



NEXUS MINERALS LIMITED

ABN: 96 122 074 006

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

NEXUS MINERALS LIMITED

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NEXUS MINERALS LIMITED

CORPORATE INFORMATION

Directors

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

Auditors

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

Company secretary

Phillip MacLeod

Solicitors

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011
Australia

Registered office

108 Forrest Street
Cottesloe WA 6011
Australia

Share register

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Australia

Principal place of business

41-47 Colin Street
West Perth WA 6005
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Website: www.nexusminerals.com

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 2018. 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 ("Nexus", "the Company") 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 Wallbrook Gold Project, in the Eastern Goldfields of Western Australia, was the focus of exploration activity during the period with the Company undertaking multiple field campaigns including geological mapping, high resolution ground magnetometer survey, gravity survey and gradient array induced polarization survey (GAIP). This work followed the successful RC drill program completed earlier in 2018. The results from this work has now been assessed culminating in the planning of a 6000m RC drill program across two prospects – Paint and Crusader.

The Company also completed a tenement transaction acquiring Newmont Exploration's regional Wallbrook package. This, in combination with Nexus' existing Wallbrook exploration tenements, resulted in a 250km² contiguous tenement package - 100% owned by 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 Minerals 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 2018. This joint venture is consistent with the Company's 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 2018 of \$278,390 (2017: \$1,115,900).

Company Projects

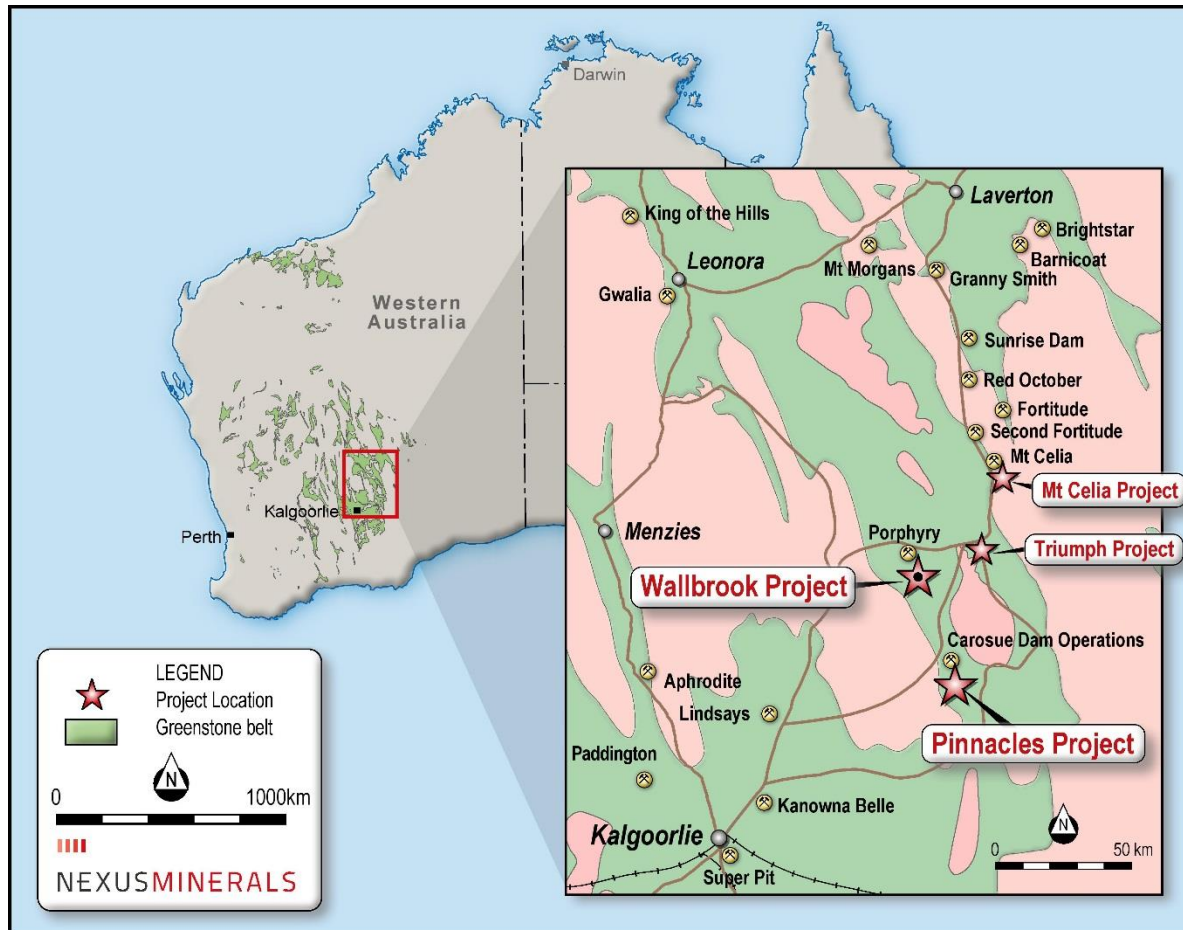


Figure 1. Project locations, Western Australia.

Wallbrook Gold Project

Regional Geology

The Wallbrook Project occurs within the Norseman - Wiluna Archaean Greenstone belt in the Eastern Goldfields province of the Yilgarn Craton. The Project is located within the Eudjina Region in the Laverton Tectonic Zone, centrally between Kalgoorlie and Laverton, and 35km north of Saracen Mineral Holdings Carosue Dam Operation.

The granite-greenstone belt is approximately 600 kilometres in length and is characterised by thick, possibly rift-controlled accumulations of ultramafic, mafic, felsic volcanic, intrusives and sedimentary rocks. Greenstone successions of the southern Eastern Goldfields have been segregated into elongate structural terranes bounded by regional NNW-trending faults (Swager, 1995). These terranes include the Kalgoorlie Terrane, Gindalbie Terrane, Kurnalpi Terrane and the Eudjina Terrane. These terranes contain distinct similarities, including timing of the deposition of volcano-sedimentary sequences (2720-2675 Ma) and regional deformation and plutonism (2675-2620 Ma). The terranes differ only in lithostratigraphic development and early tectonic history (Swager, 1995).

