NEXUS MINERALS LIMITED

ABN 96 122 074 006

NEXUS MINERALS

ANNUAL REPORT 2017

Corporate Directory

Directors

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

Company Secretary
Phillip MacLeod

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Cottesloe, Western Australia, 6011

Principal Office
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(08) 9387 1749
www.nexus-minerals.com

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

Auditor
Nexia Perth Audit Services Pty Ltd
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Perth, Western Australia, 6000

Share Registry
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Nedlands, Western Australia, 6009
(08) 9389 8033

Contents

Letter from the Board to Shareholders

Dear Shareholder

The past year has been an exciting time for Nexus Minerals Limited ("Nexus" or "the Company"), which has continued to advance its gold projects in the eastern goldfields of Western Australia.

Since signing the Joint Venture Agreement ("JV") with Saracen Mineral Holdings Pty Ltd ("Saracen") in September 2015, the Company has worked to increase the mineral resource from Saracen's JORC 2012 Resource of 413,000t @ 2.1 g/t Au for 28,000oz to Nexus JORC 2012 Resource of 551,200t @ 4.6 g/t Au for 82,000oz. The JV is over the Pinnacles Joint Venture Gold Project ("Pinnacles JV"), located 120km north east of Kalgoorlie, and 13km to the south of Saracen's Carouse Dam mining operation.

I am pleased to report that Nexus has also made excellent progress through the financial year at the 125km^2 Pinnacles Regional Gold Project, that encapsulates the Pinnacles JV tenement. The Company has conducted multiple phase auger soil sampling programs, a gravity geophysical survey and extensive ground geological investigations. This has resulted in the delineation of 3 priority high order gold targets, with planning finalised for a 4000m RC drill program to be undertaken in the September quarter of 2017.

The Company continues to maintain a strong financial position and held $5.5 million in cash as at 30 June 2017.

On behalf of the Board I would like to thank all staff and contractors for their contribution to the continuing development of the Company.

Finally, I would recommend reading this report to gain a further understanding of the Company's plans and projects and thank all Nexus shareholders for their support during the past twelve months. I am pleased with the progress made to date and excited by what the Company aims to achieve in the next 12 months.

Paul Boyatzis

Chairman

For and on behalf of the Board

Review of Operations

Exploration

Nexus Minerals Ltd ("Nexus" or "the Company") provides this Review of Operations report. Nexus' strategy has been to invest in advanced gold exploration assets. In line with the Company's strategy Nexus entered into a Farm-In and Joint Venture Agreement with Saracen Gold Mines Pty Ltd ("Saracen"), a subsidiary of Saracen Mineral Holdings Limited over the Pinnacles JV Project ("Pinnacles JV") in September 2015. The Company also holds a 100% interest in the Pinnacles Gold Project ("PGP"), with tenements that cover approximately 125km^2 and encapsulate the Pinnacles JV Project.

The Pinnacles project area is immediately to the south of Saracen Gold Mines' Carosue Dam Operation (CDO), and is considered to be highly prospective for gold mineralisation and as such has been the focus of exploration activities throughout the year.

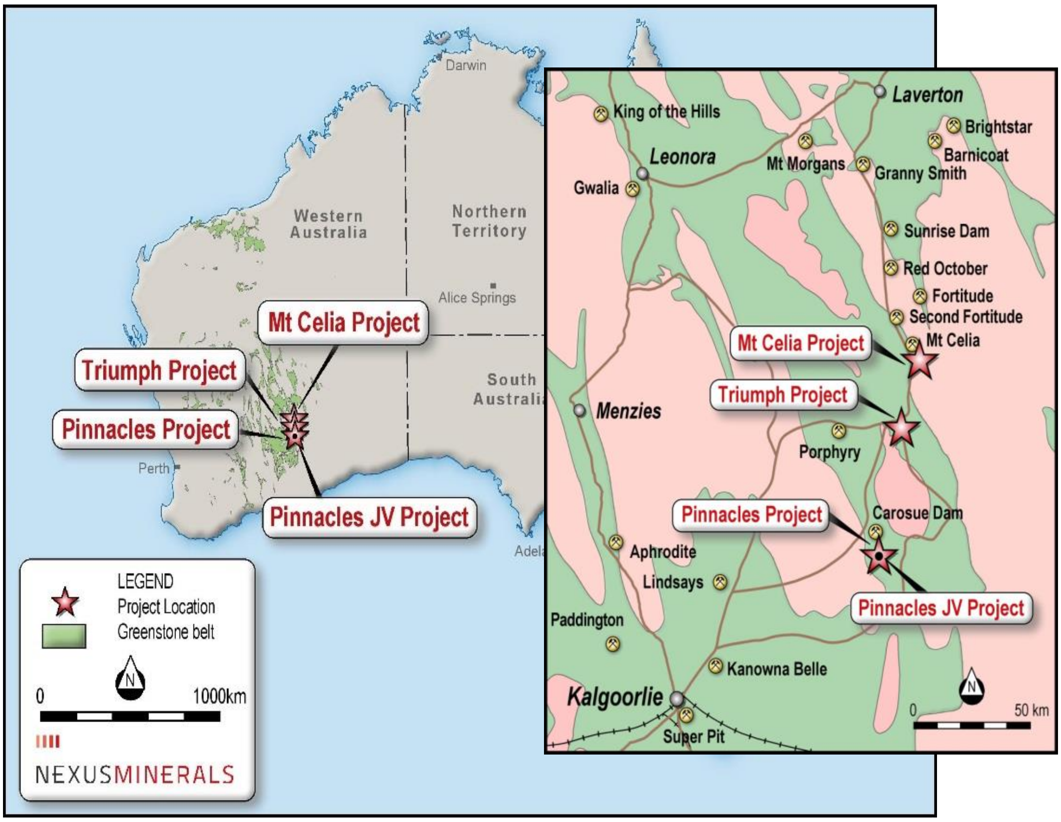

Figure 1: Nexus Minerals project locations

Pinnacles Gold Project

The Pinnacles Gold Project covers approximately 125km^2. The tenement area is immediately to the south of Saracen Gold Mines' Carosue Dam Operation (CDO), which includes the Karari underground gold mine currently in operation. During the financial year 2017, Saracen produced 155,970 ounces of gold from CDO. CDO contains a current mineral resource base of 2.31Moz and ore reserves of 610,000oz. Karari and Whirling Dervish mines alone contain 1.97Moz of resources and 610,000oz of reserves.

The Pinnacles regional tenement package (Figure 2) surrounds the Pinnacles JV tenement. Nexus' regional tenement package is contiguous with Saracen's Carosue Dam mining tenements, which includes the Whirling Dervish and Karari gold mines.

Review of Operations

During the year a resource drill out was completed on the Pinnacles resource area, within the Nexus-Saracen JV tenement resulting in an increase to the resource base from 28,000 oz gold to 82,000 oz gold. The compilation of regional historic data was also completed during the year and regional ground geological, geophysical and geochemical exploration programs undertaken.

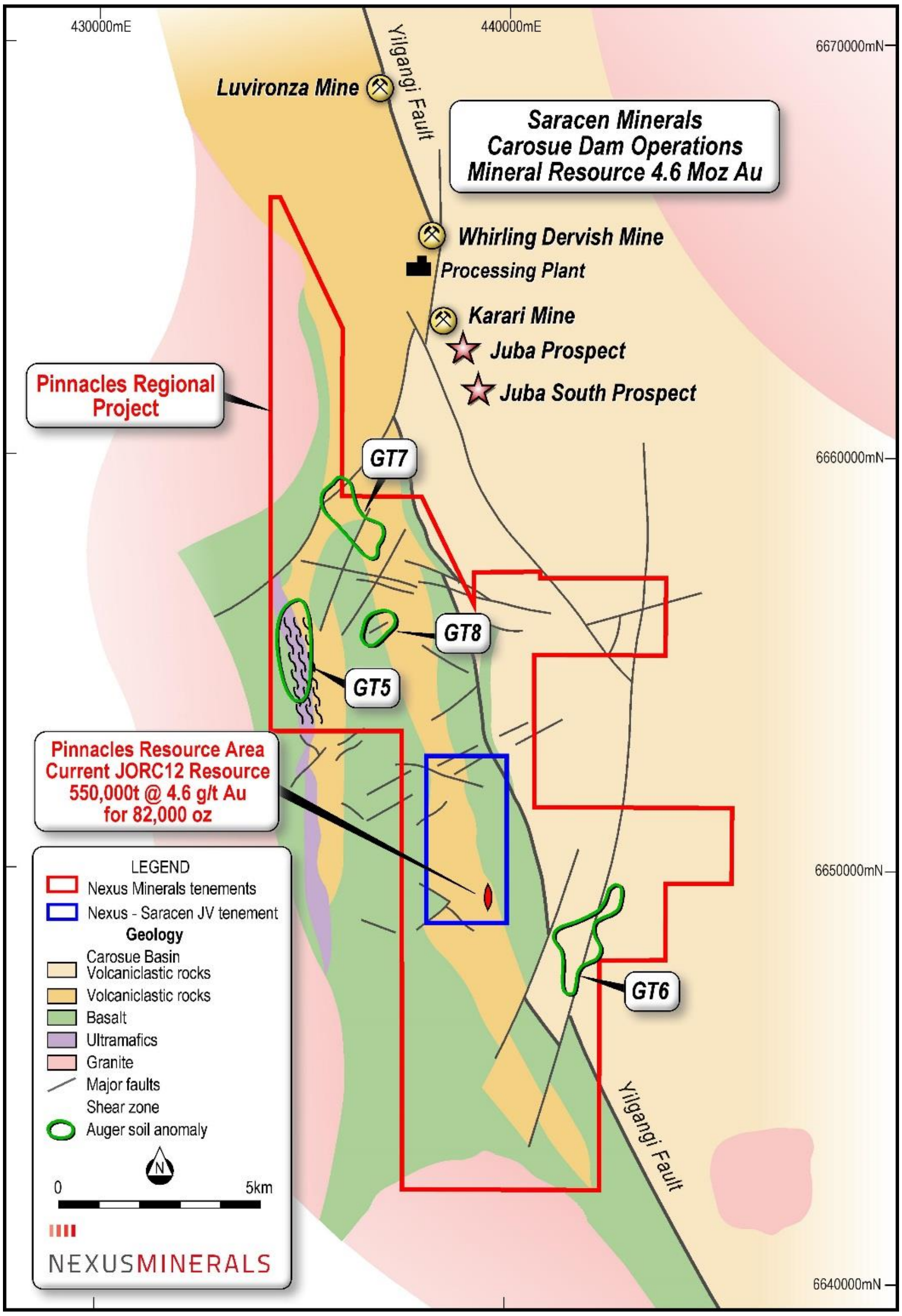

Figure 2: Pinnacles Gold Project

Pinnacles JV (Blue) surrounded by Pinnacles Regional Tenement Package.

