



NEXUS MINERALS LIMITED

ABN: 96 122 074 006

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2017**

NEXUS MINERALS LIMITED

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NEXUS MINERALS LIMITED

CORPORATE INFORMATION

Directors

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

Company secretary

Phillip MacLeod

Registered office

108 Forrest Street
Cottesloe WA 6011
Australia

Principal place of business

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West Perth WA 6005
Australia

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Website: www.nexusminerals.com

Auditors

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

Solicitors

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011
Australia

Share register

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Australia

NEXUS MINERALS LIMITED

DIRECTORS' REPORT

The directors of Nexus Minerals Limited submit herewith the interim financial report of Nexus Minerals Limited ("Nexus" or "the Company") and its subsidiaries ("Consolidated entity" or "Group") for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

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

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

About Nexus

Nexus Minerals is a well-funded resource company with a portfolio of gold projects in Western Australia. With a well-credentialed Board, assisted by an experienced management team, the Company is well placed to capitalise on opportunities as they emerge in the resource sector.

REVIEW OF OPERATIONS

(a) Overview

The Pinnacles Gold Project, in the Eastern Goldfields of Western Australia, was the focus of exploration activity during the period. The Company undertook multiple field campaigns culminating in auger and RC drill programs on the Pinnacles 125km² tenement package.

The Company also strengthened ties with successful ASX-listed gold producer, Saracen Mineral Holdings Limited (Saracen). Saracen, through its subsidiary, Saracen Gold Mines, agreed to subscribe for 3.8 million Nexus shares at a price of 8.4 cents per share and a 1 for 2 attaching option for a consideration of approximately \$320,000, and Nexus will acquire Saracen's Wallbrook exploration tenements for consideration of 1.49 million Nexus shares. Following both transactions, Saracen will hold an approximate 6% equity stake in Nexus.

Nexus is actively exploring for gold deposits on its highly prospective tenement package in the Eastern Goldfields of Western Australia. The addition of the Wallbrook tenement package will further advance these gold exploration efforts.

Nexus Mineral's tenement package at the Pinnacles Gold Project is largely underexplored and commences less than 5km to the south of, and along strike from, Saracen's >4Moz Carosue Dam mining operations, and current operating Karari underground gold mine. Nexus

holds a significant land package (125km²) of highly prospective geological terrain within a major regional structural corridor and is actively exploring for gold deposits.

The Company also has a joint venture over the Pinnacles JV Gold Project with Saracen (see ASX Release 17 September 2015). Nexus had earned a 88% interest in the joint venture tenement as at 31 December 2017. This joint venture is consistent with the Company strategy of investing in advanced gold exploration assets.

NEXUS MINERALS LIMITED

REVIEW OF OPERATIONS (CONT'D)

(b) Review of Operations

The Group incurred an after-tax loss for the half-year ended 31 December 2017 of \$1,115,900 (2016: \$1,215,831).

Company Projects

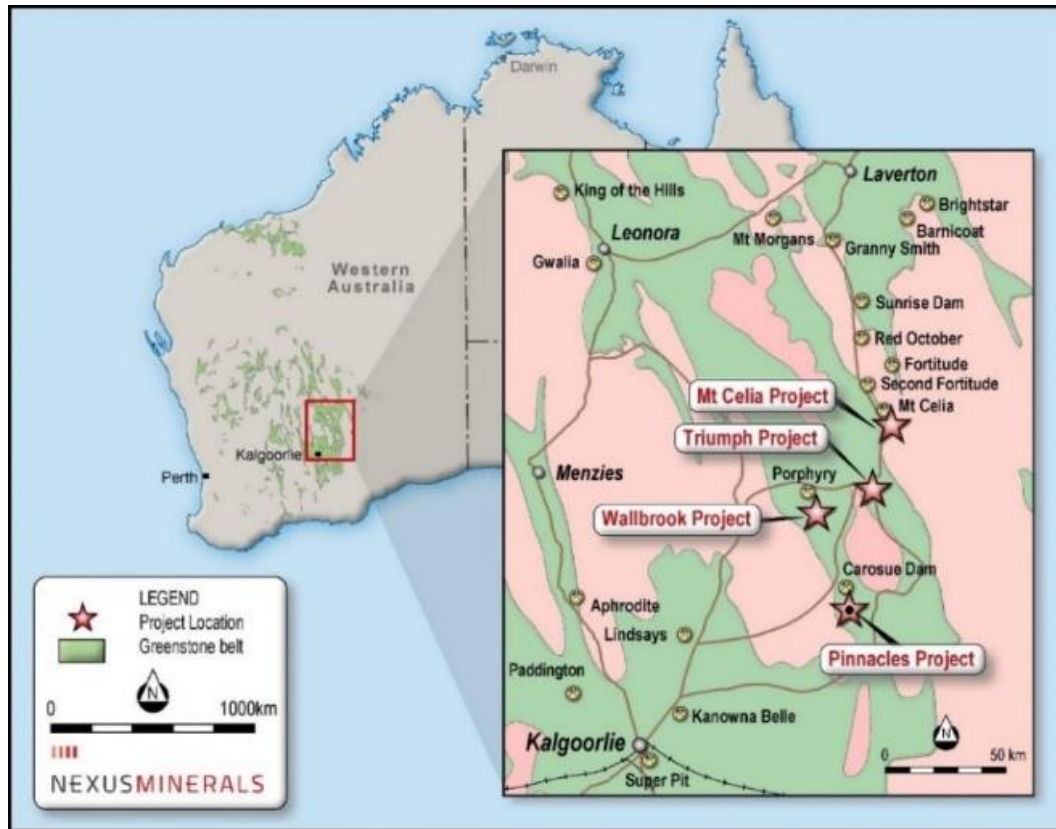


Figure 1. Project locations, Western Australia.