REVIEW OF OPERATIONS (CONT'D)

Wallbrook Gold Project

Local Geology and Mineralisation

The Wallbrook Project area is located between two major converging tectonic features, the Laverton and Keith-Kilkenny tectonic zones. The Laverton Tectonic Zone (LTZ) forms the central portion of the Laverton Greenstone Belt, running north-south in the eastern parts of the Wallbrook Project. The LTZ is recognised as a world class gold province, with a mineral endowment (production + resources) of over 20 Moz of gold. Major deposits include Sunrise Dam (8.0 Moz), Wallaby (8.0 Moz) and Granny Smith (3.6 Moz). The Keith-Kilkenny Tectonic Zone (KKTZ) has a northwest-southeast orientation and is an important vector to mineralisation in the region between Leonora and Leinster. The southern extension of the KKTZ intersects the Carosue Dam Operation (2.18 Moz).

The lithologies at Wallbrook are dominated by intermediate (andesitic) volcanics, intrusive felsic porphyries and granite (Figures 1 and 2). The dominant feature in the project area is the Wallbrook Monzonite. North of the monzonite are relatively smaller granitic intrusions and related narrow felsic porphyry dykes/sills which run predominantly parallel to the regional trend.

The project area covers the convergence of two major trends wrapping around the northern end of the tear-shaped Wallbrook Monzonite. There are several phases of alteration observed, including:

- chlorite + magnetite (associated with regional deformation);
- hematite + silica + sulphides (+ associated felsic intrusives); and
- sericite + silica + carbonate + pyrite + gold (late tectonic + mineralising event).

As with many of the gold deposits within the Eastern Goldfields, gold mineralisation occurred relatively late in the deformational history of the area. Within the felsic lithologies there is a relationship between the hematite/silica alteration and gold mineralisation. Arnold (1999) suggests gold mineralisation is related to hematite bearing oxidized alteration assemblages, with deposition occurring where gold bearing fluids have come into contact with earlier magnetite-hematite assemblages.

Nexus has now completed geological mapping of the Paint and Crusader prospects exploring for host rock alteration where surface outcrop is evident. Surface geochemistry datasets have assisted in providing vectoring for high level gold anomalism. Multiple ground geophysical surveys over the Paint and Crusader prospects have been completed. The gravity and high-resolution ground magnetic surveys have proven to be an effective tool to map the location of non-outcropping intrusives and dyke stocks, above larger intrusive bodies. An Induced Polarization (IP) / Resistivity survey over the Paint prospect has also returned encouraging results. IP resistivity highs being associated with possible intrusive bodies or siliceous alteration and chargeability highs with disseminated sulphides often associated with mineralisation.

This work has resulted in the identification of high priority drill targets and an RC drill program commenced in late February 2019.

The Templar prospect, recently acquired from Newmont Exploration, will be subject to ground exploration activities in the March 2019 quarter. Historical data review and database integration of the complete 250km² tenement package has commenced and will be ongoing in 2019.

REVIEW OF OPERATIONS (CONT'D)

Wallbrook Gold Project

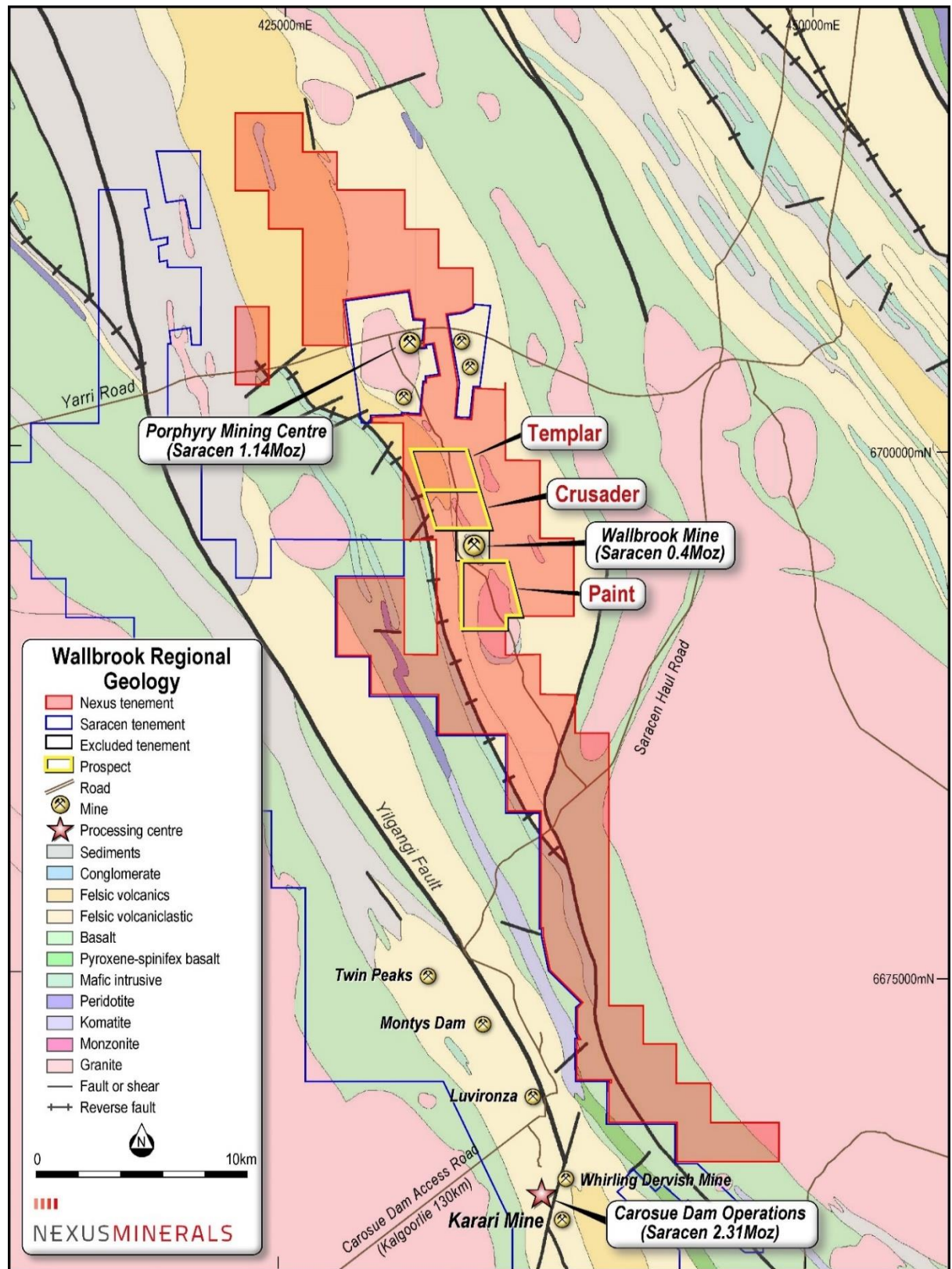


Figure 2: Wallbrook Regional Geology – Eastern Goldfields, Western Australia

REVIEW OF OPERATIONS (CONT'D)

Paint Prospect

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

The Paint prospect is considered to be prospective for “Karari style” mineralisation and shows numerous similarities to the Karari deposit (see Saracen Mineral Holdings website).