Review of Operations

Pinnacles JV Gold Project

The Pinnacles JV is a mining tenement located 13km to the south of Saracen's Carosue Dam Gold Mining Operation (Figure 2).

The Pinnacles JV project contained a JORC 2012 Mineral Resource, completed by Saracen, of 413,000t @ 2.1g/t Au for 28,000oz gold (see Saracen Mineral Holdings Limited's ASX release 9 October 2014 '2014 Mineral Resources and Ore Reserves' and '2014 Mineral Resource and Ore Reserve Statement Explanatory Notes and Table'). The Resource was defined from surface to a depth of only 130m.

Nexus completed multiple RC and Diamond resource drill programs during the year to a depth of 350m, resulting in an updated JORC 2012 Mineral Resource of 550,000t @ 4.6g/t Au for 82,000oz gold (see Nexus Minerals ASX release 28 October 2016) (Table 1, Figures 3 and 4).

	Measured			Indicated			Inferred			Total			
	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Tonnes (t)	Grade (g/t Au)	Ounce (oz)	Cut Off Grade g/tAu
Pinnacles Oxide	-	-	-	75,900	3.5	9,000				75,900	3.5	9,000	0.7
Pinnacles Tran/Fresh	-	-	-	184,300	5.6	31,000	290,700	4.7	42,000	474,900	5.1	74,000	2
Pinnacles Total	-	-	-	-	-	-	-	-	-	551,200	4.6	82,000	

Table 1. Nexus Minerals JORC 2012 Mineral Resource Estimate

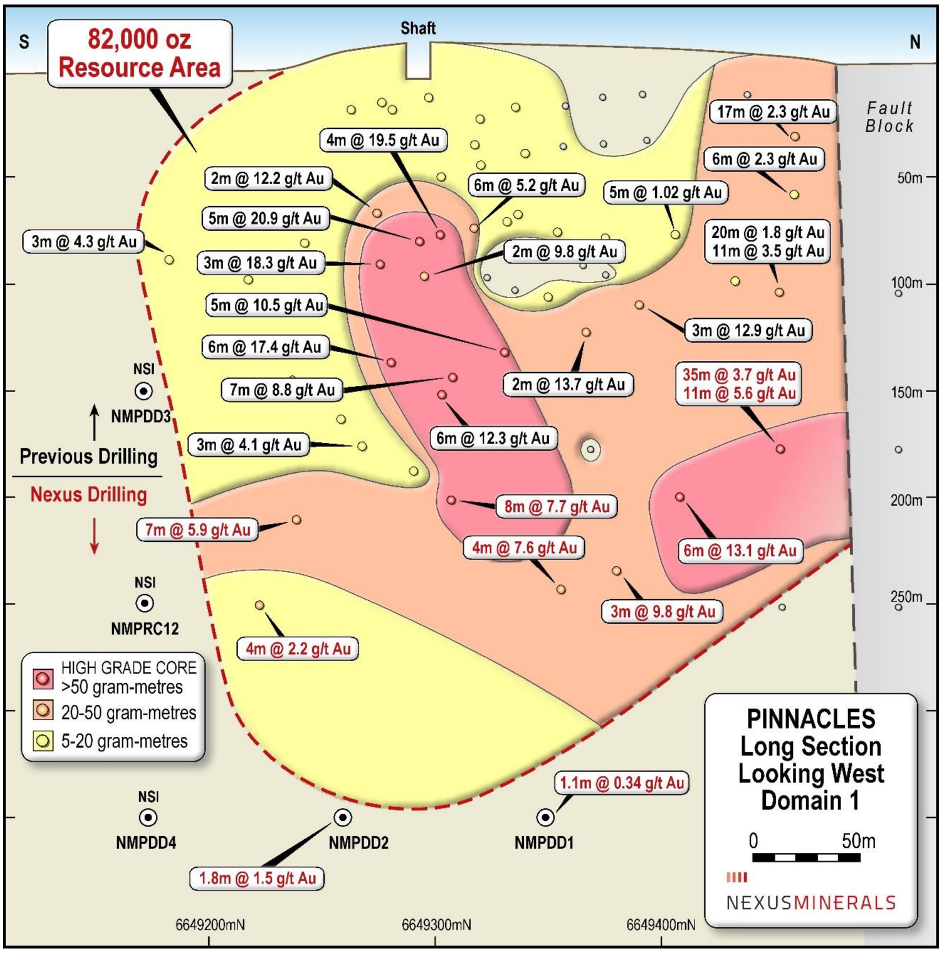

Figure 3: Pinnacles JV Resource Area

Review of Operations

Pinnacles JV Gold Project

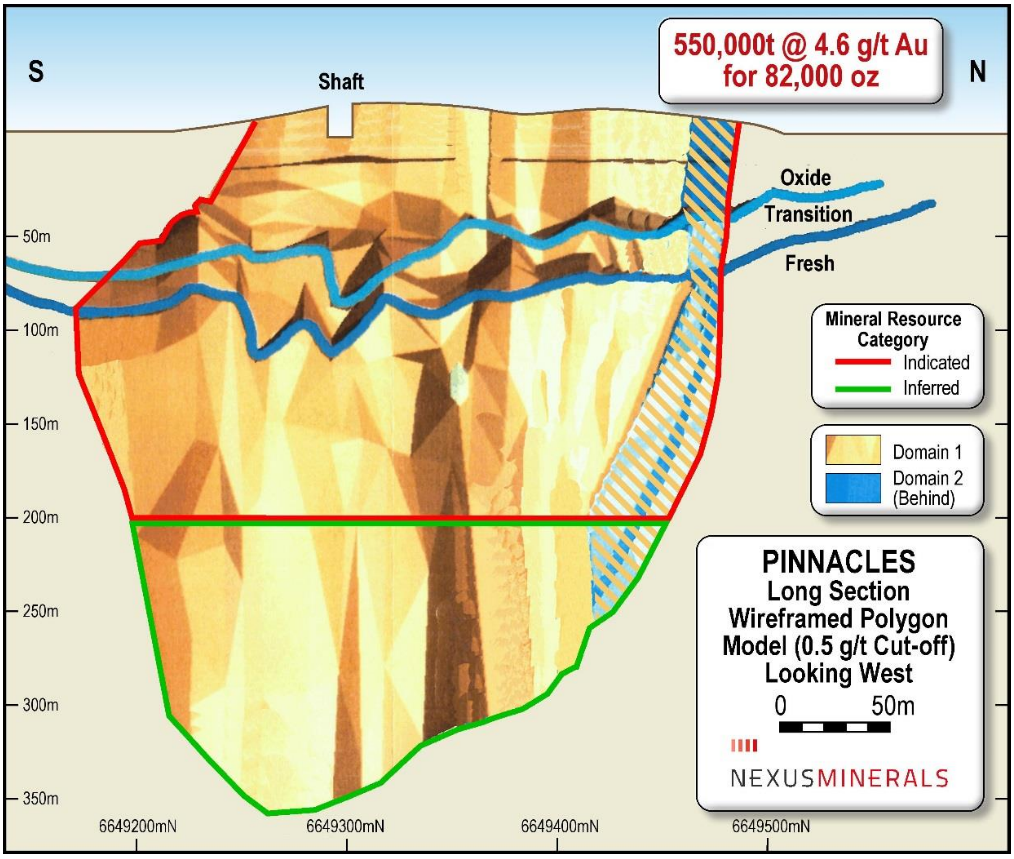

Figure 4: Pinnacles JV Resource Area Mineral Resource Categories

Pinnacles Regional Gold Project

The combined Pinnacles Gold Project area covers 125km^2 of highly deformed Archaean greenstone sequence of basalts, dolerites, and co-magmatic high-level intrusions. This mafic volcanic association is overlain by a series of medium to coarse grained volcaniclastic sandstones and subordinate felsic volcanic rocks. These greenstones have been intruded and disrupted by the forceful intrusion of a series of granitoid rocks. This geological and structural setting is considered to be highly prospective for gold mineralisation.

Auger Soil Geochemical Program

Multiple auger soil surveys were undertaken to cover areas of prospective geological units, and north-south structures that also exhibit gravity lows – the “ingredients” of Carosue Dam style mineralisation. The auger program has covered ~50% of the tenement area, whilst the other ~50% remains to be sampled. This has resulted in a number of high order gold and pathfinder element anomalies being identified.

