widespread potassic and sodic alteration, locally intense (as seen in Nexus drill holes NMWBRC18-003, NMWBRC18-009 and NMWBRC18-010) (see ASX release 4/2/2019); and
- At shallow levels localised low to moderate grades within broad low-grade halo (as seen in Nexus drill hole NMWBRC18-009 - 64m@0.32g/t Au and 48m@0.36g/t Au).

RC drilling during the half-year has intersected mineralisation and alteration styles that require follow-up exploration work.

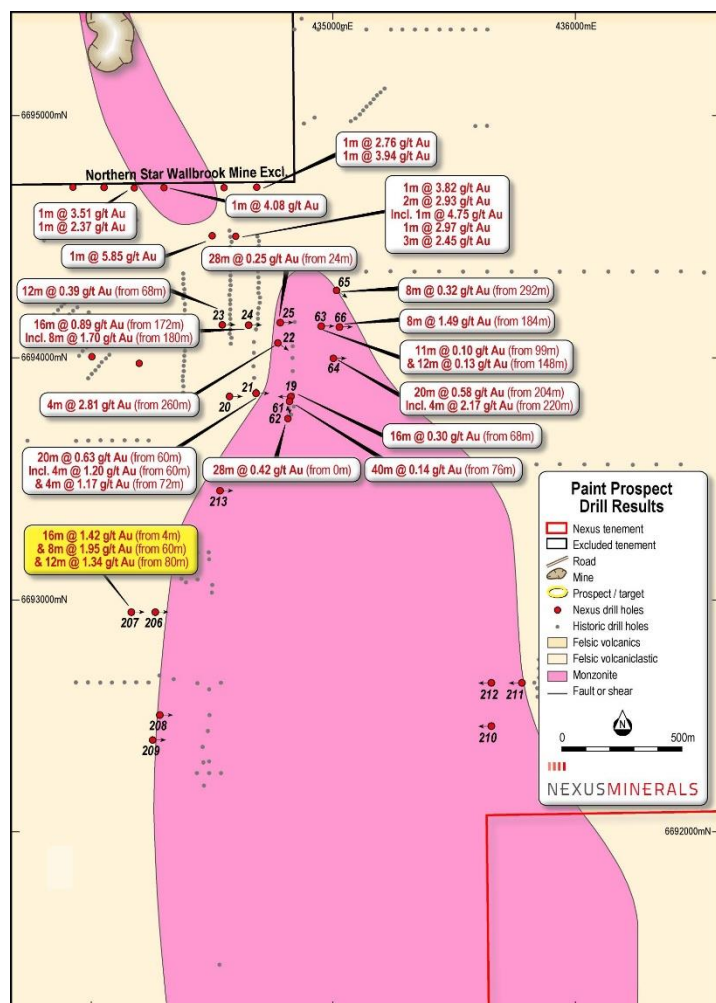


Figure 5: Paint Prospect Drill Hole Location Plan

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BETHANGA COPPER-GOLD PROJECT

The Bethanga landholding covers 194km² across two granted exploration licenses located in Australia's premier Porphyry Copper Gold geological terrain in northeast Victoria.

Nexus advanced a Porphyry Cu-Au fertility assessment study at the Bethanga Project, leading to the decision to exercise the option to purchase the project. Settlement took place on 28 January 2022.

Acquisition Terms

- The Company paid a \$5,000 non-refundable fee for a one-month due diligence period that was completed 20 April 2021.
- The Company successfully completed initial due diligence and paid a further \$40,000 non-refundable option fee to the vendors in May 2021. This option fee allowed Nexus to have the exclusive right for a period of 8 months to undertake reconnaissance exploration activities on the tenements – now completed.
- Nexus has renegotiated the final consideration to acquire 100% of the Bethanga project to:
 - \$300,000 cash consideration; and
 - 1,219,512 NXM fully paid ordinary shares (shares to the value of \$700,000 at a deemed price of 57.4 cents).