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

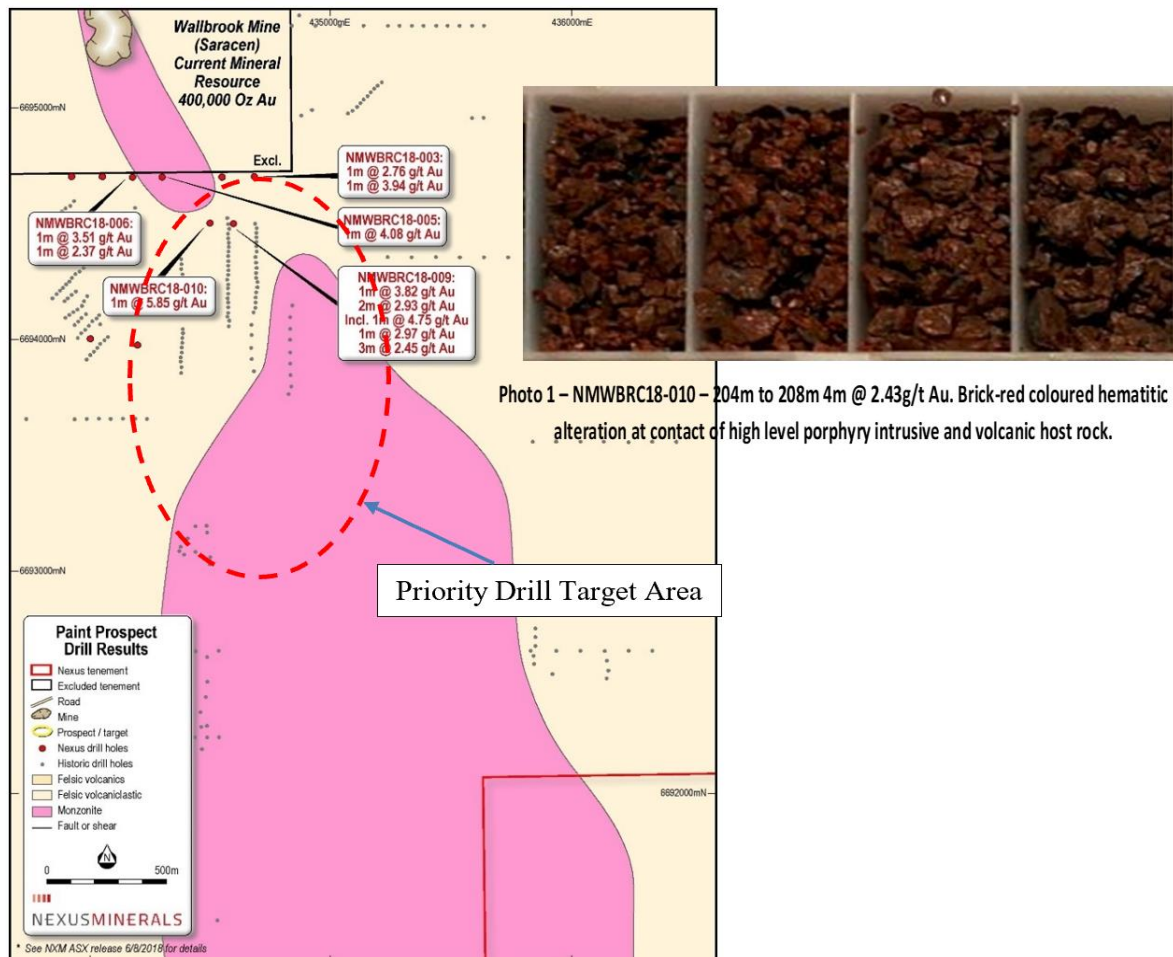


Figure 3: Paint prospect geology and drill results

REVIEW OF OPERATIONS (CONT'D)

Paint Prospect (cont'd)

GAIP Survey

A gradient array IP/Resistivity survey (GAIP) was chosen to rapidly map the variation of electrical resistance and chargeability across the Paint prospect target area. Both of these geophysical parameters are commonly applied to hydrothermal gold systems and can map changes in the host rock associated with bulk changes in gangue mineralogy occurring proximal to gold mineralisation.

Chargeability predominantly maps disseminated sulphide concentrations while resistivity is most strongly influenced by silicification. Pyrite and silica are known to be closely associated with gold during the chemically reduced sodic alteration event throughout the Yilgarn. The GAIP technique is quite sensitive and will consistently map what seems to be quite weak alteration in hand specimen observation and as a result is a very good method for mapping alteration and as a complementary data set to magnetics and gravity for structural interpretation.

In Saracen's Karari gold mine (35kms to the south), there have been several phases of alteration which occur around the zones of gold mineralisation and are common throughout the Yilgarn. These same alteration phases have also been observed in Nexus's RC drilling at the Paint prospect during 2018. In order of paragenesis at Karari these are potassic, sodic, muscovite, hematite and chlorite. Silicification resulting in resistivity highs could occur at various times throughout this alteration history, however, pyrite alteration resulting in chargeability highs is most likely to have occurred during the gold depositing Sodic alteration phase. Intensity of sodic alteration overprinting potassic alteration is a key control on higher gold grades at Karari.

GAIP Results

Seventy-nine line/km of GAIP data covering approximately 8 km² was acquired from three transmitter arrays to cover the full extent of the Paint prospect target zone.

GAIP data sets have mapped alteration very well and highlighted structures not obvious in other data sets. Importantly, north-south and northeast-southwest features mapped by GAIP geophysics appear to indicate the presence of northeast-southwest oriented movement to create north-south en-echelon zones of extension and increased permeability. The actual structural setting is likely far more complex, but importantly, the geophysics indicates predominantly north-south orientations of the more intense alteration zones (Figure 4).