Review of Operations

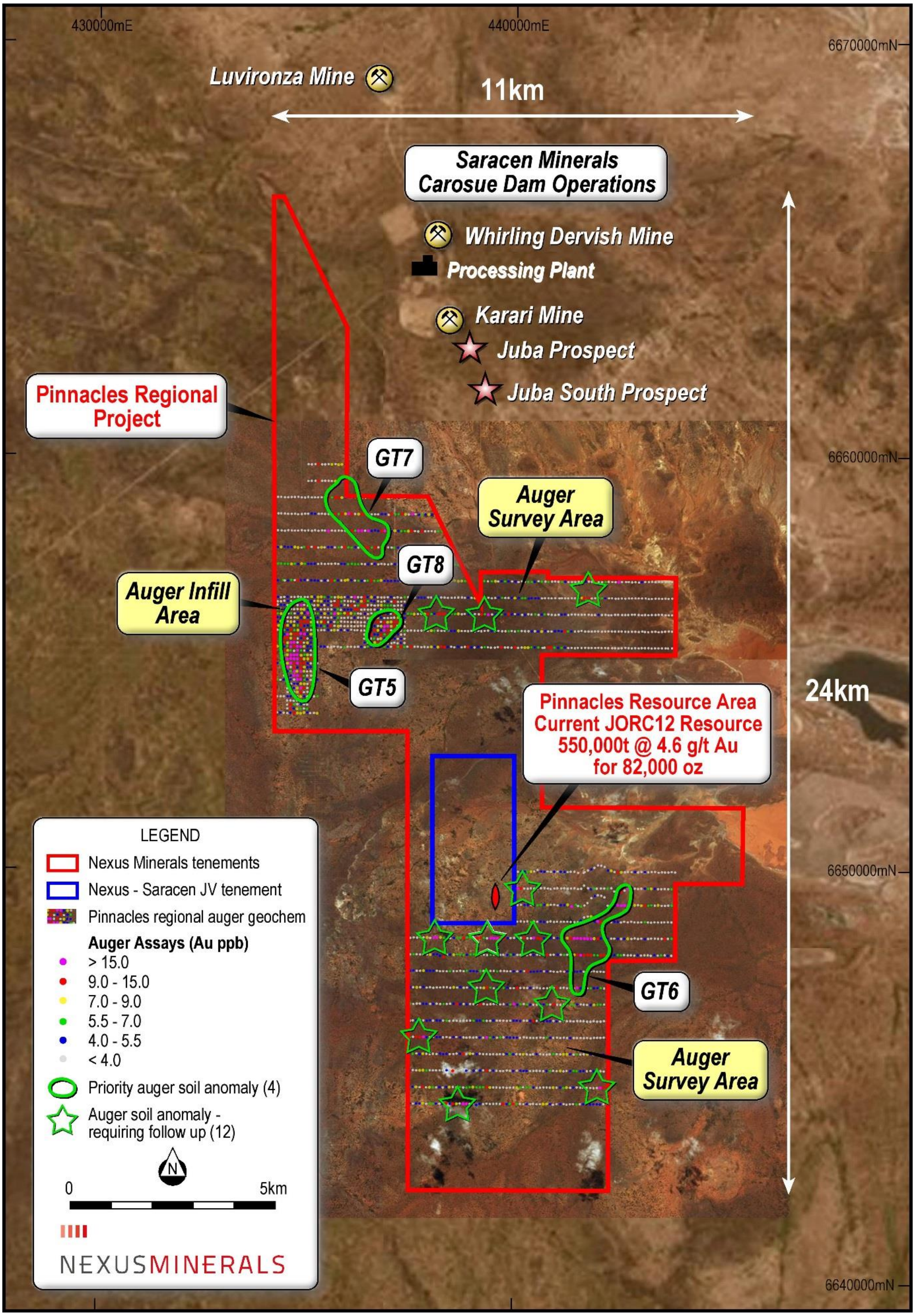

Figure 5: Nexus Pinnacles Regional Auger Soil Survey Results

Review of Operations

1) **GT5** – This high priority 2.4km x 300m Au anomaly (max 61.7 ppb Au +Bi-Te-Mo pathfinder elements) shows good strike continuity across six of the 400m spaced survey lines and is striking north-south within a sheared ultramafic unit. This area is located in a gravity low and had been highlighted previously as a zone of interest from Nexus regional aeromagnetic assessment and interpretation. Infill auger soil lines were undertaken at 100m x 80m over the 2.4km x 300m and have constrained the core Au anomaly boundaries further to 1.9km x 300m.

2) **GT6 –** This high priority 2.0km x 600m Au anomaly (max 619 ppb Au +As-W pathfinder elements) occurs in a prospective structural setting located on a north south fault offsetting the regional Yilgangi Fault. This is a similar structural setting to that of the Carosue Dam deposits of Karari and Whirling Dervish immediately to the north of the Nexus tenements. The anomaly is also situated within the Carouse Dam basin sediments and is located over a gravity low – also "ingredients" of the Carosue Dam deposits.

3) **GT7 –** This medium priority anomaly is elevated in Au (+As-Bi-Sb-Te pathfinder elements). The 2.5km x 1.5km zone contains a medium priority gold anomaly (max 47 ppb Au) that surrounds a pathfinder element anomaly. The structural setting is significant as it is located on the same fault that displaces the Karari and Whirling Dervish gold mines to the north east. Mapping has identified sheared and silicified tuff and volcaniclastic sedimentary units, with local felsic intrusive. Detailed mapping was undertaken over this anomaly to better define geology and structure. Further work is required to better define the anomaly and determine drill targets.

4) **GT8 -** This high priority 800m x 500m Au anomaly (max 17.1 ppb Au +As-Sb-Mo pathfinder elements) was identified in the Phase 1 program, with infill lines in Phase 2 program increasing sample density to 100m x 80m . The anomaly occurs in a prospective structural setting located on a distinct northwest-southeast gravity offset feature, and also lies over a complex magnetic feature.

5) **Triple/Double/Single** sample site anomalies (12 of) – Multiple sample site elevated gold results >9 ppb Au with the initial broad 400m x 80m sample spacing providing significant scope to host significant mineralisation. These areas require ground geological truthing and infill auger soil lines to better define these anomalies.

Gravity Survey

The successful use of gravity surveys to identify the stratigraphy hosting major deposits in the Carosue Dam basin by Saracen, on their tenement immediately to the north of Nexus' regional tenements, has provided Nexus with the encouragement to undertake its own gravity survey, now completed, covering the Company's 125km^2 regional package (Figure 6).

Saracen reported in its ASX release of 27 July 2016 that '*the gravity survey successfully defined the prospective corridor of late basin volcaniclastic sediments which host the major deposits in the Carosue Dam corridor. The key stratigraphy is defined in the gravity data as a gravity low. Many of the deposits in the Carosue district are hosted in this gravity low and are generally proximal to north south striking faults*.'

Results are encouraging with gravity lows being identified in the east and west of the tenement package (volcaniclastic sediments), separated down the centre of the tenements by a gravity high (basalt) coincident with the Yilgangi Fault zone.

Review of Operations

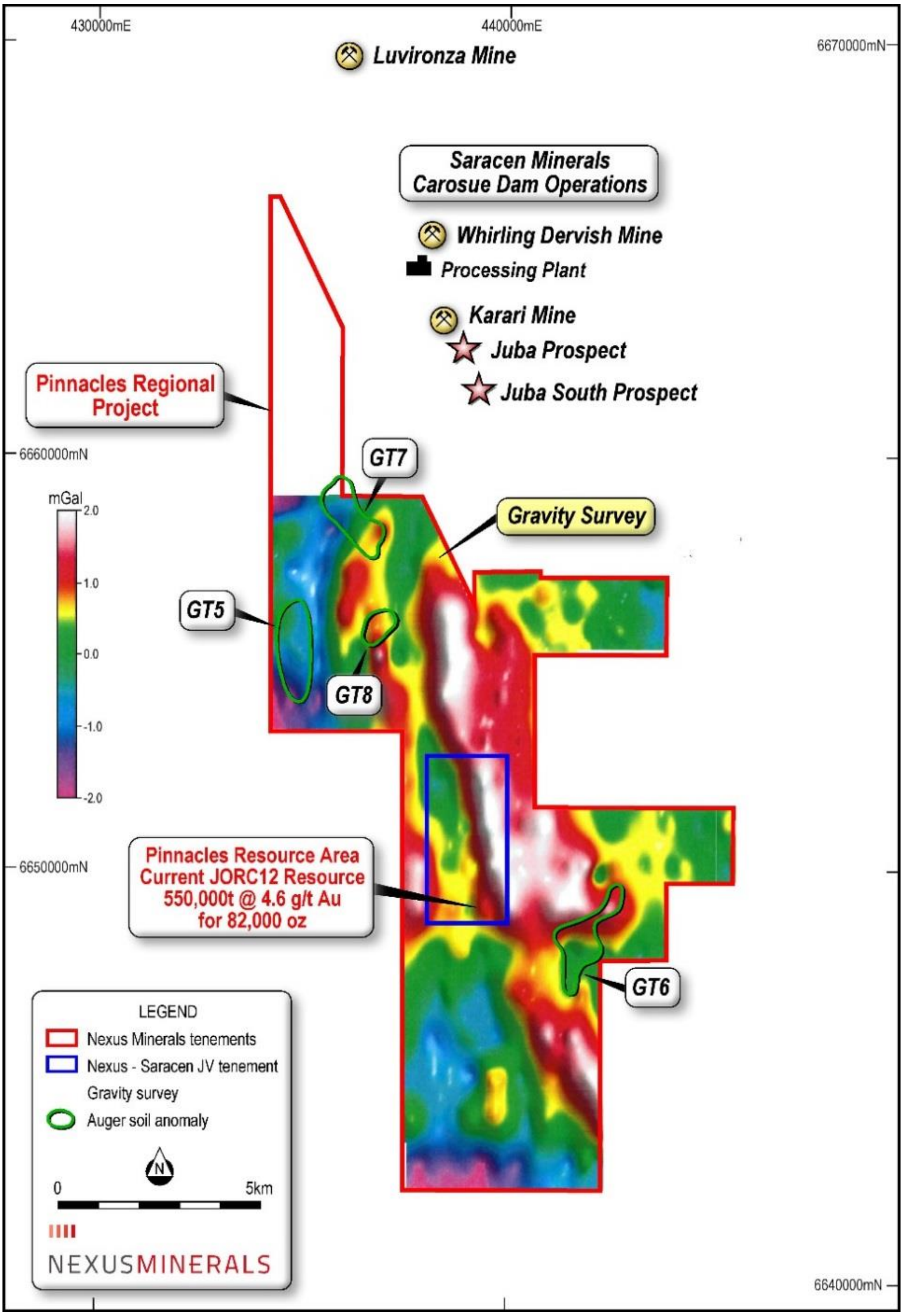

Figure 6: Nexus Pinnacles Regional Gravity Survey with Priority Auger Geochemistry anomalies overlain