Pinnacles Gold Project

The Pinnacles Project tenements cover approximately 125km². The tenement area is immediately to the south of Saracen's Carosue Dam mining operation, which includes the Karari underground gold mine, currently in operation. The Carosue Dam district exhibits a large scale mineralised hydrothermal gold system having produced multi-million ounces of gold to date, and still today contains >4Moz gold in regional resources.

The geological setting provides for a location between two large granite batholiths, where the basal sequence of basalt and dolerite is overlain by a volcanoclastic sedimentary sequence. Structurally, the Project is within a major regional shear zone, with the Yilgarn Fault (the southern extension of the Keith-Kilkenny Fault) and numerous large scale north-south regional structures evident. The district represents a large Archaean intrusion related alteration system that hosts significant gold mineralisation.

The Pinnacles project area is considered prospective for gold mineralization, and as such, regional geological, geophysical and structural interpretation was completed to enable targeted and focused auger surface geochemical sampling and RC drill programs over the most prospective areas identified.

REVIEW OF OPERATIONS (CONT'D)

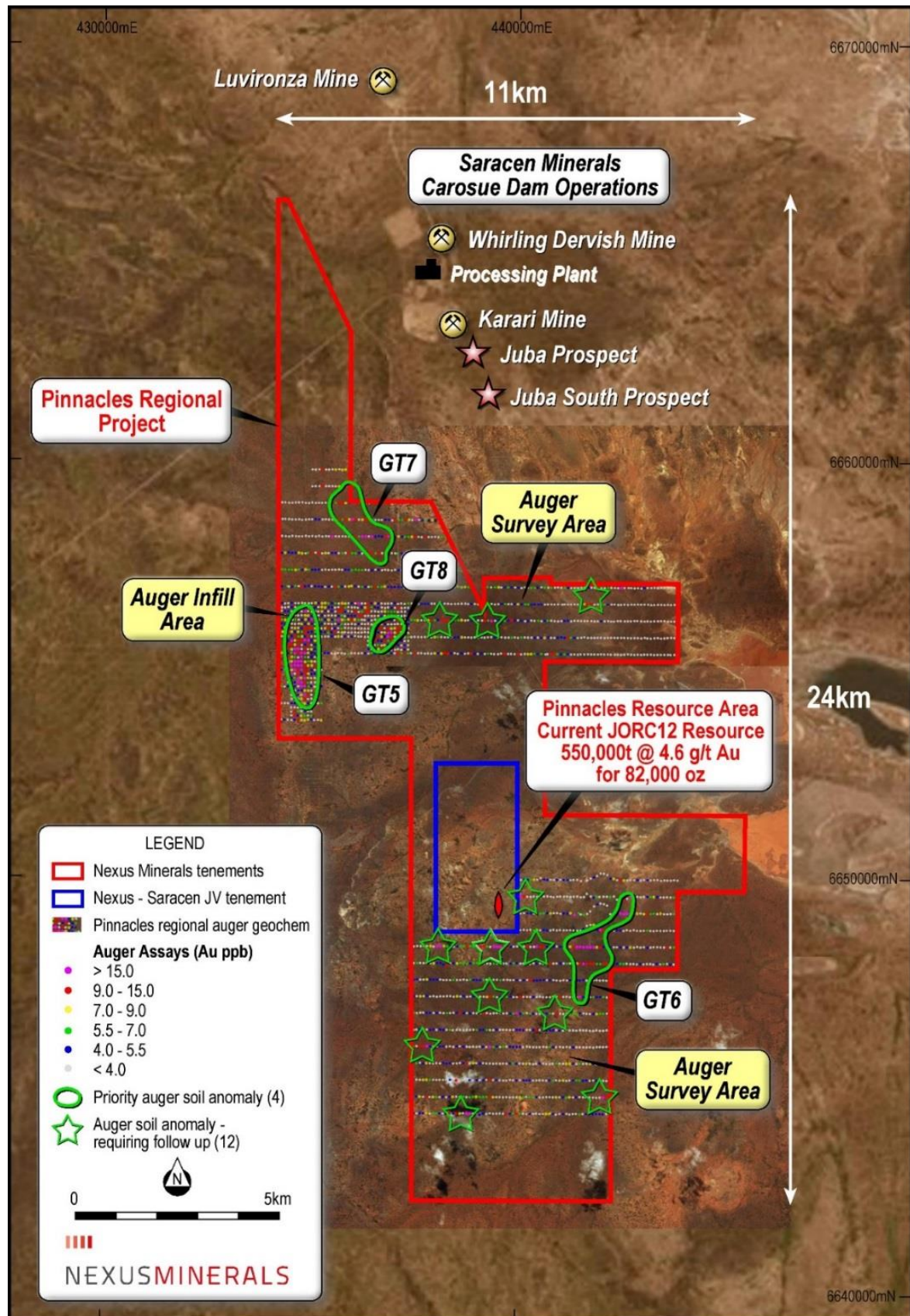


Figure 2: Nexus Pinnacles Auger Soil Survey Results

REVIEW OF OPERATIONS (CONT'D)

GT5 and GT8 Anomaly Drill Results

The geology observed in GT5 drill holes included a series of sheeted quartz porphyry dykes, with sheared basalt contacts and disseminated sulphides. The mineralised intersections are observed at the weathering boundary, on the top of fresh rock. Follow up drilling results did not return any significant zones of mineralisation. No primary zones of mineralisation have been identified in drilling to date.