Resistivity data returned peak anomalous values in the order of 2000 Ohm.m. This is intense for GAIP resistivity data, with a value of >750 Ohm.m considered significantly anomalous in the Paint prospect data set (roughly double background value). A coincident chargeability anomaly with maximum values of 6 mV/V has successfully mapped the location of elevated sulphide content.

Strongly coincident chargeability and resistivity anomalies are shown in Figure 4.

REVIEW OF OPERATIONS (CONT'D)

Paint Prospect (cont'd)

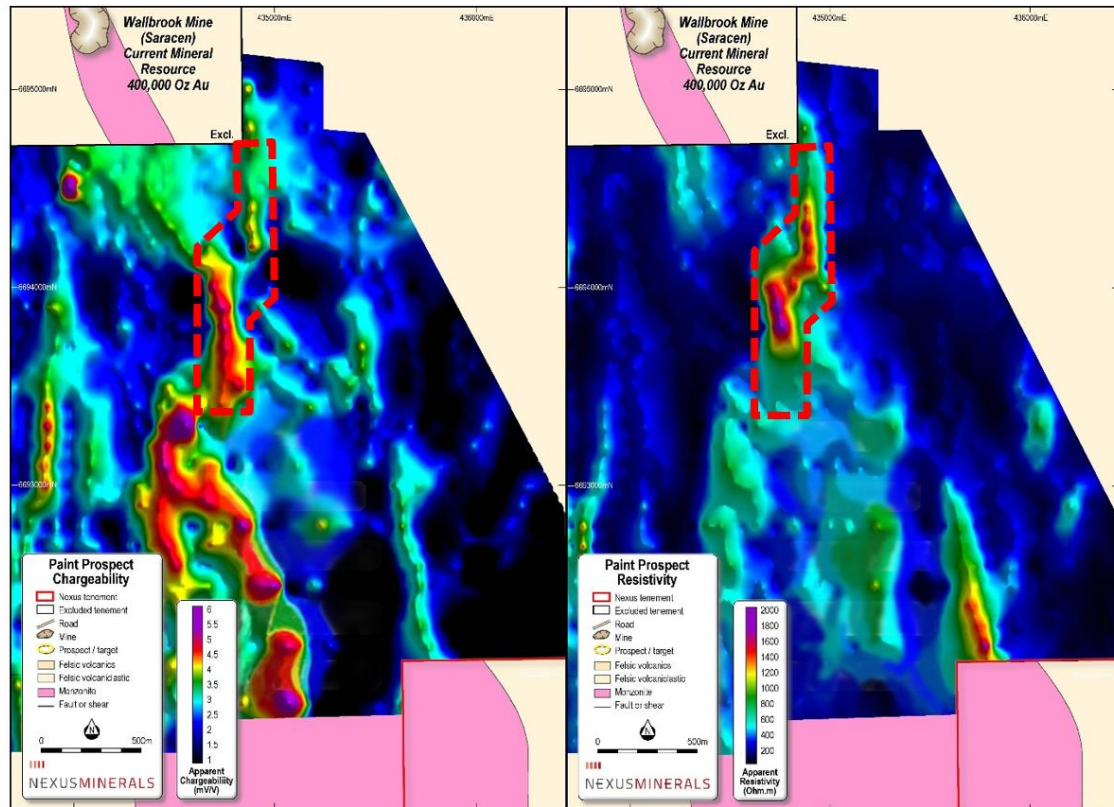


Figure 4: Paint Prospect GAIP Results – Chargeability on the left and Resistivity on the right

High Resolution Ground Magnetism Survey

Magnetic data is important in the search for Yilgarn gold mineralisation as it can map the presence of magnetite forming potassic alteration (magnetic high) and the reduced sodic overprint (magnetic low). This reduced sodic overprint is magnetite destructive and therefore identifiable as anomalously low magnetic zones within magnetic highs.

The Nexus ground magnetic survey was planned with the aim of acquiring data with tighter line spacing and lower sensor height than existing magnetic data, to provide additional detail in the mapping of structure and alteration over the prospect. A total of 313 line km of ground magnetic data was acquired on 25m spaced lines and sensor height of approximately 3m.

The data has provided a much more detailed view of alteration and structures than the existing airborne magnetic data.

High Resolution Ground Magnetism Results

The level of detail obtained in the survey is excellent (Figure 5), with numerous magnetic lows evident (magnetite destruction zones), in and around zones of magnetic highs (potassic alteration zones).

The ground magnetic data also highlights the structural complexity of the prospect, with a major northeast-southwest structural corridor a dominant feature.

REVIEW OF OPERATIONS (CONT'D)

Paint Prospect (cont'd)