Review of Operations

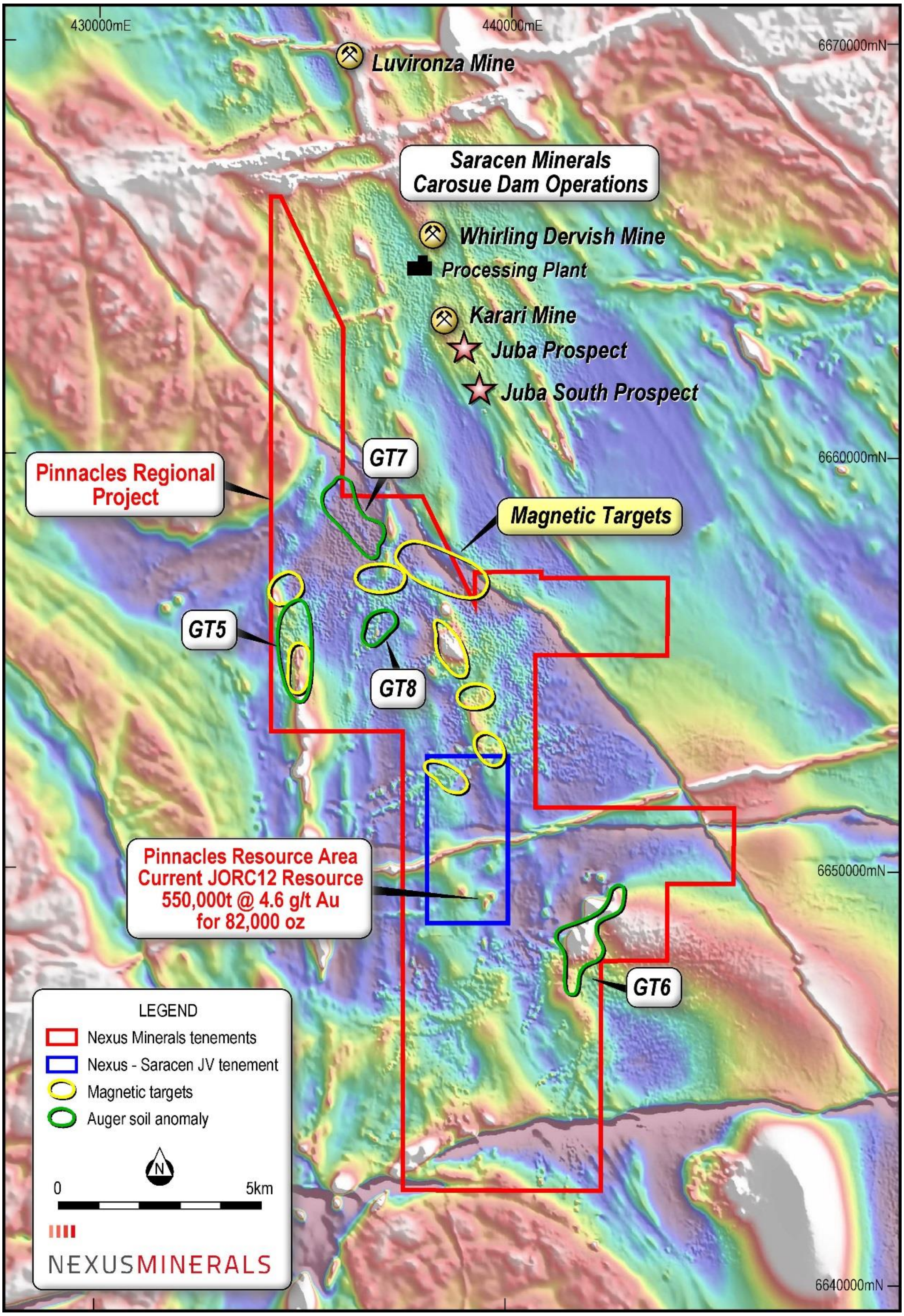

Figure 7: Nexus Pinnacles Regional Airborne Magnetic Targets with Priority Auger Geochemistry anomalies overlain

Review of Operations

Triumph Gold Project

The Triumph Gold Project is located 145 Km North-East of Kalgoorlie. Nexus is targeting high grade gold deposits in the Triumph Gold Project. Nexus completed a RC drill program during April 2015 and is planning a second phase IP program. The Triumph Project tenements provide a semi-continuous strike length of historic gold mine workings and shafts over a mineralised structure of 16km. The joint venture tenement package covers approximately 24km^2. Nexus has been granted an exploration license and 3 prospecting licenses (100% Nexus) of a further approximately 46km^2 that surrounds the area covered by the joint venture tenements providing a total tenement package area of approximately 70km^2.

To date, the Company has undertaken an IP ground geophysical program, which identified a central high strain zone. When layered with geology, structural interpretation and ground magnetics, the structural controls on mineralisation are better understood. Nexus completed an RC drill program totalling 4,034m in early 2015 to test four high priority areas, with high grade mineralisation intersected at Triumph and Glengarry prospects.

A ground geophysical IP survey was completed in June 2016, where previous drill testing had returned elevated gold results as well as in an area where no previous work has been undertaken, in an attempt to identify potential repeat mineralised structures under cover.

Field mapping and geological interpretation activities continued throughout the year.

Mt Celia Gold Project

Nexus holds a 5km^2 tenement package 180km North East of Kalgoorlie known as the Mt Celia Gold Project. An application for a further 6.5km^2 has been applied for to expand the project. The tenement lies within the Laverton Tectonic Zone and the structure has hosted numerous major gold mines. Project is immediately south of Legacy Iron's Blue Peter gold project. Current inferred resource 239,232t @3.97g/t Au for 30,554oz gold (1g/t cut-off) (see Legacy Iron Ore Limited website).

The project area contains numerous small historic gold workings, within a shear zone extending locally over 3km in length, and consisting of quartz filled shears within mafic lithologies.

Data compilation and assessment was completed with initial field geological investigations commenced.

Resources

As at 30 June 2017, Nexus Minerals Limited Mineral Resource Estimate is 551,200 tonnes at 4.6gpt Au for 82,000 ounces (refer Table 1). The Company's Mineral Resource increased by 54,000 ounces Au from 28,000 ounces Au as at 30 June 2016 to the current 82,000 ounces Au Indicated and Inferred Mineral Resource.

Mineral Resource and Ore Reserve Governance and Internal Controls

Nexus Minerals ensures that the Mineral Resource estimate quoted is subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of Mineral Resource estimation procedures and results are carried out through a technical review team which is comprised of highly competent and qualified professionals. These reviews have not identified any material issues. The Company has finalised its governance framework in relation to the Mineral Resource estimate in line with its business structure. Nexus Minerals reports its Mineral Resource on an annual basis in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. Competent Persons named by Nexus Minerals are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

Review of Operations

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 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.

The information in this report that relates to the Nexus Minerals Limited Pinnacles JV Mineral Resource is based upon information from the Company's announcement dated 13 October 2016 and is available to view on the Company's website at www.nexus-minerals.com. The information was compiled by Mr Paul Blackney, a Competent Person who is a member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blackney is a full-time employee of Optiro Pty Ltd, consultants to Nexus Minerals Limited. Mr Blackney 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

No Ore Reserves have currently been defined on the Pinnacles JV Gold Project. There has been insufficient exploration and technical studies to estimate an Ore Reserve and it is uncertain if further exploration and/or technical studies will result in the estimation of an Ore Reserve. The potential for the development of a mining operation and sale of ore from the Pinnacles JV Gold Project has yet to be established.

Corporate

During the year the Company raised $2,320,500 before issue costs through the placement of 11,900,000 shares at 19.5 cents per share. Capital raised from the placement was used to accelerate exploration activities, including drilling on the Pinnacles JV and Pinnacles regional tenements and to provide additional working capital. Hartleys Limited acted as lead manager to the placement.

800,000 unlisted options were issued to Hartleys as part consideration for capital raising and corporate advisory services provided to the Company. The options are exercisable at 25 cents each expiring 15 December 2018.

The Company received $82,000 during the year when 1,000,000 options were exercised by two directors.

During the year the Company also received $177,796 under the R&D tax incentive for 2016.

Directors' Report

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 2017 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 30 years' experience in the commercial, investment and equity markets, and has assisted many emerging growth companies within the resources and financial services sectors. He has served as Chairman and Director of a number of public and private companies.

Mr Boyatzis is a director of Ventnor Resources Limited and Aruma Resources Limited. During the past three years Mr Boyatzis has served as a director of Transaction Solutions International Limited (to 30 June 2017).

Andy Tudor – Managing Director, appointed 6 July 2016
BAppSc(Geol) MAusIMM MAIG

Mr Tudor has over 30 years' experience encompassing roles from Managing Director/CEO of ASX listed companies to General Manager, Country Manager and Exploration Manager roles as well as Exploration and Mine Geology functions.

In addition to his extensive management experience Mr Tudor has also held the position of General Manager & Principal Consultant of a global mineral consulting firm where his role concentrated on project assessment, due diligence and evaluation studies, in conjunction with geological and resource assessments.

During the past three years Mr Tudor 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), FAIG

Dr Elliott is a chartered practising geologist with expertise in multiple mineral commodities and energy sectors. Dr Elliott has a proven track record in corporate management and growing successful businesses in the resource sector.

Dr Elliott is a Non-Executive Director of Aruma Resources Limited and HRL Holdings Limited. During the past three years Dr Elliott has not served as a director of any other listed company.

Bruce Maluish – Non-Executive Director appointed 1 July 2015
BSc (Surv), Dip Met Min

Mr Maluish has more than 30 years' experience in the mining industry and has had numerous roles as Managing Director and General Manager with companies such as Monarch Group, Abelle, Hill 50 and Forsyth Mining, while mining a variety of commodities from gold, nickel and mineral sands from both open pits and underground.