The best 4m composite sample received was 4m @ 19.74g/t Au, and the best 1m composite samples were 1m @ 20.53g/t Au and 1m @ 5.60g/t Au.

5 holes were drilled at GT8 to test the surface calcrete anomaly, with one drill hole containing an anomalous intersection.

Refer to the Nexus ASX announcement 16 February 2018 for full results.

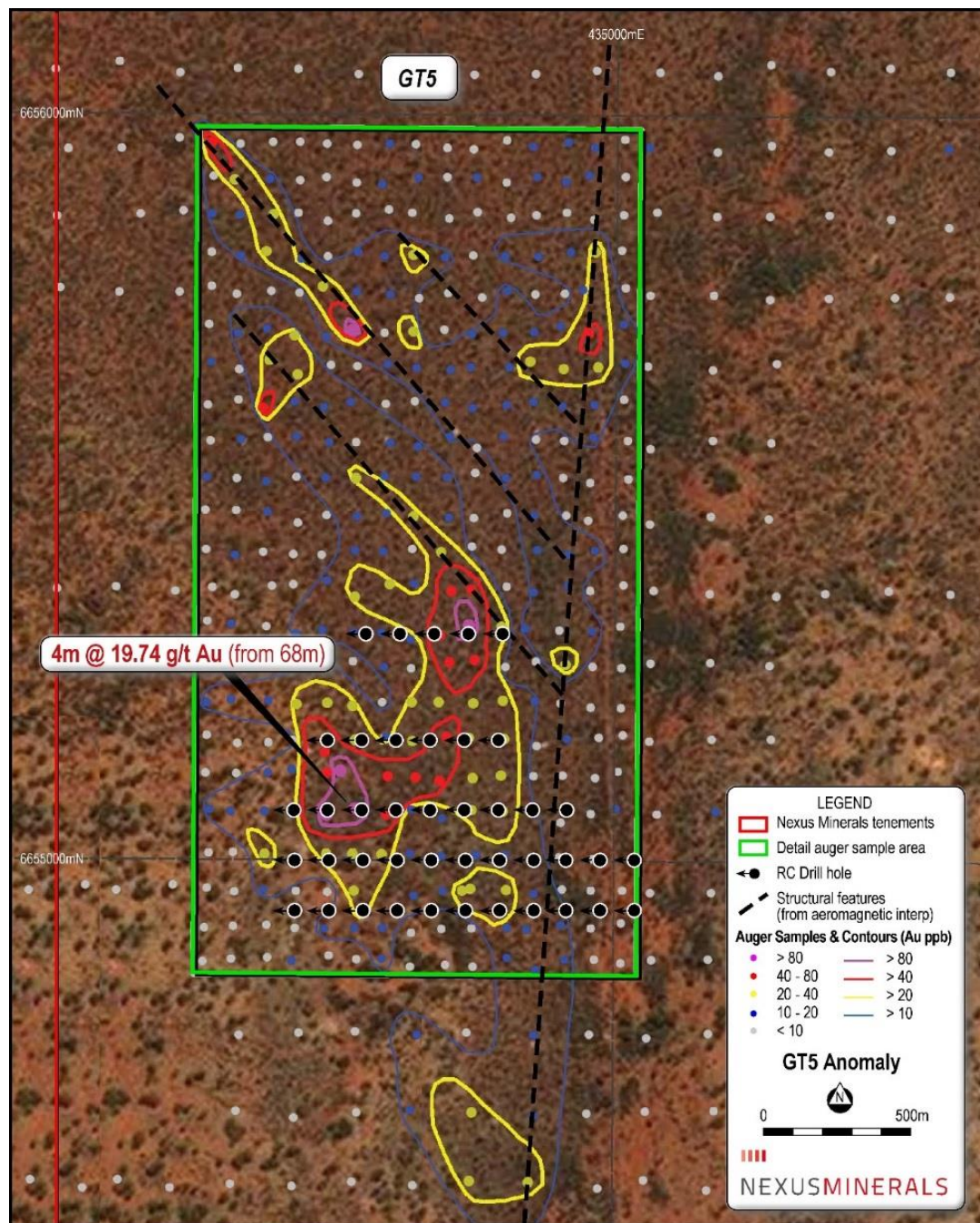


Figure 3: Nexus GT5 RC Drill Collar Locations and Results to Date

REVIEW OF OPERATIONS (CONT'D)