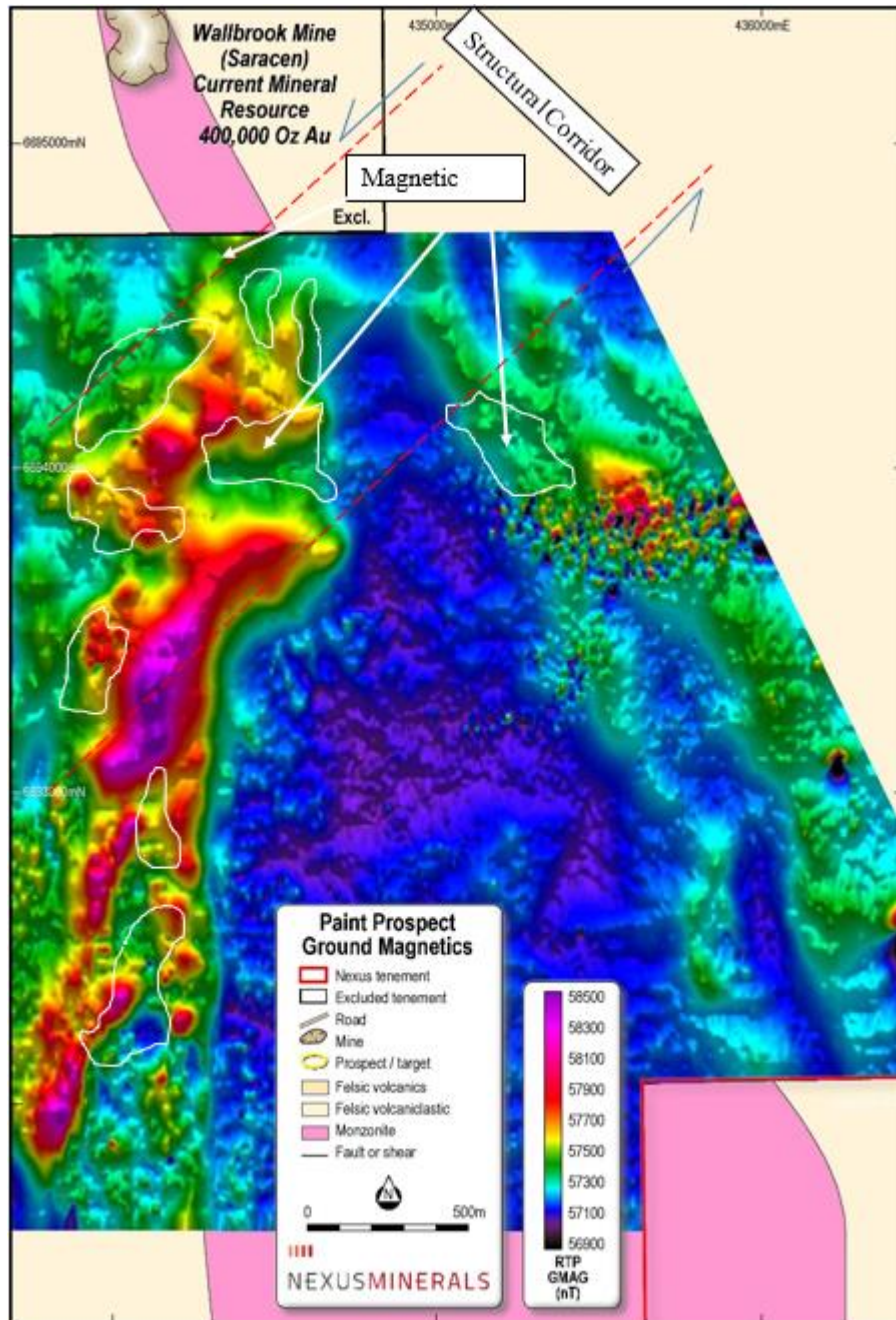


Figure 5: Paint Prospect - Ground Magnetic Results

REVIEW OF OPERATIONS (CONT'D)

Paint Prospect (cont'd)

Gravity Survey

Two gravity data sets are available covering the Paint prospect. A project scale (400m x 100m) survey was undertaken in early 2018 by Nexus that has delineated broad lithological units. A very detailed survey (50m x 25m) was undertaken by Saracen in 2015, covering the northern end of the Wallbrook Monzonite and a zone of intense porphyry dykes.

The detailed survey data set has been re-processed and highlights prospective linear structures which correlate well with features mapped in Nexus high resolution ground magnetic and GAIP data sets.

An anomalous zone, indicated by the red circle in Figure 6, may be caused by hydrothermal alteration and therefore potentially prospective for gold. Its proximity to resistivity and chargeability features, in addition to its location within, and on the margins of, the intrusive and volcanic contact, makes this a priority target area.

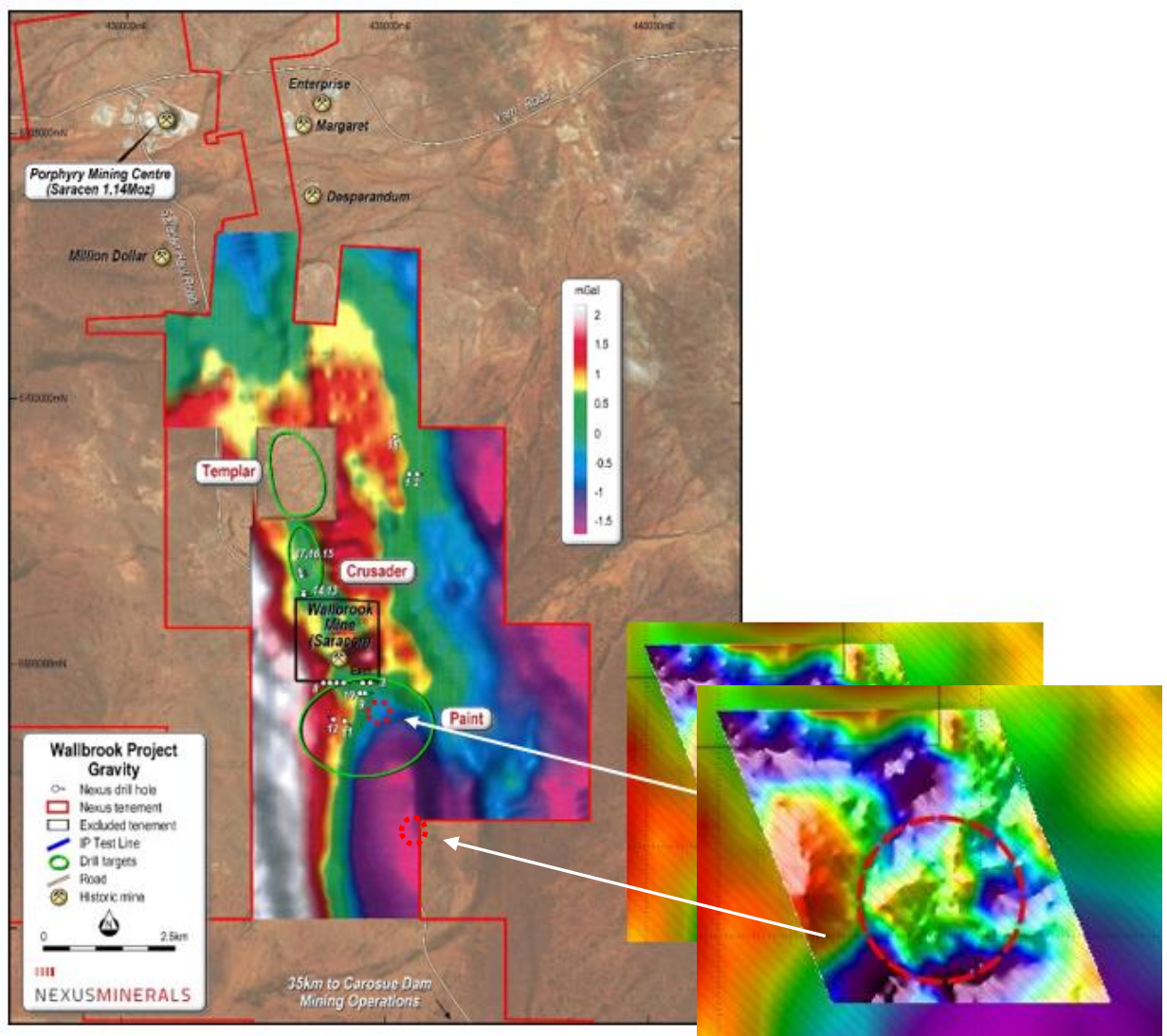


Figure 6: Paint Prospect – Gravity Results with anomalous area circled

REVIEW OF OPERATIONS (CONT'D)