His management experience includes the set up and marketing of IPOs from commencement of exploration to full production, to the identification, development and identification, development and expansion of projects including mergers and acquisitions.

During the past three years Mr Maluish has served as a director of Ventnor Resources Limited (24 September 2010 – present).

Directors' Report

Phillip MacLeod – Non-Executive Director appointed 16 May 2014, resigned 6 July 2016
Company Secretary appointed 6 October 2006
B.Bus, ASA, FGIA, 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.

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	5	5
Andy Tudor*	5	5
Mark Elliott	5	5
Bruce Maluish	5	5
Phillip MacLeod**	0	0

**Appointed 6 July 2016*

***Resigned 6 July 2016*

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.

Directors' Report

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:

	Fully Paid Ordinary Shares	Share Options
Directors	**Number**	**Number**
Mr P Boyatzis	9,088,568	-
Mr A Tudor	320,516	900,000
Dr M Elliott	1,251,600	-
Mr B Maluish	40,000	-

4. SHARE OPTIONS

Unissued shares under option

There are 1,700,000 options over unissued shares in Nexus Minerals Limited (2016: 2,500,000).

Number of Shares Under Option	Exercise Price of Options (cents)	Expiry Date of Options
900,000	11.8	9 November 2018
800,000	25.0	15 December 2018

Share options lapsed

During the year no options were cancelled (2016: nil). 1,600,000 options expired during the year (2016: 5,500,000).

Shares issued on exercise of options

1,000,000 ordinary shares were issued as a result of the exercise of options during the year (2016: none).

Share options granted to directors and key management personnel

During and since the financial year, no share options were granted to key management personnel of the Company and the entities it controlled as part of their remuneration (2016: 900,000 options were issued to Andy Tudor).

5. PRINCIPAL ACTIVITY

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

Directors' Report

6. REVIEW OF OPERATIONS

The Group made a loss after tax for the year of $1,845,287 (2016: $1,154,392). The Group had cash and term deposit balances at 30 June 2017 of $5,541,211, an increase of $424,834 on the prior year.

Information on the operations of the Group and its business strategies are set out on pages 3 to 12 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 commenced a 4,000m RC drill program at its Pinnacles Eastern Goldfields gold project.

Other than the 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.

Directors' Report

12. REMUNERATION REPORT (Audited)

12.1 Principles of compensation

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 2017. 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)
Andy Tudor	Managing Director (appointed 6 July 2016)
	previously Chief Executive Officer, (appointed 7 July 2014)
Mark Elliott	Non-executive
Bruce Maluish	Non-executive
Philip MacLeod	Non-executive (resigned 6 July 2016)

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 $24,000 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

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 Table 1 on page 19.

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

During the year no share options over unissued shares were granted to Directors and senior executives (2016: 900,000).

Directors' Report

12. REMUNERATION REPORT (Audited)

12.4 Service agreements

On 6 July 2016 the Company appointed Mr Andy Tudor to the position of Managing Director (previously appointed 7 July 2014 as Chief Executive Officer). Mr Tudor receives a basic salary of $251,142 plus superannuation of 9.50% of salary.

The service agreement is open ended and may be terminated by either party with one month's notice.

During the year an entity related to Mr Tudor received 2 short term incentive bonuses totalling $75,000 awarded on the completion of key performance indicators set out in the agreement.

Directors' Report

12. REMUNERATION REPORT (Audited)

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		Proportion of Remuneration Performance Related	Value of Options as Proportion of Remuneration
Directors	**Year**	**Salaries & Fees $**	**Cash Bonus $**	**Non-monetary Benefits $**	**Total $**	**Superannuation Benefits $**	**$**	**Termination Benefit $**	**Options & Rights $**	**Total $**	**%**	**%**
Mr P Boyatzis	2017	84,000	-	-	84,000	-	-	-	-	84,000	-	-
	2016	84,000	-	-	84,000	-	-	-	-	84,000	-	-
Mr A Tudor (4)	2017	251,142	75,000	-	326,142	23,858	-	-	-	350,000	-	-
Dr M Elliott (1)	2017	40,000	-	-	40,000	-	-	-	-	40,000	-	-
	2016	40,000	-	-	40,000	-	-	-	-	40,000	-	-
Mr B Maluish (2)	2017	24,000	-	-	24,000	2,280	-	-	-	26,280	-	-
	2016	24,000	-	-	24,000	2,280	-	-	-	26,280	-	-
Mr P MacLeod (3)	2017	36,000	-	-	36,000	-	-	-	-	36,000	-	-
	2016	36,000	-	-	36,000	-	-	-	-	36,000	-	-
Directors Total	**2017**	**435,142**	**75,000**	**-**	**510,142**	**26,138**	**-**	**-**	**-**	**536,280**	-	-
	2016	184,000	-	-	184,000	2,280	-	-	-	186,280	-	-
Executive												
Mr A Tudor (4)	2016	251,142	-	-	251,142	23,858	-	-	25,045	300,045	-	8.35
Executive Total	2016	251,142	-	-	251,142	23,858	-	-	25,045	300,045	-	8.35
Total	**2017**	**435,142**	**75,000**	**-**	**510,142**	**26,138**	**-**	**-**	**-**	**536,280**		**-**
	2016	435,142	-	-	435,142	26,138	-	-	25,045	486,325	-	5.15

1 Includes fees of $16,000 for geological consulting services (2016: $16,000)
2 Appointed 1 July 2015
3 Includes fees of $36,000 (2016: $36,000) for Company Secretarial services. Resigned as Director 6 July 2016.
4 Appointed Managing Director 6 July 2016. Previously, Chief Executive Officer appointed 7 July 2014.

Directors' Report

12. REMUNERATION REPORT (Audited)

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

There were no share-based payments granted as compensation to key management personnel during the current financial year.

There were 1,000,000 options that were previously granted to key management personnel as part of their compensation which were exercised during the year by key management personnel.

12.6 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:

	Held at 1 July 2016	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2017
Directors					
Mr P Boyatzis	8,188,568	-	500,000	400,000	9,088,568
Mr A Tudor*	166,666	-	-	153,850	320,516
Dr M Elliott	751,600	-	500,000	-	1,251,600
Mr B Maluish	40,000	-	-	-	40,000
Mr P MacLeod**	139,000	-	-	-	139,000

*Appointed Managing Director 6 July 2016, previously Chief Executive Officer

**Resigned 6 July 2016

Directors	Held at 1 July 2015	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2016
Mr P Boyatzis	7,898,566	-	-	290,002	8,188,568
Dr M Elliott	751,600	-	-	-	751,600
Mr B Maluish*	40,000	-	-	-	40,000
Mr P MacLeod	105,000	-	-	34,000	139,000
Executive					
Mr A Tudor	-	-	-	166,666	166,666

*Appointed 1 July 2015

Directors' Report

12. REMUNERATION REPORT (Audited)

12.7 Key management personnel equity holdings

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:

	Held at 1 July 2016	Granted as compensation	Options exercised	Other changes	Held at 30 June 2017	Vested during the year	Vested and exercisable at 30 June 2017
Directors							
Mr P Boyatzis	500,000	-	(500,000)	-	-	-	-
Mr A Tudor*	1,500,000	-	-	(600,000)	900,000	-	900,000
Dr M Elliott	500,000	-	(500,000)	-	-	-	-
Mr B Maluish	-	-	-	-	-	-	-
Mr P MacLeod	-	-	-	-	-	-	-

*Appointed Managing Director 6 July 2016, previously Chief Executive Officer

**Resigned 6 July 2016

	Held at 1 July 2015	Granted as compensation	Options exercised	Other changes	Held at 30 June 2016	Vested during the year	Vested and exercisable at 30 June 2016
Directors							
Mr P Boyatzis	500,000	-	-	-	500,000	-	500,000
Dr M Elliott	500,000	-	-	-	500,000	-	500,000
Mr B Maluish*	-	-	-	-	-	-	-
Mr P MacLeod	-	-	-	-	-	-	-
Executive							
Mr A Tudor	600,000	900,000	-	-	1,500,000	900,000	1,500,000

*Appointed 1 July 2015

END OF REMUNERATION REPORT (AUDITED)

Directors' Report

13. NON-AUDIT SERVICES

During the year Nexia Perth Audit Services Pty Ltd, the Group's auditor, 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 their related practices for audit and non-audit services provided during the year are set out below:

	2017 $	**2016 $**
Audit and review services:		
Nexia Perth	31,420	31,240
	31,420	31,240
Non-audit services:		
Nexia Perth	5,350	5,500
	5,350	5,500

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 23.

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 27th September 2017

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 2017 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.

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

27 September 2017
Perth

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Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2017

	Note	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Revenue from continuing operations	3	210,642	240,158
Exploration expenditure expensed as incurred		(1,404,497)	(903,348)
Employee benefits		(84,855)	(14,170)
ASX and regulatory expenses		(69,011)	(64,008)
Depreciation	15	(8,029)	(6,780)
Directors' fees		(134,280)	(134,280)
Insurance		(16,104)	(17,231)
Legal and professional fees		(135,300)	(85,687)
Marketing and promotion		(124,719)	(140,854)
Travel expenses		(12,704)	(9,725)
Occupancy expenses		(57,235)	(55,291)
Share-based compensation	23	(38,435)	(25,045)
Other expenses		(86,248)	(79,920)
Loss for the year	4	(1,960,775)	(1,296,181)
Financial income		116,079	142,210
Financial expenses		(591)	(421)
Net financing income	5	115,488	141,789
Loss from continuing operations		(1,845,287)	(1,154,392)
Income tax expense	8	-	-
Loss for the year		(1,845,287)	(1,154,392)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net change in the fair value of available-for-sale assets	14	(30,000)	40,000
Other comprehensive income for the year net of tax		(30,000)	40,000
Total comprehensive loss for the year		(1,875,287)	(1,114,392)
Earnings/(loss) per share			
Basic and diluted loss per share	7	(2.28) cents	(1.64) cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2017

	Note	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Current Assets			
Cash and cash equivalents	10	5,485,632	5,116,377
Trade and other receivables	11	39,318	43,225
Other financial assets	12	55,579	-
Other assets	13	16,503	28,628
Total current assets		5,597,032	5,188,230
Non-current assets			
Available-for-sale assets	14	75,000	90,000
Plant and equipment	15	14,765	22,294
Total non-current assets		89,765	112,294
Total assets		5,686,797	5,300,524
Current liabilities			
Trade and other payables	16	106,452	116,460
Borrowings	17	-	24,402
Provisions	18	37,435	25,772
Total current liabilities		143,887	166,634
Total liabilities		143,887	166,634
Net assets		5,542,910	5,133,890
Equity			
Issued capital	19	19,428,205	17,182,333
Reserves	20	73,460	187,209
Accumulated losses	21	(13,958,755)	(12,235,652)
Total equity		5,542,910	5,133,890

The accompanying notes form part of these financial statements.