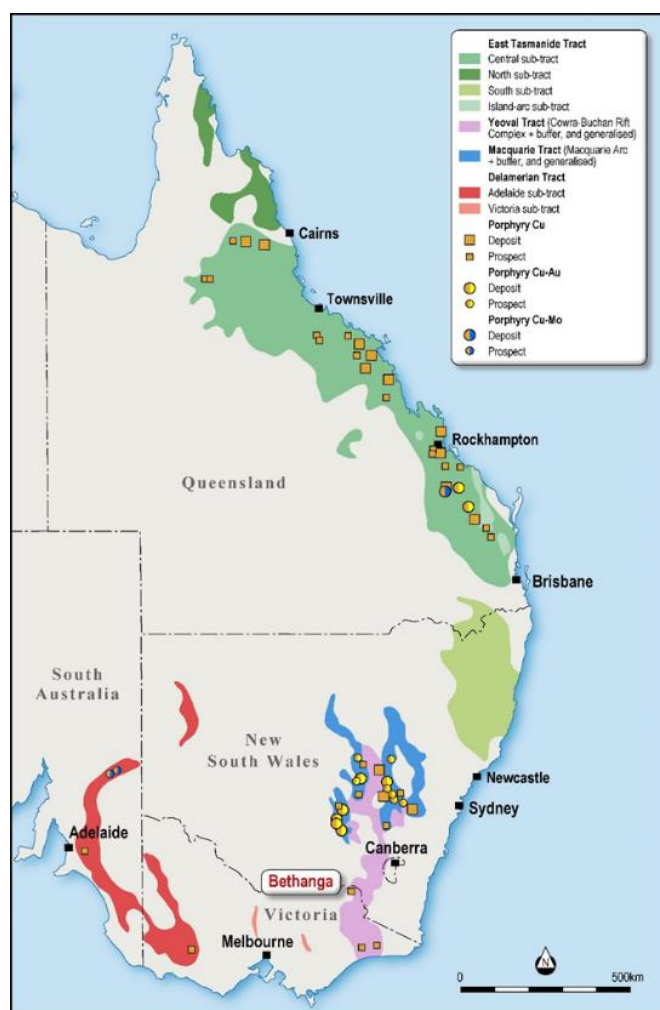


Figure 6: Nexus Minerals Bethanga Project Location

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Figure 7: Nexus Minerals Project Locations

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by 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 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 2012 Edition of the "Australia Code for Reporting and Exploration Results, Mineral Resources and Ore Reserves". The exploration results are available to be viewed on the Company website www.nexus-minerals.com. The Company confirms it is not aware of any new information that materially affects the information included in the original announcements, and in the case of Mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. 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. Mr Tudor consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

NEXUS MINERALS LIMITED
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DIRECTORS' REPORT

EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to the reporting date, the acquisition of the Bethanga Porphyry Copper-Gold Project in Victoria was finalised. The Company acquired all of the issued capital of Jamieson Minerals Pty Ltd, being the holder of the project. At settlement on 28 January 2022, the Company paid a total consideration of \$1,000,000, being \$300,000 cash and \$700,000 in fully paid Nexus Minerals Limited shares (1,219,512 fully paid ordinary shares at an issue price of \$0.574 each).

Other than the above, no matter or circumstance has arisen subsequent to the reporting date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

COVID-19 IMPACT

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Group remains unknown. The Group's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Group's operations and are likely to be beyond the control of the Group. The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Group's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving, and the consequences are therefore uncertain.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Nexia Perth Audit Services Pty Ltd, to provide the Directors of the Company with an independence declaration in relation to the review of the interim financial report. This independence declaration is set out on page 13 of the financial report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



A Tudor
Managing Director
Perth, 14th March 2022

To the directors of Nexus Minerals Limited

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

As lead audit director for the review of the financial statements of Nexus Mineral Limited for the financial year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