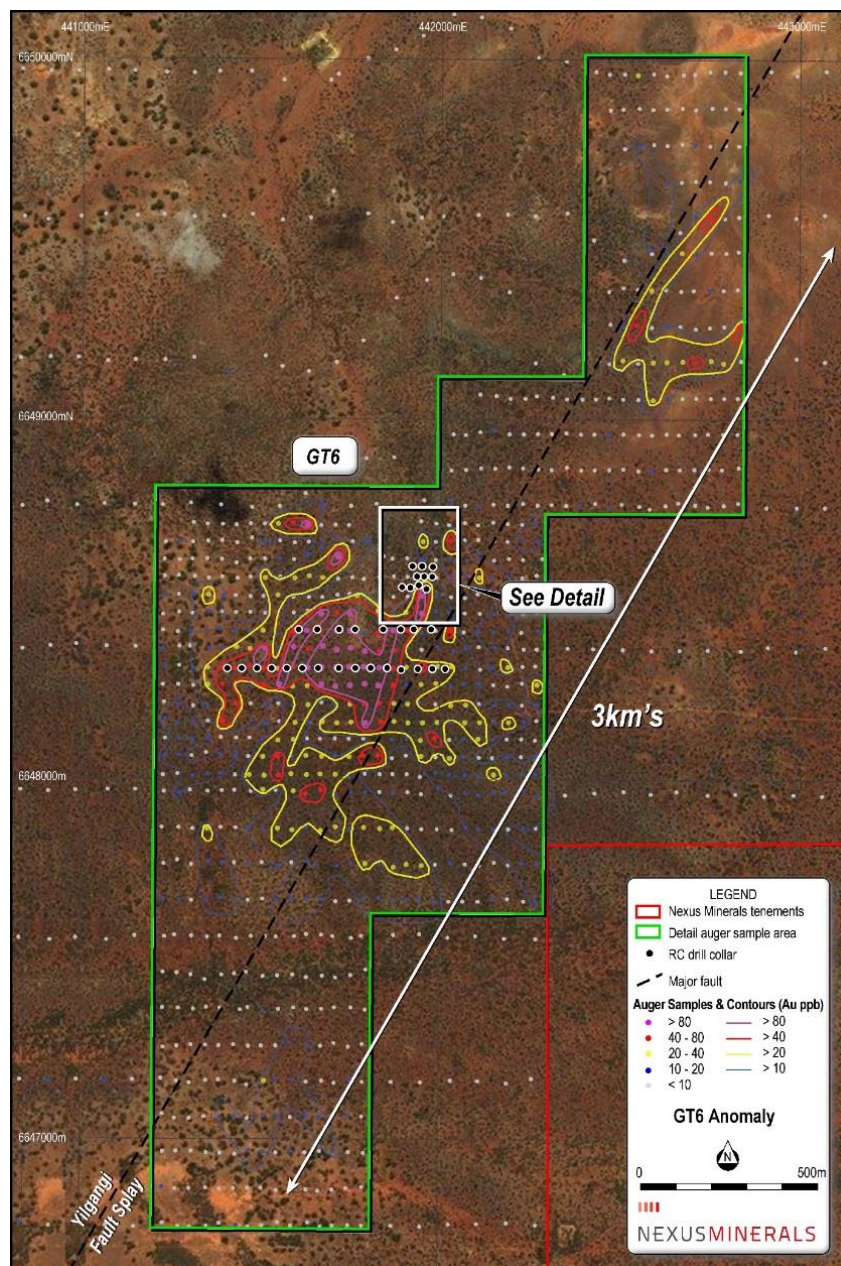
GT6 Drill Results

26 holes were drilled at GT6 in the September 2017 program to test the surface calcrete anomaly, with ten of the drill holes containing anomalous intersections. The two drill holes drilled to the northeast of the main calcrete anomaly returned significant mineralised intersections of 24m @ 0.47g/t Au from surface (incl. 8m@1.15g/t Au) and 24m @ 0.46g/t Au from 20m (incl. 12m@0.71g/t Au).

A 600m follow up RC drilling was undertaken in late December targeting extensions to the mineralised zone. Best results were 21m @ 0.88g/t Au, including 10m @ 1.66g/t Au (from 18m) and 22m @ 0.78g/t Au, including 14m @ 1.02g/t Au (from 9m).

The drill results from the 2017 programs at GT6 provide the Company with encouragement to test the full 3km x 600m extent of the anomalous gold zone in 2018. The geological and mineralisation features exhibited to date are consistent with results returned from initial exploration programs at the Karari gold mine, 20 kilometers to the north, in the mid 1990's.

Refer to the Nexus ASX announcement 16 February 2018 for full results.



REVIEW OF OPERATIONS (CONT'D)