Consolidated Statement of Cashflows
For the Year Ended 30 June 2017

	Note	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Cash flows from operating activities			
Receipts from exploration activities		202,467	240,158
Interest received		116,079	157,386
Interest paid		(591)	(421)
Exploration expenditure		(1,395,287)	(912,085)
Payments to suppliers and employees		(704,304)	(612,727)
Net cash used in operating activities	26(b)	(1,781,636)	(1,127,689)
Cash flows from investing activities			
Transfer to term deposit investments		(55,579)	-
Payments for purchase of plant and equipment		-	(17,763)
Payment for equity investment		(15,000)	(15,000)
Net cash used in investing activities		(70,579)	(32,763)
Cash flows from financing activities			
Proceeds from the issue of shares		2,320,500	-
Proceeds from the exercise of options		82,000	-
Proceeds from/(repayment) of borrowings		(24,402)	24,402
Share issue costs		(156,628)	-
Net cash provided by financing activities		2,221,470	24,402
Net increase/(decrease) in cash and cash equivalents		369,255	(1,136,050)
Cash and cash equivalents at 1 July		5,116,377	6,252,427
Cash and cash equivalents at 30 June	26(a)	5,485,632	5,116,377

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2017

30 June 2016	**Issued Capital $**	**Accumulated Losses $**	**Share-based Payment Reserve $**	**Available-for-Sale Reserve $**	**Total Equity $**
Balance at 1 July 2015	17,182,333	(11,444,324)	485,228	-	6,223,237
Total comprehensive loss for the year					
Loss for the year	-	(1,154,392)	-	-	(1,154,392)
Other comprehensive income					
Movement in fair value of available-for-sale assets taken to/(from) reserve	-	-	-	40,000	40,000
Total comprehensive loss for the year	-	(1,154,392)	-	40,000	(1,114,392)
Transactions with owners of the company recognised directly in equity					
Share-based payment transaction	-	-	25,045	-	25,045
Transfer of options to accumulated losses on expiry of options	-	363,064	(363,064)	-	-
Total transactions with owners of the Company	-	363,064	(338,019)	-	25,045
Balance at 30 June 2016	**17,182,333**	**(12,235,652)**	**147,209**	**40,000**	**5,133,890**

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2017

30 June 2017	Issued Capital $	Accumulated Losses $	Share-based Payment Reserve $	Available-for-Sale Reserve $	Total Equity $
Balance at 1 July 2016	17,182,333	(12,235,652)	147,209	40,000	5,133,890
Total comprehensive loss for the year					
Loss for the year	-	(1,845,287)	-	-	(1,845,287)
Other comprehensive income					
Movement in fair value of available-for-sale assets taken to/(from) reserve	-	-	-	(30,000)	(30,000)
Total comprehensive loss for the year	-	(1,845,287)	-	(30,000)	(1,875,287)
Transactions with owners of the company recognised directly in equity					
Share-based payment transaction	-	-	38,435	-	38,435
Issue of shares for cash	2,320,500	-	-	-	2,320,500
Exercise of options	82,000	32,722	(32,722)	-	82,000
Share issue costs	(156,628)	-	-	-	(156,628)
Transfer of options to accumulated losses on expiry of options	-	89,462	(89,462)	-	-
Total transactions with owners of the Company	2,245,872	122,184	(83,749)	-	2,284,307
Balance at 30 June 2017	**19,428,205**	**(13,958,755)**	**63,460**	**10,000**	**5,542,910**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

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 2017.

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 27th September 2017.

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 its operations and effective for the current year.

In the current year, the Group has applied a number of amendments to AASBs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

Amendments to AASB 101 *Disclosure Initiative*

The Group has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an AASB if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in AASB is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other AASBs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards to the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

c) Adoption of New and Revised Accounting Standards (continued)

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

Amendments to AASB 116 and AASB 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The Group has applied these amendments for the first time in the current year. The amendments to AASB 116 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to AASB 138 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a. when the intangible asset is expressed as a measure of revenue; or

b. when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the Group already uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

c) Adoption of New and Revised Accounting Standards (continued)

Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9	Financial Instruments[2] Refer to Note 9 for the Group's financial instruments at reporting date: the Group's financial instruments primarily comprise cash and cash equivalents and trade payables. Management are of the view that the Standard will not have a significant impact on these types of financial instruments.
AASB 15	Revenue from Contracts with Customers (and the related Clarifications)[2] At the date of this report, the Group did not yet earn revenue from contracts with customers. Therefore, this Standard will not have any impact until such time that the Group commences earning revenue from contracts with customers.
AASB 16	Leases[3] Refer to Note 22 for the Group's operating lease commitments at reporting date. Based on current operating leases for the year ended 30 June 2017, the application of this Standard is not expected to be significant.
Amendments to AASB 2*	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to AASB 10 and AASB 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to AASB 107*	Disclosure Initiative[1]
Amendments to AASB 112*	Recognition of Deferred Tax Assets for Unrealised Losses[1]

[1] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[4] Effective for annual periods beginning on or after a date to be determined.

* The directors have yet to assess the potential impact of the standards not yet adopted.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

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 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 consolidated statement of profit and loss and other 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.

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

1. 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

e) Revenue Recognition (continued)

2. 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.

3. Research & Development

Research and development tax incentive ("R&D") claims are recognised when the Company is notified that its R&D claim has been accepted.

f) Plant and 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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

h) Impairment continued

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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

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 that 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 is 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.

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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

q) Financial Assets (continued)

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.

(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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

q) Financial Assets (continued)

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) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as borrowings or payables.

All financial liabilities are recognized initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Borrowings

After initial recognition, borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

s) 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 23.

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).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

1. SIGNIFICANT ACCOUNTING POLICIES

s) 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.

t) 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.

u) 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

v) Financial position

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

The Group has reported a net loss for the year of $1,845,287 (2016: $1,154,392) and a cash outflow from operating activities of $1,781,636 (2016: $1,127,689).

At year end, the Group had $5,541,211 in cash and term deposit balances. The directors also manage discretionary expenditure in line with the Group's cash flow and are confident that there are sufficient funds to meet the Group's working capital and funding requirements for a minimum of 12 months from the date of this report.

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 judgments, 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 was determined using a Black-Scholes model, using the assumptions detailed in note 23.

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 licenses 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 judgment has been effected to determine that no deferred tax assets was recognised.

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 judgment. In making this judgment, 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
3. REVENUE		
R & D tax incentive	177,796	239,396
Rental income	8,080	-
Refunds	23,627	762
Sundry income	1,139	-
	210,642	240,158
4. LOSS BEFORE INCOME TAX		
Loss before income tax expense has been arrived at after charging the following items:		
Operating lease payments	48,428	42,566
5. FINANCING INCOME		
Interest income	116,079	142,210
Interest expense	(591)	(421)
	115,488	141,789
6. AUDITORS 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:		
Audit and review services:		
Nexia Perth	31,420	31,240
	31,420	31,240
Taxation and other services:		
Nexia, Perth	5,350	5,500
	5,350	5,500

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017	CONSOLIDATED 2016
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	(2.28) cents	(1.64) cents
Loss per share – continuing operations	(2.28) cents	(1.64) cents
a) Weighted average number of shares used in calculation of basic loss per share		
Issued ordinary shares at 30 June	83,283,575	70,383,575
Weighted average number of ordinary shares at 30 June	81,041,361	70,383,575
b) Loss used in calculating basic loss per share	$1,845,287	$1,154,392
c) Loss used in calculating basic loss per share in continued operations	$1,845,287	$1,154,392

As the Group incurred a loss for the years ended 30 June 2016 and 30 June 2017 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
8. INCOME TAXES		
Recognised in the statement of 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 comprehensive income and tax expense calculated per the statutory income tax rate.		
Profit/(loss) before income tax expense from continuing operations	(1,845,287)	(1,154,392)
Income tax expense/(income) calculated at 27.5% (2016:28.5%)	(507,454)	(329,001)
Impact from reduction in tax rate on unrecognised tax losses	113,818	158,181
Prior year underprovision	108,653	151,616
Effect of expenses that are not deductible in determining taxable profit	11,766	7,224
Effect of revenues that are not assessable in determining taxable profit	(48,894)	(68,228)
Effect of temporary differences that would be recognized directly in equity	(40,323)	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	362,434	80,208
Income tax expense/(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% (2016: 28.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

8. INCOME TAXES

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses – revenue	3,550,665	3,215,000
Temporary differences	55,587	28,818
	3,606,252	3,243,818
Deferred tax assets not recognised in respect of the following items:		
Items capitalised for tax purposes	8,109	9,104
Trade and other payables	16,075	13,134
Section 40 – 880 expenses	38,691	6,580
Financial assets	(2,750)	-
Prepayments	(4,538)	-
Tax losses carry forward	3,550,665	3,215,000
Tax losses carried forward	3,606,252	3,243,818

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 and term deposit investments are held with Westpac Bank, which is an Australian bank with an AA credit rating (Standard & Poor's).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

9. FINANCIAL INSTRUMENTS

Credit Risk

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 include accrued interest, rent receivable under a sub-lease agreement and 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:

		CARRYING AMOUNT	
	Note	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Cash and bank balances	10	5,485,632	5,116,377
Trade and other receivables	11	39,318	43,225
Term deposit investments	12	55,579	-

None of the Company's trade and other receivables are past due (2016: $nil). As the Group is not trading there is no management of credit risk performed through an ageing analysis.