Nexia Perth Audit Services Pty Ltd



M. Janse van Nieuwenhuizen
Director

Perth
14 March 2022

NEXUS MINERALS LIMITED
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

		CONSOLIDATED	CONSOLIDATED
		31 December 2021	31 December 2020
	Note	\$	\$
Revenue	3	-	1,837,366
Other income		-	-
Exploration and evaluation expenditure expensed as incurred		(4,303,479)	(2,064,269)
Employee benefits		(102,842)	(8,417)
ASX and regulatory expenses		(77,554)	(54,963)
Depreciation and amortisation expenses		(27,596)	(20,532)
Directors' fees		(90,710)	(83,370)
Insurance expenses		(16,285)	(9,817)
Legal and professional fees		(58,109)	(57,841)
Occupancy expenses		(24,833)	(23,855)
Marketing expenses		(141,051)	(100,991)
Share-based compensation	4	(1,769,003)	(75,105)
Other expenses		(34,176)	(38,460)
Loss from operating activities		(6,645,638)	(700,254)
Financial income		5,435	10,299
Financial expenses		(2,772)	(3,031)
Net financing income		2,663	7,268
Loss before income tax		(6,642,975)	(692,986)
Income tax benefit/(expense)		-	-
Loss for the half-year		(6,642,975)	(692,986)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of financial assets		52,125	(610,249)
Other comprehensive loss for the half-year		52,125	(610,249)
Total comprehensive loss for the half-year		(6,590,850)	(1,303,235)
Loss per share			
Basic and diluted loss per share (cents per share)		(2.62)	(0.37)

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		CONSOLIDATED	CONSOLIDATED
		31 December 2021	30 June 2021
	Note	\$	\$
Current assets			
Cash and cash equivalents		21,857,619	8,996,975
Trade and other receivables		381,966	102,415
Other financial assets		53,299	57,879
Other assets		79,696	20,772
Total current assets		<u>22,372,580</u>	<u>9,178,041</u>
Non-current assets			
Financial assets	6	567,000	514,875
Exploration assets		125,160	125,160
Right-of-use assets	5	147,032	133,725
Plant and equipment		224,377	71,007
Total non-current assets		<u>1,063,569</u>	<u>844,767</u>
Total assets		<u>23,436,149</u>	<u>10,022,808</u>
Current liabilities			
Trade and other payables		118,548	152,974
Lease liabilities	7	10,372	33,984
Provisions		64,294	45,063
Total current liabilities		<u>193,214</u>	<u>232,021</u>
Non-current liabilities			
Lease liabilities	7	135,778	99,114
Total non-current liabilities		<u>135,778</u>	<u>99,114</u>
Total liabilities		<u>328,992</u>	<u>331,135</u>
Net assets		<u>23,107,157</u>	<u>9,691,673</u>
Equity			
Issued capital	8	48,995,980	31,683,130
Reserves	9	2,043,249	(702,360)
Accumulated losses		<u>(27,932,072)</u>	<u>(21,289,097)</u>
Total equity		<u>23,107,157</u>	<u>9,691,673</u>

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED
INTERIM FINANCIAL REPORT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	CONSOLIDATED	CONSOLIDATED
	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Cash receipts from customers	-	70,150
Government grants received	-	37,295
Interest received	4,960	10,194
Interest paid	(2,772)	(3,031)
Exploration expenditure	(3,988,663)	(1,762,210)
Payments to suppliers and employees	(1,215,318)	(742,867)
Net cash used in operating activities	<u>(5,201,793)</u>	<u>(2,390,469)</u>
Cash flows from investing activities		
Proceeds from sale of tenement interest	-	400,000
Transfer from term deposit	4,602	-
Payments for purchases of plant and equipment	(165,168)	(24,181)
Net cash from/(used in) investing activities	<u>(160,566)</u>	<u>375,819</u>
Cash flows from financing activities		
Proceeds from the issue of shares	19,000,000	9,930,784
Proceeds from the conversion of options	250,000	754,800
Issue costs	(1,012,669)	(633,160)
Repayment of lease	(14,328)	(7,793)
Net cash from financing activities	<u>18,223,003</u>	<u>10,044,631</u>
Net increase in cash and cash equivalents	12,860,644	8,029,981
Cash and cash equivalents at the beginning of the half-year	<u>8,996,975</u>	<u>2,439,976</u>
Cash and cash equivalents at the end of the half-year	<u>21,857,619</u>	<u>10,469,957</u>
Cash and cash equivalents	21,857,619	10,469,957
Borrowings	-	-
Net cash and cash equivalents	<u>21,857,619</u>	<u>10,469,957</u>