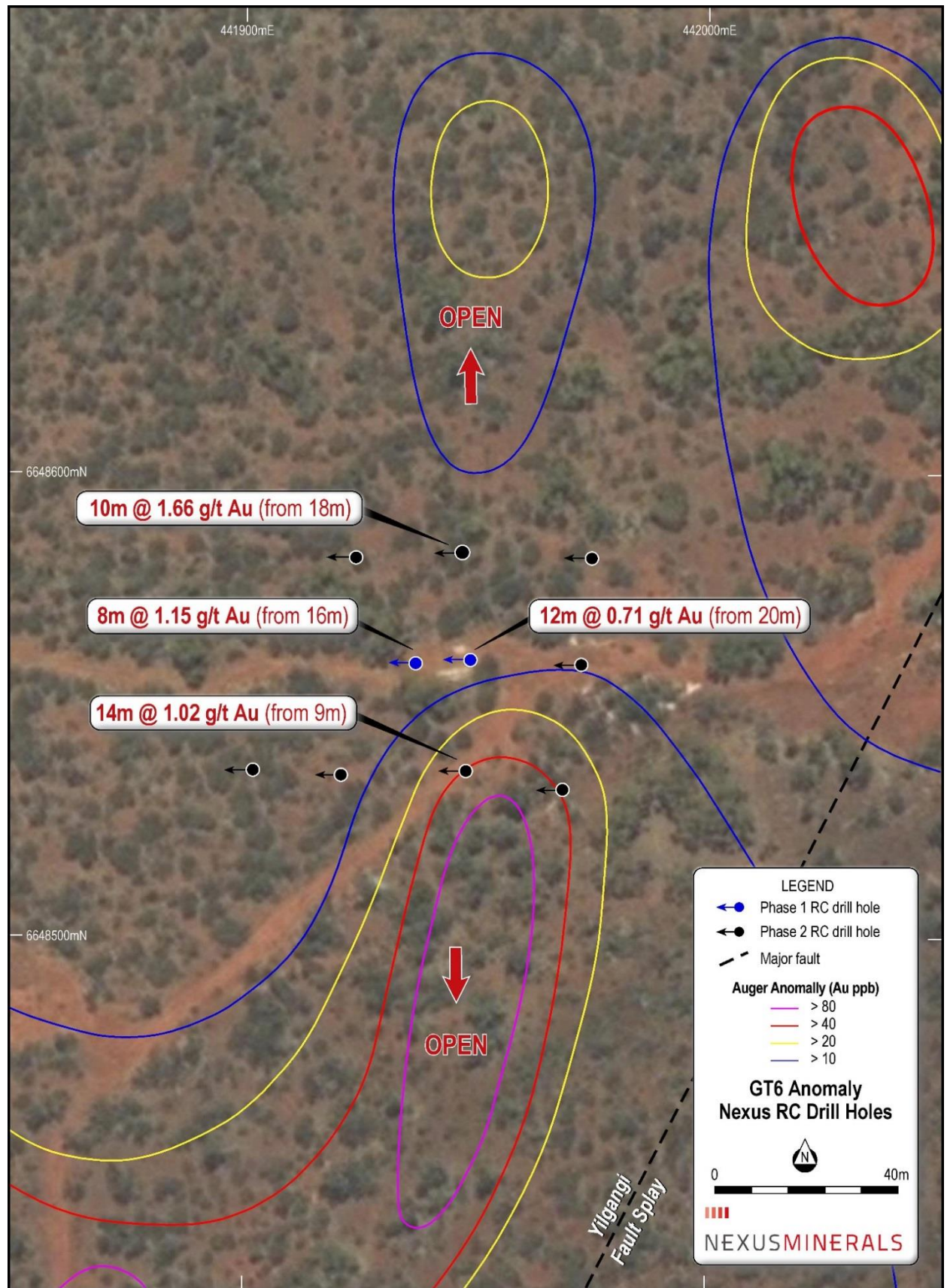


Figure 5: Nexus Pinnacles GT6 Detail Drill Hole Location Map

REVIEW OF OPERATIONS (CONT'D)

Wallbrook Gold Project

The region is dominated by metamorphosed volcanoclastic sediments, andesite, basalt and other sedimentary and variously metamorphosed rock units. These rock units have been intruded by numerous small, variably mineralised, porphyritic intrusions. The majority of these intrusions identified to date are under cover or very weathered. Their composition varies from syenite to quartz monzonite to tonalite. These intrusions are discordant with respect to the lithological layering and major regional structures, suggesting emplacement late in the tectonic evolution of the greenstone belt, indicating mineralisation associated with the intruded porphyries may be relatively “local” to the position of the intruded porphyry.

Gold mineralisation has been identified and mined historically in a belt stretching from the Porphyry mining district to the Wallbrook area 8km to the southeast. Over 350,000 ounces of gold have been produced from multiple operations from 1921 to 2012. This same region today contains a current JORC 2012 mineral resource inventory of 31Mt@1.5g/t for 1.5M ounces gold (all Saracen Resources, see their 2017 Annual Report).

The main sites of gold mineralisation in the district are on the margins of porphyritic intrusions. Mineralisation is known to occur within the margins of these porphyries themselves, and also developed within the intruded sheared and altered greenstone sequence lithologies and as mineralised quartz vein stockworks.

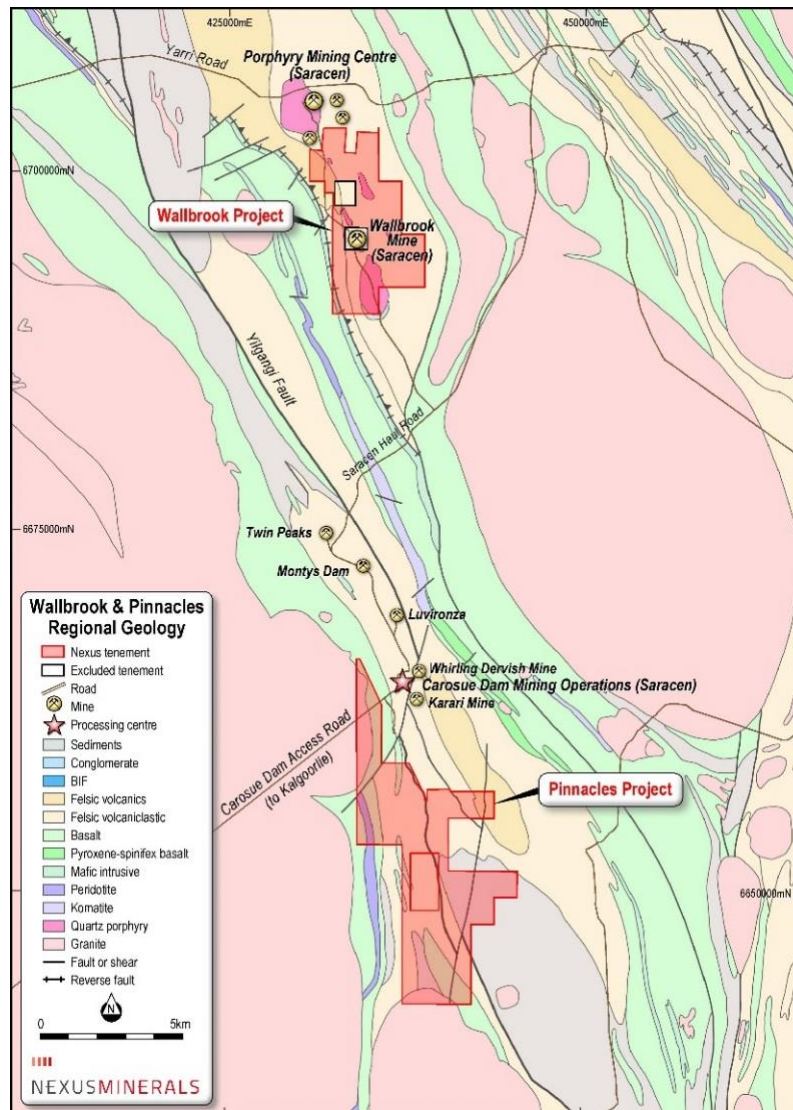


Figure 6: Wallbrook Regional Geology – Eastern Goldfields, Western Australia

REVIEW OF OPERATIONS (CONT'D)

Previous Exploration Activities

The Wallbrook project contains no prior commercial mining operations. A number of shafts exist at the Eastwood Reefs prospect, which was mined by prospectors in the early 1900's.