Impairment Losses

The was no movement in the allowance for impairment in respect of available-for-sale financial assets during the year (2016: nil).

During the year there was no transfer of impairment loss of between the statement of comprehensive income and available-for-sale asset reserve by the Group (2016: nil).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

9. FINANCIAL INSTRUMENTS

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 2017				
Trade and other payables	106,452	(106,452)	(106,452)	-
	106,452	(106,452)	(106,452)	-
30 June 2016				
Trade and other payables	116,460	(116,460)	(116,460)	-
Borrowings	24,402	(24,402)	(24,402)	-
	140,862	(140,862)	(140,862)	-

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 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

9. FINANCIAL INSTRUMENTS

Market Risk

Profile

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

	CONSOLIDATED 2017		CONSOLIDATED 2016	
	CARRYING AMOUNT $	INTEREST RATE %	CARRYING AMOUNT $	INTEREST RATE %
Fixed Rate Instruments				
Term deposit investments	55,579	2.10	33,758	2.35
Variable Rate Instruments				
Cash and bank balances	5,485,632	2.24	5,082,619	2.40

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 2016.

	Equity		Profit and Loss	
	100bp increase	**100bp** decrease	**100bp** increase	**100bp** decrease
30 June 2017				
Variable rate instruments	54,856	(54,856)	54,856	(54,856)
30 June 2016				
Variable rate instruments	50,826	(50,826)	50,826	(50,826)

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).

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2017

9. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2017 and 30 June 2016.

Consolidated 30 June 2017	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Assets				
Available-for-sale financial assets	75,000	-	-	75,000

Consolidated 30 June 2016	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Assets				
Available-for-sale financial assets	90,000	-	-	90,000

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.

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 2017 $	CONSOLIDATED 2016 $
10. CASH AND CASH EQUIVALENTS		
Cash at hand	5	8
Cash at bank	5,485,627	5,082,611
Short term deposits	-	33,758
	5,485,632	5,116,377
	%	%
Weighted average interest rate	2.24	2.40

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $

11. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Current		
Interest receivable	186	6
GST receivable	28,381	42,694
Other receivables	10,751	525
	39,318	43,225

Trade and other receivables are non-interest bearing.

12. OTHER FINANCIAL ASSETS

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Current		
Term deposit investments	55,579	-
	55,579	-

Term deposit investments comprise term deposits with a maturity date of 6 months and attract a weighted average interest rate of 2.10%.

13. OTHER ASSETS

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Current		
Deposits	-	7,500
Prepayments	16,503	21,128
	16,503	28,628

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Non-current		
Fair value at beginning of the year	90,000	35,000
Investment	15,000	15,000
Revaluation of listed shares taken to reserve	(30,000)	40,000
Fair value at end of the year	75,000	90,000

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
15. PLANT AND EQUIPMENT		
Exploration equipment at cost	896	896
Accumulated depreciation	(506)	(384)
	390	512
Leasehold improvements at cost	4,680	4,680
Accumulated amortisation	(4,680)	(4,680)
	-	-
Computer & office equipment at cost	53,109	52,609
Accumulated depreciation	(38,734)	(30,827)
	14,375	21,782
Total carrying value	14,765	22,294
The reconciliation of plant and equipment is as follows:		
Opening carrying value	22,294	11,311
Additions	500	17,763
Depreciation	(8,029)	(6,780)
Closing carrying value	14,765	22,294
16. TRADE AND OTHER PAYABLES		
Trade creditors and accruals	106,452	116,460

All trade creditors and accruals are non-interest bearing.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
17. BORROWINGS		
Unsecured		
Bank overdraft	-	24,402

Short term overdraft agreed with bank and repaid on 4 August 2016.

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
18. PROVISIONS		
Annual leave	37,435	25,772

	COMPANY 2017 $	COMPANY 2016 $
19. SHARE CAPITAL		
Ordinary shares 83,283,575 (2016: 70,383,575) Fully paid ordinary shares	19,428,205	17,182,333

Movements during the year	2017 Number	2017 $	2016 Number	2016 $
Balance at beginning of year	70,383,575	17,182,333	70,383,575	17,182,333
Shares issued for cash	11,900,000	2,320,500	-	-
Shares issued on exercise of options	1,000,000	82,000	-	-
Transaction costs arising on share issues	-	(156,628)	-	-
Balance at end of year	83,283,575	19,428,205	70,383,575	17,182,333

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

19. SHARE CAPITAL

Options

The movement of the unlisted options on issue during the financial year is set out below:

Exercise price $	Expiry date	Balance at beginning of year	Issued	Exercised	Lapsed	Balance at end of year
0.211	23/7/16	1,000,000	-	-	(1,000,000)	-
0.082	17/10/16	1,000,000	-	(1,000,000)	-	-
0.105	30/6/17	600,000	-	-	(600,000)	-
0.118	9/11/18	900,000	-	-	-	900,000
0.250	15/12/18	-	800,000	-	-	800,000
		3,500,000	800,000	(1,000,000)	(1,600,000)	1,700,000

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
20. RESERVES		
Share-based payment reserve	63,460	147,209
Available-for-sale reserve	10,000	40,000
	73,460	187,209
Movements:		
Share-based payment reserve		
Balance at beginning of year	147,209	485,228
Expired during the year (1)	(89,462)	(363,064)
Exercised during the year (2)	(32,722)	-
Share-based payments	38,435	25,045
Balance at end of year	63,460	147,209
Assets classified as Available-for-sale reserve		
Balance at beginning of year	40,000	-
Increase/(decrease) in fair value recognised in reserve	(30,000)	40,000
Balance at end of year	10,000	40,000

(1) Options over shares recorded at $89,462 (2016: $363,064) expired during the year and were transferred to accumulated losses.

(2) Options over shares recorded at $32,722 (2016: nil) were exercised during the year and were transferred to accumulated losses.

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 23 for further details of these payments.

Available–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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
21. ACCUMULATED LOSSES		
Balance at beginning of year	12,235,652	11,444,324
Expiry of options	(89,462)	(363,064)
Exercise of options	(32,722)	-
Loss for the year	1,845,287	1,154,392
Balance at end of year	13,958,755	12,235,652

22. COMMITMENTS

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Operating Lease Commitments		
Not later than 1 year	81,496	42,566
Later than 1 year but not later than 5 years	49,648	-
	131,144	42,566
Exploration Expenditure Commitments		
Minimum exploration expenditure		
Not later than 1 year	373,740	301,960
Later than 1 year but not later than 5 years	1,494,960	1,207,840
	1,868,700	1,509,800

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

23. SHARE-BASED PAYMENTS

During the year there were 800,000 options granted as share-based compensation. (2016: 900,000).

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.4*	1,000,000	28 March 2012	23 July 2016	0.211	76,482
Option series No.5**	1,000,000	18 November 2013	17 October 2016	0.082	32,722
Option series No.6*	600,000	7 July 2014	30 June 2017	0.105	12,980
Option series No.7	900,000	10 November 2015	9 November 2018	0.118	25,025
Option series No.8	900,000	19 September 2016	15 December 2018	0.250	38,435

***** expired during the year
** exercised during the year

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

Nexus Minerals Limited	2017 Number	2017 Weighted Average Exercise Price $	2016 Number	2016 Weighted Average Exercise Price $
Outstanding at the beginning of the year	3,500,000	0.132	8,100,000	0.167
Expired during the year	(1,600,000)	0.171	(5,500,000)	0.192
Exercised during the year	(1,000,000)	0.082	-	-
Granted during the year	800,000	0.250	900,000	0.118
Outstanding at the end of the year	1,700,000	0.180	3,500,000	0.132
Exercisable at the end of the year	1,700,000	0.180	3,500,000	0.132

The outstanding balance as at 30 June 2017 is represented by 1,700,000 options over ordinary shares with an exercise price of between $0.118 and $0.250 exercisable up to 15 December 2018.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

23. SHARE-BASED PAYMENTS

The inputs to the options valuation were:

	Series No.4	Series No.5	Series No.6	Series No.7	Series No.8
Dividend yield (%)	n/a	n/a	n/a	n/a	n/a
Expected volatility (%)	100	97	93	67	80
Risk-free interest rate (%)	3.61	3.00	2.67	2.06	1.62
Expected life of option (years)	4.33	2.92	2.98	3.00	2.25
Exercise price (cents)	21.1	8.2	10.5	11.8	25.0
Grant date share price (cents)	12.0	6.0	5.0	8.0	15.0

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.

24. 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)

Mr A Tudor (appointed 6 July 2016)

Dr M Elliott

Mr B Maluish

Mr P Macleod (resigned 6 July 2016)

Executive

Mr A Tudor (Chief Executive Officer, to 6 July 2016)

a) Key management personnel compensation

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

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
Short-term employee benefits	510,142	435,142
Share-based payments	-	25,045
Post-employment benefits	26,138	26,138
	536,280	486,325

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

24. KEY MANAGEMENT PERSONNEL

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.