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued capital	Share based Payment reserve	Fair value reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	21,385,531	314,882	(20,625)	(19,127,494)	2,552,294
<i>Total comprehensive loss for the half-year</i>					
Loss for the half-year	-	-	-	(692,986)	(692,986)
<i>Other comprehensive loss</i>					
Change in the fair value of financial assets	-	-	(610,249)	-	(610,249)
<i>Total comprehensive loss for the half-year</i>	-	-	(610,249)	(692,986)	(1,303,235)
Shares issued for cash	9,980,000	-	-	-	9,980,000
Shares issued on conversion of options	950,759	(195,959)	-	-	754,800
Options expired during the period	-	(5,763)	-	5,763	-
Issue of options to directors and officers	-	75,105	-	-	75,105
Share issue costs	(633,160)	-	-	-	(633,160)
Balance at 31 December 2020	31,683,130	188,265	(630,874)	(19,814,717)	11,425,804
Balance at 1 July 2021	31,683,130	188,265	(890,625)	(21,289,097)	9,691,673
<i>Total comprehensive loss for the half-year</i>					
Loss for the half-year	-	-	-	(6,642,975)	(6,642,975)
<i>Other comprehensive loss</i>					
Change in the fair value of financial assets	-	-	52,125	-	52,125
<i>Total comprehensive loss for the half-year</i>	-	-	52,125	(6,642,975)	(6,590,850)
Shares issued for cash	19,000,000	-	-	-	19,000,000
Shares issued on conversion of options	296,941	(46,941)	-	-	250,000
Issue of options	-	2,740,425	-	-	2,740,424
Share issue costs	(1,984,091)	-	-	-	(1,984,091)
Balance at 31 December 2021	48,995,980	2,881,749	(838,500)	(27,932,072)	23,107,157

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

1. Significant Accounting Policies

Statement of compliance

The condensed consolidated interim financial report is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The condensed consolidated interim financial report does not include full disclosure of the type normally included in an annual financial report, and accordingly this report should be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX listing rules.

Basis of preparation

The condensed consolidated interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. The Consolidated entity, comprising Nexus Minerals Limited, Nexus Minerals Australia Pty Ltd, Nexus Wallbrook Pty Ltd, Nexus Mt. Celia Pty Ltd, Nexus Pinnacles Pty Ltd and Nexus Gold Pty Ltd, is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's 30 June 2021 Annual Report. For the purpose of preparing the report the half-year ended 31 December 2021 has been treated as a discrete reporting period.

Amendments to AASBs and new Interpretations which are mandatorily effective for the current reporting period

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 Accounting Standards and Interpretations not yet mandatory or early adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Revenue recognition

Sale of exploration assets

Revenue is recognised when title to the exploration assets has passed at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the assets;
- the Group retains no effective control over the assets sold;

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

Significant Accounting Judgements and Key Estimates

The preparation of this interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the 30 June 2021 Annual Report.

2. Segment Information

The Group'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 Group'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.

The revenues and results of this segment are those of the group as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the statement of financial position.

3. Revenue

	6 months to 31 December 2021 \$	6 months to 31 December 2020 \$
Sale of exploration project ⁽¹⁾	-	1,725,500
Joint Venture contribution	-	109,497
Refunds	-	2,369
	-	1,837,366

⁽¹⁾ During the prior half-year Nexus completed the sale of the Triumph Gold Project to Gibb River Diamonds Limited. Consideration received comprised cash of \$400,000, 5,000,000 Gibb shares at a fair value of \$750,000 and 5,000,000 Gibb options at a fair value of \$575,500. Details of the shares and options and how their fair value was calculated are provided in Note 6: Financial Assets.