An extensive search of the Western Australian Department of Mines and Petroleum (DMP) database has shown Wallbrook to have undergone a number of periods of exploration activities by different exploration companies between 1977 to 2011. These activities including geological mapping and rock chip sampling, geophysical surveys, as well as RAB, RC and diamond drilling campaigns. The majority of the Wallbrook geology is under cover with limited areas of outcrop identified at the Eastwood Reefs, Jedi and Paint prospects. There are 552 rock chip results available with 79 samples returning >1g/t Au and 34 samples returning >3g/t Au.

There have been 12 series of drill programs between 1977 and 2011. RAB drill holes represent 1772 holes for 39,000m, with the majority of these holes less than 10m in depth effectively representing surface geochemistry. RC drill holes represent 275 holes for 21,000m (average depth 76m), and a sole diamond drill hole 159m deep.

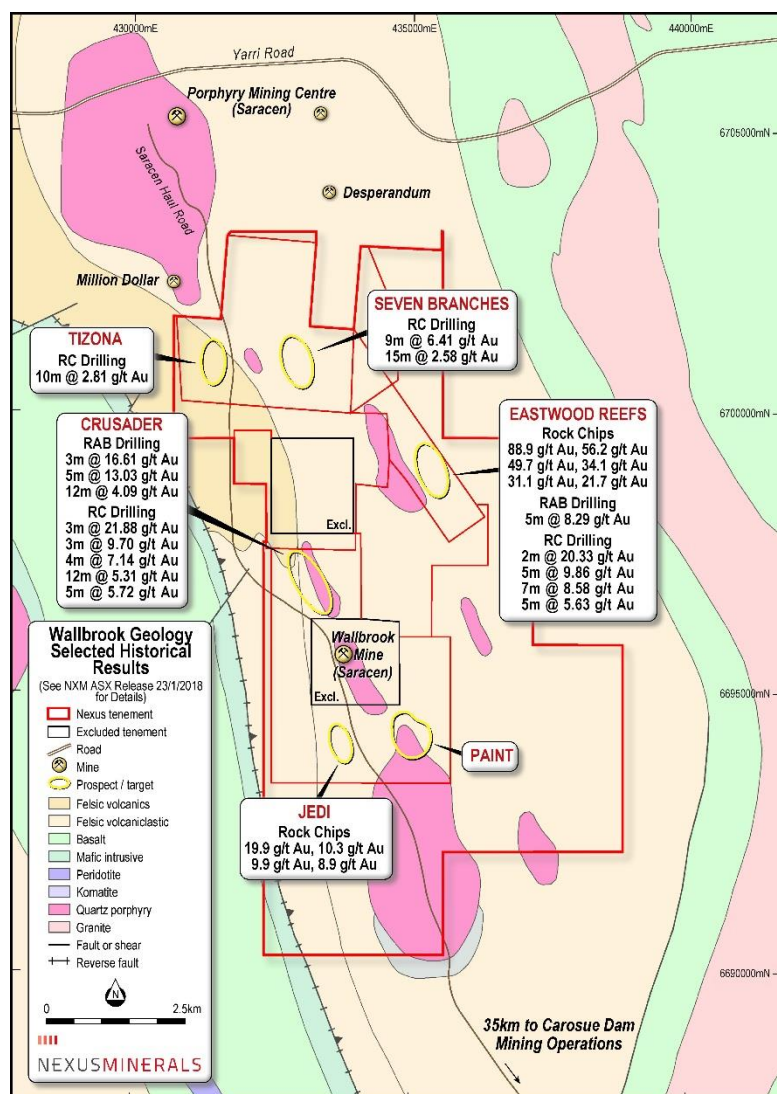


Figure 7: Wallbrook Local Geology – Eastern Goldfields, Western Australia
(Including selected historical local gold prospects / targets / results)

Refer to the Nexus ASX announcement 23 January 2018 for full results.

NEXUS MINERALS LIMITED

REVIEW OF OPERATIONS (CONT'D)

Mt Celia Project

The Mt Celia Gold Project lies 180km north east of Kalgoorlie within the southern part of the Laverton Tectonic Zone (LTZ). This structure hosts numerous major gold mines and currently contains Resources of some 20 million ounces. The project area is along strike directly south of Legacy Iron's Blue Peter project that contains an Inferred Resource of 239,232t @ 3.97g/t for 30,554oz gold (1g/t cut-off) (Not an asset of Nexus Minerals - 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.

Geological interpretation continued during the period.

Other Company Tenements

Nexus continued to undertake geological assessments and maintain its commitments on all company tenements and project areas. Following a full geological assessment of the Triumph Gold Project tenements, they were relinquished during the December quarter.

Competent Persons' Statements

The information in the report to which this statement is attached that relates to Mineral Resources based upon information compiled by Mr Paul Blackney, a Competent Person who is a member of The Australasian 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'. Mr Blackney consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

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 view 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 report of the matters based on his information in the form and context in which it appears.