Paint Prospect (cont'd)

Paint Prospect Drill Targeting

The most prospective exploration ground for hosting significant mineralisation should exhibit features including being located; on margins of large intrusive bodies, magnetic destruction zones, on resistivity/chargeability highs, in breaks or offset positions, in more permeable host rocks, in potassic alteration zones, in or proximal to zones of anomalous surface geochemistry and in ones of porphyry dykes off main intrusive body. On this basis, the area highlighted in Figure 7 meets these criteria and has been selected for drill testing.

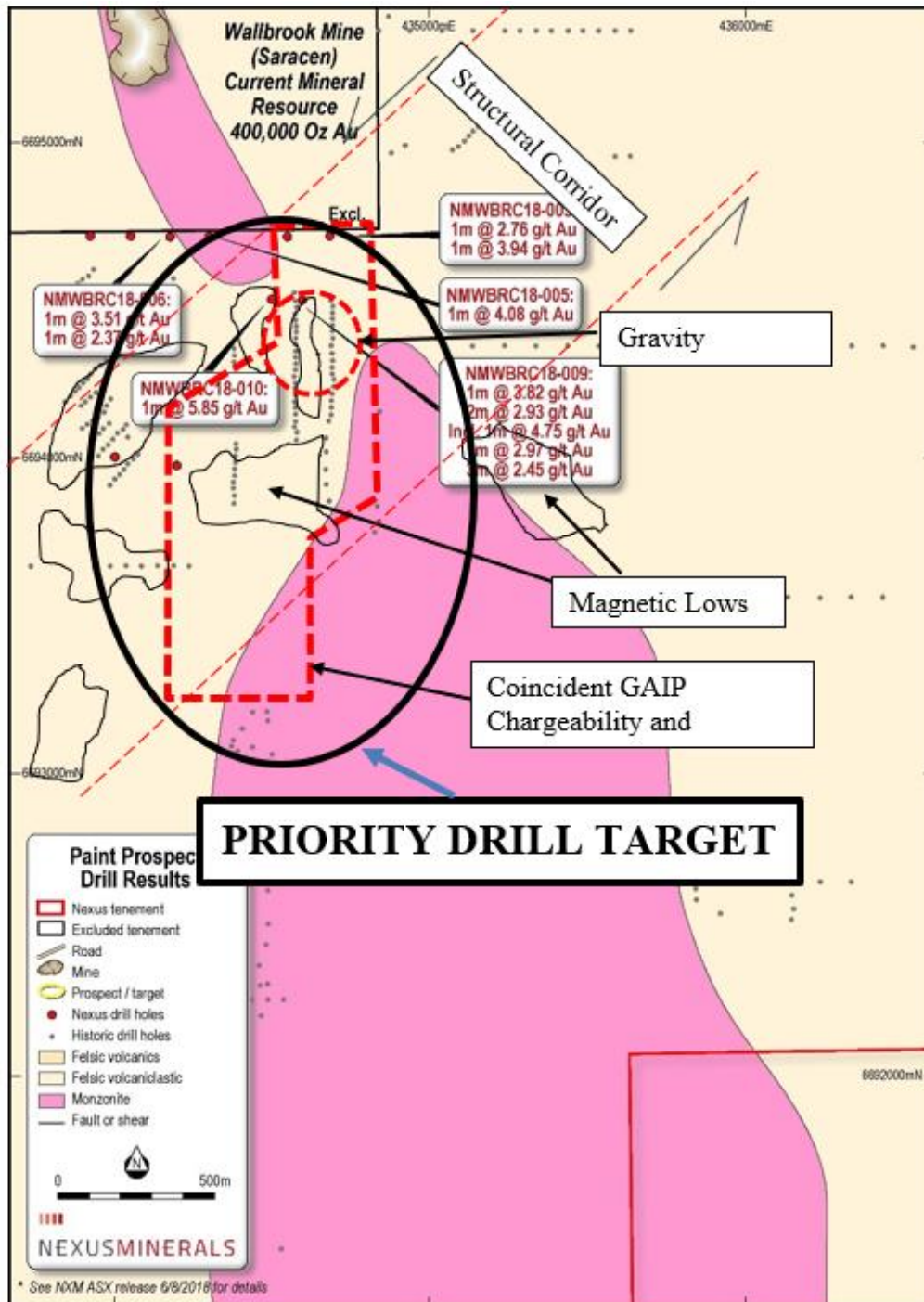


Figure 7: Paint Prospect - Geology with high priority drill target area highlighted

NEXUS MINERALS LIMITED

REVIEW OF OPERATIONS (CONT'D)

Crusader Prospect

The dominant feature in the prospect area is the northwest-southeast zone of mineralisation encountered in drilling by previous operators and confirmed in Nexus' 2018 initial RC drill program (see ASX releases 23/1/2018 and 6/8/2018). The Crusader prospect is considered to be prospective for steeply dipping sheeted mineralisation associated with sub-vertical vein sets, amenable to open pit mining.

Geological mapping has identified a corridor of pervasive and continuous hydrothermal alteration zones within sheared mafic (intermediate) and felsic volcanic units. Outcropping felsic porphyries in the area provide encouragement for mineralisation along this trend. Drilling also returned alteration at depth, with mineralisation associated with quartz veining +/-pyrite and varying amounts of sericite, hematite and chlorite alteration. Felsic porphyry units were also encountered in drill holes.