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

4. Share-based payments

During the half-year, the Company issued the following unlisted options. Details of the options and the share based payment expense are contained in the table below.

- 6,000,000 unlisted options were granted to Directors following shareholder approval at the Company's Annual General Meeting.
- 4,000,000 unlisted options were issued to Euroz Hartleys for services in conjunction with the Company's capital raising.
- 1,000,000 unlisted options were granted to key employees.
- 500,000 unlisted options were issued to an officer of the Company.

The inputs to the valuation of options granted during the half-year were:

	Director Options	Adviser Options	Employee Options	Officer Options
Dividend yield	nil%	nil%	nil%	nil%
Expected volatility	89.8%	99.1%	86.7%	90.63%
Risk-free interest rate	0.305%	0.02%	0.23%	0.91%
Expected life of option	3 years	2 years	3 years	3 years
Exercise price	68 cents	68 cents	50 cents	68 cents
Grant date	10/11/2021	22/11/2021	28/09/2021	30/11/2021
Grant date share price	50.0 cents	53.5 cents	32.5 cents	51.5 cents
Expense recognised	\$1,492,018	\$971,422	\$146,255	\$130,730

The valuation of options granted was determined using the Black-Scholes model. 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 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.

2,500,000 options were exercised during the half-year (31 December 2020: 6,800,000). No options expired during the half-year (31 December 2020: 200,000).

NEXUS MINERALS LIMITED
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5. Right of use asset

During the half-year the Company signed a 4 year lease agreement for new office premises, on level 2 of the current location of 41 Colin Street in West Perth, with a commencement date of 10 January 2022. In conjunction with the execution of the new lease, the Company entered into a Deed of Surrender of Lease ("Deed") in relation to the existing ground floor lease which was due to expire in March 2025. A right of use asset of \$146,150 in relation to the new lease has been recognised at period end. The existing right of use asset has been written down to reflect the period remaining on the lease following the Deed of 9 days.

	31 December 2021 \$	30 June 2021 \$
<i>Non-current</i>		
- Existing lease	882	133,725
- New lease	146,150	-
	147,032	133,725

6. Financial assets

	31 December 2021 \$	30 June 2021 \$
<i>Non-current</i>		
Fair value at beginning of period	514,875	59,375
Fair value of listed shares received in consideration for sale of exploration asset	-	750,000
Fair value of unlisted options received in consideration for sale of exploration asset	-	575,500
Revaluation of financial assets taken to fair value reserve	52,125	(870,000)
	567,000	514,875

Listed shares received in consideration for sale of exploration assets during the prior half-year comprised 5,000,000 shares in Gibb River Diamonds Limited for the sale of the Triumph Gold Project which settled on 2 December 2020. The shares are escrowed for 12 months from settlement date.

Fair value was determined using the closing share price on the settlement date. Fair value was subsequently determined on the reporting date using the closing share price and the movement in fair value was taken to the fair value reserve.

Unlisted options received in consideration for sale of exploration assets during then half-year comprised 5,000,000 options in Gibb River Diamonds Limited for the sale of the Triumph Gold Project which settled on 2 December 2020. The options have an exercise price of 9 cents and an expiry date of 28 November 2022.

The fair value of the options at the time of receipt was determined using the Cox, Ross & Rubinstein Binomial Tree Option calculator using a volatility rate of 143% and a risk free interest rate of 0.10%. Fair value was revalued as at 31 December 2021 using a volatility rate of 69% and a risk free interest rate of 0.29% and subsequent movements in fair value have been taken to the fair value reserve.

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

7. Leases

During the half-year the Company signed a 4 year lease agreement for new office premises, on level 2 of the current location of 41 Colin Street in West Perth, with a commencement date of 10 January 2022. In conjunction with the execution of the new lease, the Company entered into a Deed of Surrender of Lease in relation to the existing ground floor lease which was due to expire in March 2025.