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.

NEXUS MINERALS LIMITED

REVIEW OF OPERATIONS (CONTINUED)

Corporate

During the period the Company issued 7 million options to Directors. The options have an exercise price of 11.1 cents and an expiry date of 30 November 2020. The options are unlisted and vested immediately.

During the period Nexus Managing Director Andy Tudor presented to a number of stockbrokers, fund managers and high net worth investors in Sydney/Melbourne/Perth. The presentations were well received and provided an update of the Company's activities including the Pinnacles Gold project, and other Company projects.

EVENTS AFTER THE BALANCE DATE

Subsequent to the balance date Nexus announced the signing of a binding term sheet to acquire the Wallbrook Gold project from Saracen Mineral Holdings ("Saracen") for a consideration of 1.49 million Nexus shares.

In addition, Saracen will subscribe for 3.8 million Nexus shares at 8.4 cents per share plus a 1 for 2 attaching option raising \$320,000. The unlisted options will have an exercise price of 16.8 cents per option and will expire 2 years from date of issue. The funds raised will be used for exploration of the Wallbrook tenements and working capital. Following the transaction Saracen will hold an approximate 6% stake in Nexus.

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

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Nexia Perth Audit Services Pty Ltd, to provide the Directors of the Company with an independence declaration in relation to the review of the interim financial report. This independence declaration is set out on page 13 of the directors' report for the half-year ended 31 December 2017.

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

On behalf of the Directors

P Boyatzis

Non-executive Chairman

Perth, 15 March 2018

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 review for the half year ended 31 December 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 review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Nexia Perth Audit Services**

PTC Kloppe
Director

Perth
15 March 2018

NEXUS MINERALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	CONSOLIDATED	CONSOLIDATED
	Half-year ended	Half-year ended
	31 December 2017	31 December 2016
	\$	\$
Revenue from continuing operations	232,562	178,341
Exploration and evaluation expenditure expensed as incurred	(888,471)	(1,030,490)
Employee benefits	(5,047)	(9,348)
ASX and regulatory expenses	(38,018)	(38,656)
Depreciation	(4,054)	(4,431)
Directors' fees	(67,140)	(67,140)
Insurance	(7,496)	(8,325)
Legal and professional fees	(64,706)	(67,135)
Occupancy expenses	(40,754)	(24,688)
Marketing	(34,475)	(111,691)
Share-based compensation	5 (201,722)	(38,435)
Travel expenses	(3,891)	(10,635)
Other expenses	(45,863)	(42,050)
Loss from operating activities	(1,169,075)	(1,274,683)
Financial income	53,175	59,430
Financial expenses	-	(578)
Net financing income	53,175	58,852
Loss before income tax benefit/(expense)	(1,115,900)	(1,215,831)
Income tax benefit/(expense)	-	-
Loss for the period	(1,115,900)	(1,215,831)
Other comprehensive income/(expenses)		
Items that may be reclassified subsequently to profit or loss:		
Net change in fair value of available-for-sale financial assets	234,735	(30,000)
Other comprehensive income/(expenses) for the period	234,735	(30,000)
Total comprehensive loss for the period	(881,165)	(1,245,831)
Loss per share		
Basic and diluted loss per share (cents per share)	(1.34) cents	(1.54) cents

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

		CONSOLIDATED	CONSOLIDATED
		31 December 2017	30 June 2017
	Note	\$	\$
Current assets			
Cash and cash equivalents		4,511,092	5,485,632
Trade and other receivables		53,184	39,318
Other financial assets		55,943	55,579
Other assets		38,275	16,503
Total current assets		4,658,494	5,597,032
Non-current assets			
Available-for-sale financial assets		309,735	75,000
Plant and equipment		23,200	14,765
Total non-current assets		332,935	89,765
Total assets		4,991,429	5,686,797
Current liabilities			
Trade and other payables		90,986	106,452
Provisions		36,976	37,435
Total current liabilities		127,962	143,887
Total liabilities		127,962	143,887
Net assets		4,863,467	5,542,910
Equity			
Issued capital	3	19,428,205	19,428,205
Reserves	4	509,917	73,460
Accumulated losses		(15,074,655)	(13,958,755)
Total equity		4,863,467	5,542,910

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	CONSOLIDATED	CONSOLIDATED
	Half-year ended	Half-year ended
	31 December 2017	31 December 2016
	\$	\$
Cash flows from operating activities		
Cash receipts from customers	232,613	544
Interest received	52,818	59,430
Finance costs	-	(578)
Exploration expenditure	(890,035)	(838,827)
Payments to suppliers and employees	(357,947)	(542,262)
Net cash used in operating activities	(962,551)	(1,321,693)
Cash flows from investing activities		
Payment for available-for-sale financial assets	-	(15,000)
Payments for purchases of plant and equipment	(11,989)	-
Net cash used in investing activities	(11,989)	(15,000)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,320,500
Proceeds from conversion of options	-	82,000
Repayment of borrowings	-	(24,402)
Share issue expenses	-	(156,628)
Net cash from investing activities	-	2,221,470
Net increase/(decrease) in cash and cash equivalents	(974,540)	884,777
Cash and cash equivalents at the beginning of the period	5,485,632	5,116,377
Cash and cash equivalents at the end of the period	4,511,092	6,001,154