25. RELATED PARTIES

Controlled Entities	**OWNERSHIP INTEREST 2017**	**OWNERSHIP INTEREST 2016**
Parent Entity		
Nexus Minerals Limited		
Controlled Entities		
Nexus Minerals Australia Pty Ltd (incorporated 19 August 2009)	100%	100%
ACN 152 163 801 Pty Ltd (incorporated 18 July 2011)*	100%	100%
Nexus Triumph Pty Ltd (incorporated 18 July 2011)	100%	100%
ACN 155 124 324 Pty Ltd (incorporated 12 January 2012)**	100%	100%
Transformation Minerals Tanzania Limited (incorporated 10 August 2012)	100%	100%
Nexus Minerals Uganda Limited (incorporated 21 September 2012)	100%	100%
Nexus Gold Pty Ltd (incorporated 24 October 2016)	100%	-
Nexus Pinnacles Pty Ltd (incorporated 24 October 2016)	100%	-

* Nexus Gold Pty Ltd changed its name to ACN 152 163 801 Pty Ltd on 24 October 2016.

** Nexus Pinnacles Pty Ltd changed its name to ACN 155 124 324 Pty Ltd on 24 October 2016.

a) Key management personnel

Disclosures relating to key management personnel are set out in note 24.

b) Trade and other payables

Mark Elliott, who is a director of the Company was due an amount of $4,000 at 30 June 2017 (2016: $15,977) in respect of fees and expenses for exploration services provided.

c) Related party transactions

(i). Transactions with Nexus Minerals Australia Pty Ltd

During the year the Company received a total sum of $1,388 (2016: $nil) in working capital from Nexus Minerals Australia Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $148,898. A provision for impairment of $141,613 has been recognised by the Parent entity.

(ii). Transactions with Nexus Triumph Pty Ltd

During the year the Company loaned a total sum of $297 (2016: $100) in working capital to Nexus Triumph Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $3,019. A provision for impairment of $3,002 has been recognised by the Parent entity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

25. RELATED PARTIES

d) Related party transactions

(iii). Transactions with ACN: 155 124 324 (formerly Nexus Pinnacles Pty Ltd)

During the year the Company loaned the sum of $387 (2016: $321) in working capital to ACN: 155 124 324 Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $1,623. A provision for impairment of $1,623 has been recognised by the Parent entity.

(iv). Transactions with ACN: 152 163 801 Pty Ltd (formerly Nexus Gold Pty Ltd)

During the year the Company loaned the sum of $249 (2015: $246) in working capital to ACN: 152 163 801 Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is $18,820. A provision for impairment of $18,315 has been recognised by the Parent entity.

(v). Transactions with Geoex Pty Ltd

During the year the Company paid $14,883 plus GST to Geoex Pty Ltd, a company related to Andy Tudor, a Director of the Company, for the supply of exploration field assistants. The Company also paid a total of $75,000 plus GST to Geoex Pty Ltd on the attainment of key performance milestones as per the contract of employment with Mr Tudor.

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.

26. NOTES TO STATEMENT OF CASH FLOWS

	CONSOLIDATED 2017 $	CONSOLIDATED 2016 $
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	5	8
Cash at bank	5,485,627	5,082,611
Short term deposits	-	33,758
	5,485,632	5,116,377
b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:		
Loss for the year	(1,845,287)	(1,154,392)
Adjustments for:		
Depreciation	8,029	6,780
Share-based payments	38,435	25,045
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	3,907	(7,372)
(Increase)/decrease in prepayments	12,125	11,532
Increase/(decrease) in trade and other payables	(10,508)	(14,722)
Increase/(decrease) in provisions	11,663	5,440
Net cash used in operating activities	(1,781,636)	(1,127,689)

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2017

27. 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.

28. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Company commenced a 4,000m RC drill program at its Pinnacles Eastern Goldfields gold project.

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

29. DIVIDENDS

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

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2017

30. PARENT ENTITY INFORMATION

As at, and throughout, the financial year ending 30 June 2017 the parent company of the Group was Nexus Minerals Limited.

	COMPANY	
	2017 $	2016 $
Result of the parent entity		
Loss for the year	(1,845,287)	(1,154,392)
Other comprehensive income/(expense)	(30,000)	40,000
Total comprehensive loss for the year	(1,875,287)	(1,114,392)
Financial position of parent entity at year end		
Current assets		
Cash and term deposits	5,485,632	5,114,576
Trade and other receivables	31,509	35,417
Other financial assets	55,579	-
Other current assets	16,503	28,628
Total current assets	5,589,223	5,178,621
Non-current assets		
Financial assets	75,000	90,000
Plant and equipment	14,765	22,294
Other non-current receivables	7,809	9,609
Total non-current assets	97,574	121,903
Total assets	5,686,797	5,300,524
Current liabilities		
Trade and other payables	106,452	116,460
Borrowings	-	24,402
Provisions	37,435	25,772
Current liabilities	143,887	166,634
Total liabilities	143,887	166,634
Net assets	5,542,910	5,133,890
Total equity of the parent entity comprising:		
Share capital	19,428,205	17,182,333
Reserves	205,344	319,091
Accumulated losses	(14,090,639)	(12,367,534)
Total Equity	5,542,910	5,133,890

31. .CONTINGENT LIABILITIES

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

Director's Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

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

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

P Boyatzis
Chairman

Perth
Dated this 27th day of September 2017

Independent Auditor's Report to the Members of Nexus Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nexus Minerals Limited (the Company and its subsidiaries (the "Group")), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 2017 and of its financial performance for the year then ended; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the 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 report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key audit matter	How our audit addressed the key audit matter
Funding and Liquidity ***Refer to Note 1 (v)*(Financial position)** Nexus Minerals Limited and its subsidiaries are gold exploration companies focusing on gold opportunities in Western Australia. The exploration activities of the Group have not yet advanced to a stage where it is able to generate revenue, accordingly the Group is reliant on funding from external sources such as capital raisings, to support its operations. We focussed on whether the Group had sufficient cash resources and access to funding to allow the Group to continue as a going concern. The adequacy of funding and liquidity as well as the relevant impact on the going concern assessment is a key audit matter due to the inherent uncertainties associated with the future development of the Group's projects and the level of funding required to support that development.	We evaluated the Group's funding and liquidity position at 30 June 2017 and its ability to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. In doing so, we: • obtained management's cash flow forecast for the 15 months from the commencement of the 2018 financial year; • assessed the reliability and completeness of management's assumptions by comparing the forecast cash flows to those of current and previous years and as well as our understanding of future events and conditions; and • considered events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the consolidated 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Australian Auditing and Assurance Standards Board website at: www. auasb.gov.au/auditors responsibilities /ar2.pdf .This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 21 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Nexus Minerals Limited for the year ended 30 June 2017, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

Perth
27 September 2017

Corporate Governance Statement

The Company's 2017 Corporate Governance Compliance Statement has been released as a separate document and can be found on our website at http://www.nexus-minerals.com/corporate-governance/corporate-governance-compliance-statement .

ASX Additional Information

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 22 September 2017

Substantial shareholders

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

Shareholder	Number
Graeme Kirke	9,000,000
Casaviva Investments Ltd	6,800,000
Jane Elizabeth Boyatzis	4,751,168

Voting rights

Ordinary shares
One vote for each ordinary fully paid share.

Options
Options do not have voting rights.

Restricted Securities

The Company has 83,283,575 shares and 1,700,000 options on issue. No shares or options are subject to ASX or voluntary escrow.

Distribution of Equity Security Holders

Category	Quoted ordinary shares		Unquoted Options exercisable at $0.118 expiring 9 November 2018		Unquoted Options exercisable at $0.25 expiring 15 December 2018	
	Number of holders	Number of shares	Number of holders	Number of options	Number of holders	Number of options
1 - 1,000	52	17,355	-	-	-	-
1,001 - 5,000	137	430,107	-	-	-	-
5,001 - 10,000	123	1,056,209	-	-	-	-
10,000 - 100,000	328	13,624,941	-	-	-	-
100,000 and over	119	68,154,963	1	900,000	1	800,000
	759	**83,283,575**	**1**	**900,000**	**1**	**800,000**

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

ASX Additional Information

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held (%)
Casaviva Investments Ltd	6,800,000	8.16
Citicorp Nominees Pty Limited	5,695,700	6.84
KSLCorp Pty Ltd	4,000,000	4.80
Pillage Investments Pty Ltd	4,000,000	4.80
Westedge Investments Pty Ltd	3,251,166	3.90
Cleland Projects Pty Ltd	2,750,000	3.30
Piat Corp Pty Ltd	2,500,000	3,00
Lesuer Pty Ltd	1,500,000	1.80
TP Williamson & JM Jancey	1,444,943	1.74
HSBC Custody Nominees (Australia) Limited	1,124,306	1.35
Paso Holdings Pty Ltd	1,100,000	1.32
Perth Select Seafoods Pty Ltd	1,040,000	1.25
GE Kirke	1,000,000	1.20
Ringsford Pty Ltd	1,000,000	1.20
Arnold Doubikin Pty Ltd	950,000	1.14
Crescent Nominees Limited	942,630	1.13
DJ Massey & KA Massey	880,000	1.06
Puresteel Holdings Pty Ltd	800,000	0.96
Sodell Investments Pty Ltd	750,000	0.90
JK Patoir	700,000	0.84
	42,228,745	**50.69**

Unquoted securities

The names of holders of more than 20% of an unlisted class of security are:

Options exercisable at 11.8 cents expiring 9 November 2018	Number of options	Percentage
A Tudor	900,000	100

Options exercisable at 25 cents expiring 12 December 2018	Number of options	Percentage
Zenix Nominees Pty Ltd	800,000	100

On-market buy-back

There is no current on-market buy-back.

Tenement Directory

SUMMARY OF NEXUS MINERALS TENEMENTS

WESTERN AUSTRALIA	
Pinnacles JV (Gold)	
M28/243	85% Nexus Minerals Limited
Pinnacles Regional (Gold)	
P28/1185 E28/2487	100% Nexus Minerals Limited
E28/2526	90% Nexus Minerals Limited
Triumph (Gold))	
E31/1088 P31/2074 P31/2075 P31/2076	100% Nexus Minerals Australia Pty Ltd
E31/819 E31/820 P31/1960 P31/1961 P31/1962 P31/1963 P31/1964	80% – earning interest through Farm-in JV
Mt Celia (Gold)	
P39/5484 P39/5485 P39/5486 E39/1890	100% Nexus Minerals Limited