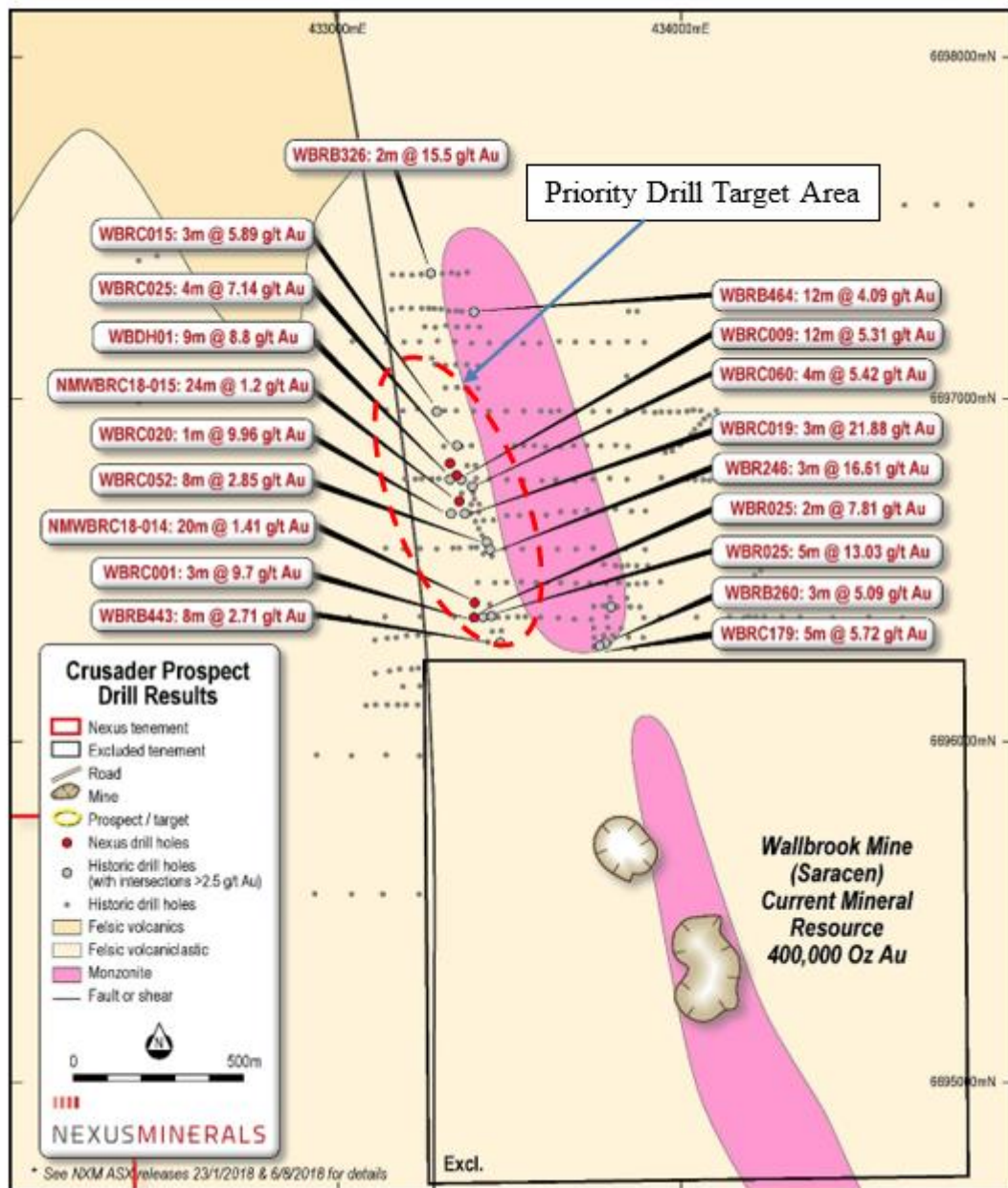


Figure 8: Crusader Prospect – Geology with selected drill results

REVIEW OF OPERATIONS (CONT'D)

Crusader Prospect (cont'd)

Gravity

The Crusader corridor lies directly above a gravity low, providing an indication of underlying felsic intrusives at depth. The key to exploration along this corridor will be to determine the zones of best developed felsic intrusives, or substantial volcanic domes (being more brittle host rocks), and their intersection with cross-cutting structures.

Gravity Results

The gravity results clearly show a circular feature at the centre of the zone of interest (Figure 9), possibly indicating a higher-level volcanic dome. A distinct northeast-southwest structural corridor also encloses this circular feature. Both are coincident with a magnetic high as seen in Figure 10.