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Issued capital	Share based payment reserve	Available for sale reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	17,182,333	147,209	40,000	(12,235,652)	5,133,890
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	-	-	(1,215,831)	(1,215,831)
<i>Other comprehensive income/(expenses)</i>					
Change in the fair value of available-for-sale financial assets	-	-	(30,000)	-	(30,000)
Total comprehensive loss for the period	-	-	(30,000)	(1,215,831)	(1,245,831)
Share-based payment transaction	-	38,435	-	-	38,435
Shares issued for cash	2,320,500	-	-	-	2,320,500
Conversion of options	82,000	(32,722)	-	32,722	82,000
Expiry of options	-	(76,482)	-	76,482	-
Share issue expenses	(156,628)	-	-	-	(156,628)
Balance at 31 December 2016	19,428,205	76,440	10,000	(13,342,279)	6,172,366
Balance at 1 July 2017	19,428,205	63,460	10,000	(13,958,755)	5,442,910
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	-	-	(1,115,900)	(1,115,900)
<i>Other comprehensive income/(expenses)</i>					
Change in the fair value of available-for-sale financial assets	-	-	234,735	-	234,735
Total comprehensive loss for the period	-	-	234,735	(1,115,900)	(881,165)
Share-based payment transaction	-	201,722	-	-	201,722
Balance at 31 December 2017	19,428,205	265,182	244,735	(15,074,655)	4,863,467

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Statement of compliance

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

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

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. The Consolidated entity, comprising Nexus Minerals Limited, Nexus Minerals Australia Pty Ltd, Nexus Wallbrook Pty Ltd, ACN: 155 124 324 Pty Ltd and ACN 152 163 801 Pty Ltd, is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2017. For the purpose of preparing the report the half-year has been treated as a discrete reporting period.

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

There were no new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) applicable to the Consolidated entity for the current half-year.

The Consolidated entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Significant Accounting Judgements and Key Estimates

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

In preparing this interim financial report the significant judgements made by management in applying the Consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2017.

(a) Research & development tax concession

The Company lodged a claim for a refund under the R&D tax concession scheme for 2017 and received \$216,581 during the half-year.

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. 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.

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

3. Issued capital

	31 December 2017	30 June 2017
	\$	\$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	19,428,205	19,428,205
	Six months to 31 December 2017 Number	Year to 30 June 2017 Number
<i>Movements in fully paid shares on issue</i>		
At beginning of period	83,283,575	70,383,575
Shares issued for cash	-	11,900,000
Shares issued on exercise of options	-	1,000,000
Balance at end of period	83,283,575	83,283,575
	Six months to 31 December 2017 Number	Year to 30 June 2017 Number
<i>Movements in options on issue</i>		
At beginning of period	1,700,000	3,500,000
Options issued during the period	7,000,000	800,000
Options exercised during the period	-	(1,000,000)
Options expired during the period	-	(1,600,000)
Balance at end of period	8,700,000	1,700,000

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Reserves

	Six months to 31 December 2017 \$	Year to 30 June 2017 \$
<i>Movements in share-based payment reserve</i>		
Balance at beginning of period	63,460	147,209
Options exercised during the period	-	(32,722)
Options expired during the period	-	(89,462)
Share-based payments	201,722	38,435
Balance at end of period	265,182	63,460
<i>Movements in available-for-sale asset reserve</i>		
Balance at beginning of period	10,000	40,000
Increase/(decrease) in fair value recognised in reserve	234,735	(30,000)
Balance at end of period	244,735	10,000
Total reserves	509,917	73,460

5. Share-based payments

The following share-based payment arrangements were entered into during the period:

Option series	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$
No.9	7,000,000	30 November 2017	30 November 2020	0.111	201,722

The fair value of the equity-settled share options is estimated as at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The inputs to the valuation of options issued were:

	Series no.9
Dividend yield (%)	nil
Expected volatility (%)	77
Risk-free interest rate (%)	1.89
Expected life of option (years)	3
Exercise price (dollars)	0.111
Grant date share price (dollars)	0.072

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

No options were exercised during the period (31 December 2016: 1,000,000). No options expired during the period (31 December 2016: 1,000,000).

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. Contingencies and commitments

	31 December 2017 \$	30 June 2017 \$
Commitments		
<i>Operating lease commitments</i>		
Office premises		
not later than 1 year	70,672	81,496
Later than 1 year but not later than 5 years	14,723	49,648
	<u>85,395</u>	<u>131,144</u>
<i>Exploration expenditure commitments</i>		
Minimum exploration expenditure:		
not later than 1 year	177,120	373,740
Later than 1 year but not later than 5 years	708,480	1,494,960
	<u>885,600</u>	<u>1,868,700</u>

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

7. Events after the balance date

Subsequent to the balance date Nexus announced the signing of a binding term sheet to acquire the Wallbrook Gold project from Saracen Mineral Holdings ("Saracen") for a consideration of 1.49 million Nexus shares.

In addition, Saracen will subscribe for 3.8 million Nexus shares at 8.4 cents per share plus a 1 for 2 attaching option raising \$320,000. The unlisted options will have an exercise price of 16.8 cents per option and will expire 2 years from date of issue. The funds raised will be used for exploration of the Wallbrook tenements and working capital. Following the transaction Saracen will hold an approximate 6% stake in Nexus.

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

8. Related parties

Other than the options issued to Directors in option series no.9 as disclosed in note 5, transactions with directors and director-related entities continue to be in place. For details on these arrangements, please refer to the 30 June 2017 annual financial report. No other related party transactions were entered into during the half year ended 31 December 2017.

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

NEXUS MINERALS LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

P Boyatzis
Non-executive Chairman

Perth, 15 March 2018

Independent Auditor's Review Report to the members of Nexus Minerals Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Nexus Minerals Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, other explanatory notes 1 to 8, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Nexus Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Nexia Perth Audit Services Pty Ltd



PTC Kloppe
Director

Perth
15 March 2018