	31 December 2021 \$	30 June 2021 \$
<i>Current</i>		
Lease liability		
- Existing lease	-	33,984
- New lease	10,372	-
<i>Non-current</i>		
- Existing lease	-	99,114
- New lease	135,778	-

8. Issued capital

	31 December 2021 \$	30 June 2021 \$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	48,995,980	31,683,130
	Number	Number
<i>Movements in fully paid shares on issue</i>		
At beginning of period	244,151,671	118,240,561
Shares issued for cash	41,304,348	119,111,110
Shares issued on conversion of options	2,500,000	6,800,000
Balance at end of period	287,956,019	244,151,671
<i>Movements in options on issue</i>		
At beginning of period	11,000,000	14,000,000
Options issued during the period	11,500,000	4,000,000
Options converted during period	(2,500,000)	(6,800,000)
Options expired during the period	-	(200,000)
Balance at end of period	20,000,000	11,000,000

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

9. Reserves

	31 December 2021	30 June 2021
	\$	\$
<i>Movements in share-based payment reserve</i>		
Balance at beginning of period	188,265	314,882
Options converted during the period	(46,941)	(195,958)
Options expired during the period	-	(5,764)
Share-based payments	2,740,425	75,105
Balance at end of period	<u>2,881,749</u>	<u>188,265</u>
<i>Movements in fair value reserve</i>		
Balance at beginning of period	(890,625)	(20,625)
Increase/(decrease) in fair value recognised in reserve	52,125	(870,000)
Balance at end of period	<u>(838,500)</u>	<u>(890,625)</u>
Total reserves	<u>2,043,249</u>	<u>(702,360)</u>

10. Contingencies and commitments

	31 December 2021	30 June 2021
	\$	\$
Commitments		
<i>Exploration expenditure commitments</i>		
Minimum exploration expenditure:		
later than 1 year	627,500	597,500
Later than 1 year but not later than 5 years	1,940,741	2,390,000
	<u>2,568,241</u>	<u>2,987,500</u>

Capital commitment – Acquisition of Bethanga Project

Prior to the end of the half-year, as announced to the ASX on 24 December 2021, the Company exercised its options to acquire Jamieson Minerals Pty Ltd. At settlement, on 28 January 2022, the Company paid total consideration of \$1,000,000, being \$300,000 in cash and \$700,000 in fully paid Nexus Minerals Limited shares (1,219,512 fully paid ordinary shares at an issue price of \$0.574 each).

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

11. Events subsequent to the reporting after the balance date

Subsequent to the reporting date, acquisition of the Bethanga Porphyry Copper-Gold Project in Victoria was finalised. The Company acquired all of the issued capital of Jamieson Minerals Pty Ltd, being the holder of the project. At settlement, on 28 January 2022, the Company paid a total consideration of \$1,000,000, being \$300,000 in cash and \$700,000 in fully paid Nexus Minerals Limited shares (1,219,512 fully paid ordinary shares at an issue price of \$0.574 each).

Other than the above, no matter or circumstance has arisen subsequent to the balance date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Covid-19 Impact

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Group remains unknown. The Group's share price may be adversely affected in the short to medium term by the economic uncertainty caused by

NEXUS MINERALS LIMITED
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COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Group's operations and are likely to be beyond the control of the Group. The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Group's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving, and the consequences are therefore uncertain.

12. Related Parties

Transactions with directors and director-related entities continue to be in place. For details on these arrangements, please refer to the 30 June 2021 annual financial report. During the half-year ended 31 December 2021 a \$75,000 bonus was paid to a related party of Managing Director Andy Tudor (31 December 2020: \$50,000).

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

NEXUS MINERALS LIMITED

DIRECTORS' DECLARATION

For the half-year ended 31 December 2021

In the Directors' opinion:

1. The attached condensed consolidated interim financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'A Tudor', with a large loop at the start and a trailing flourish.

A Tudor
Managing Director
Perth, 14th March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nexus Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Nexus Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen

Director

14 March 2022

Perth, Western Australia