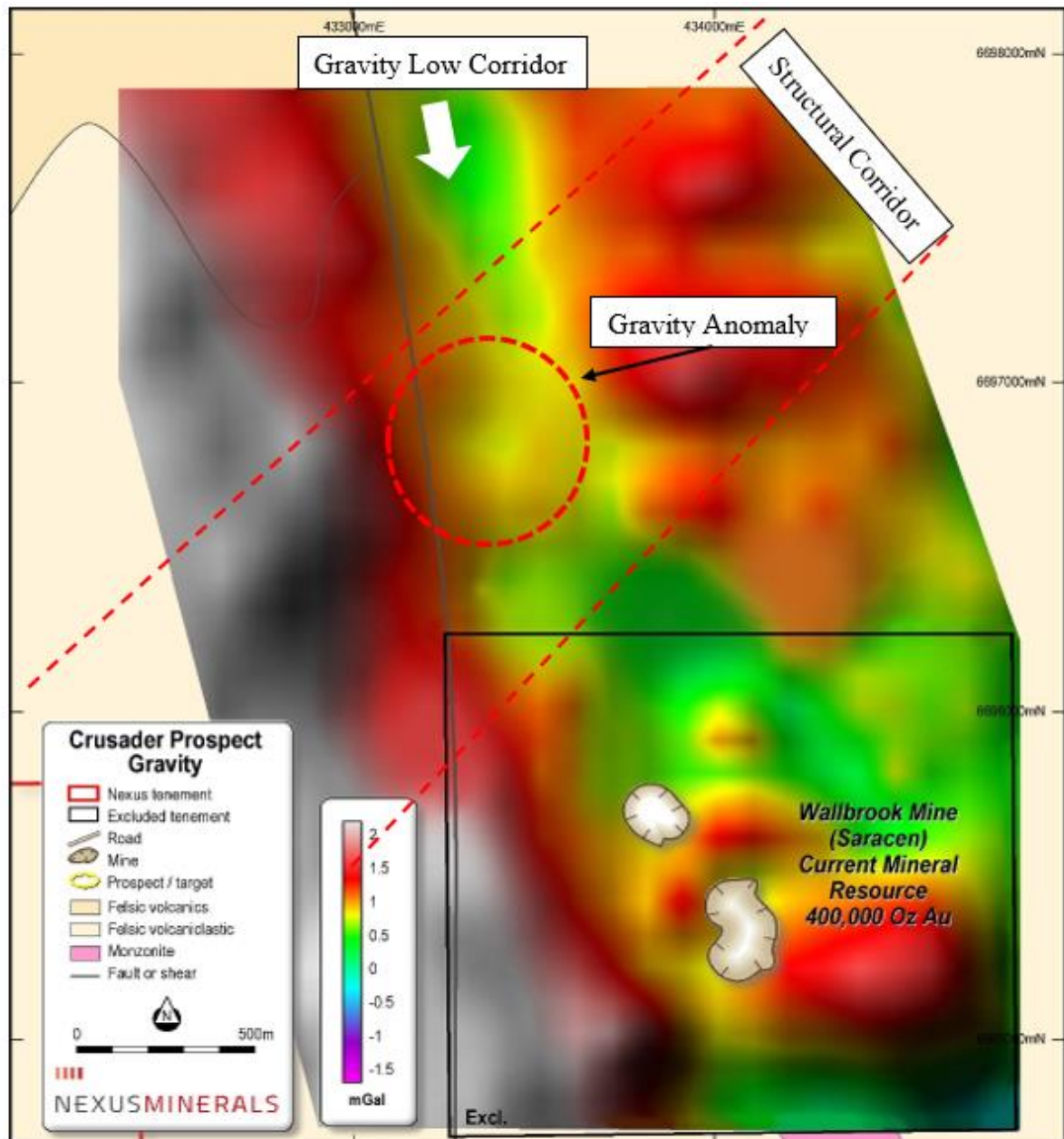


Figure 9: Crusader Prospect – Gravity Results

REVIEW OF OPERATIONS (CONT'D)

Crusader Prospect (cont'd)

High Resolution Ground Magnetism Results

The level of detail obtained in the 164 line/km survey was excellent (Figure 10), with a magnetic high directly correlating with the location of an interpreted felsic intrusive at depth. The magnetic high represents potential zones of potassic alteration and associated gold mineralisation.

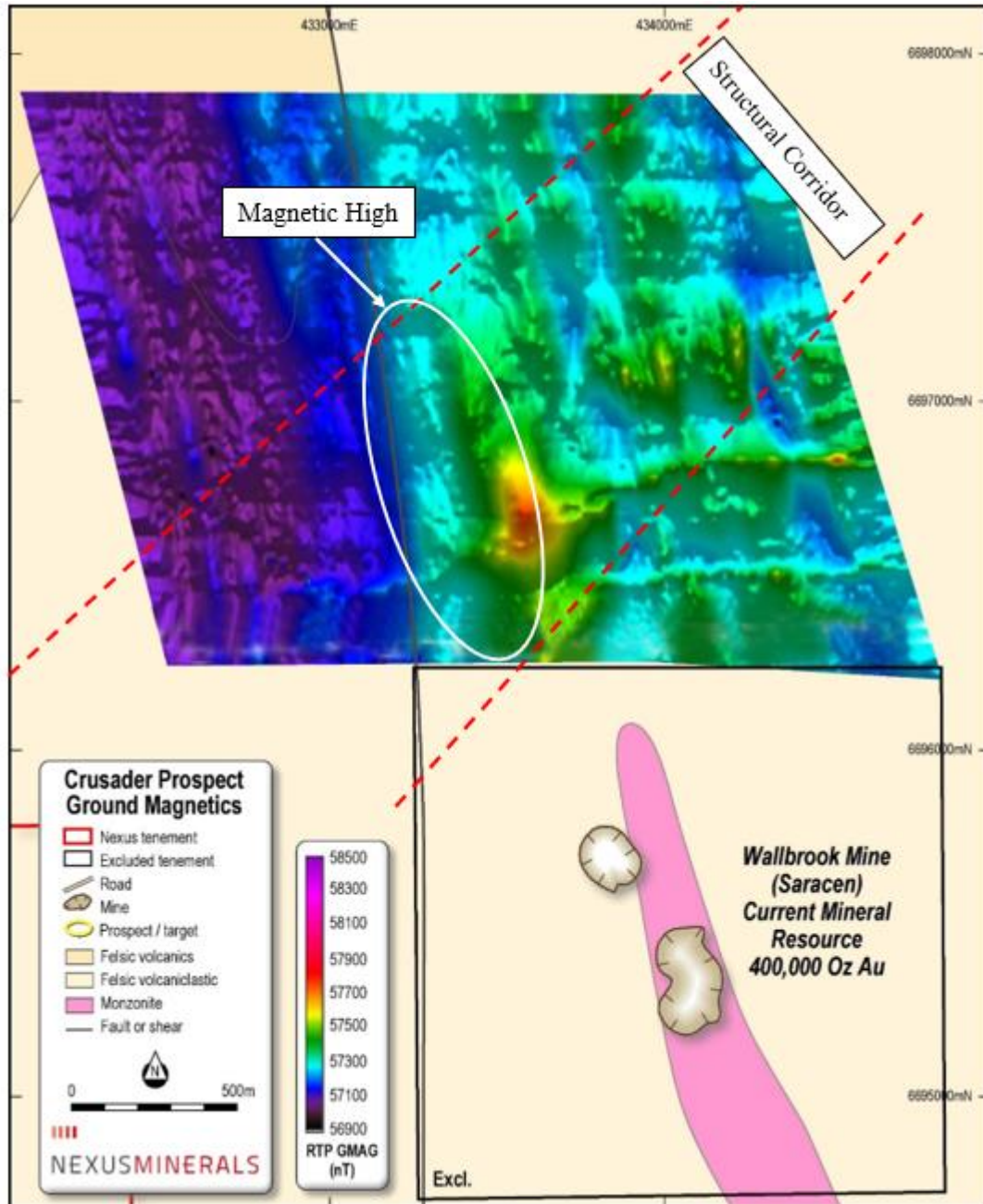


Figure 10: Crusader Prospect – Ground Magnetic Results

Drill Targeting

The prospect is considered highly prospective for hosting significant near surface mineralisation. In addition, all drill sections are open at depth and along strike to the north. Nexus' RC drill program will concentrate on mineralisation from surface to a vertical depth of around 100m. The area highlighted in Figure 11 has been selected for priority drill testing.

REVIEW OF OPERATIONS (CONTINUED)

Crusader Prospect (cont'd)

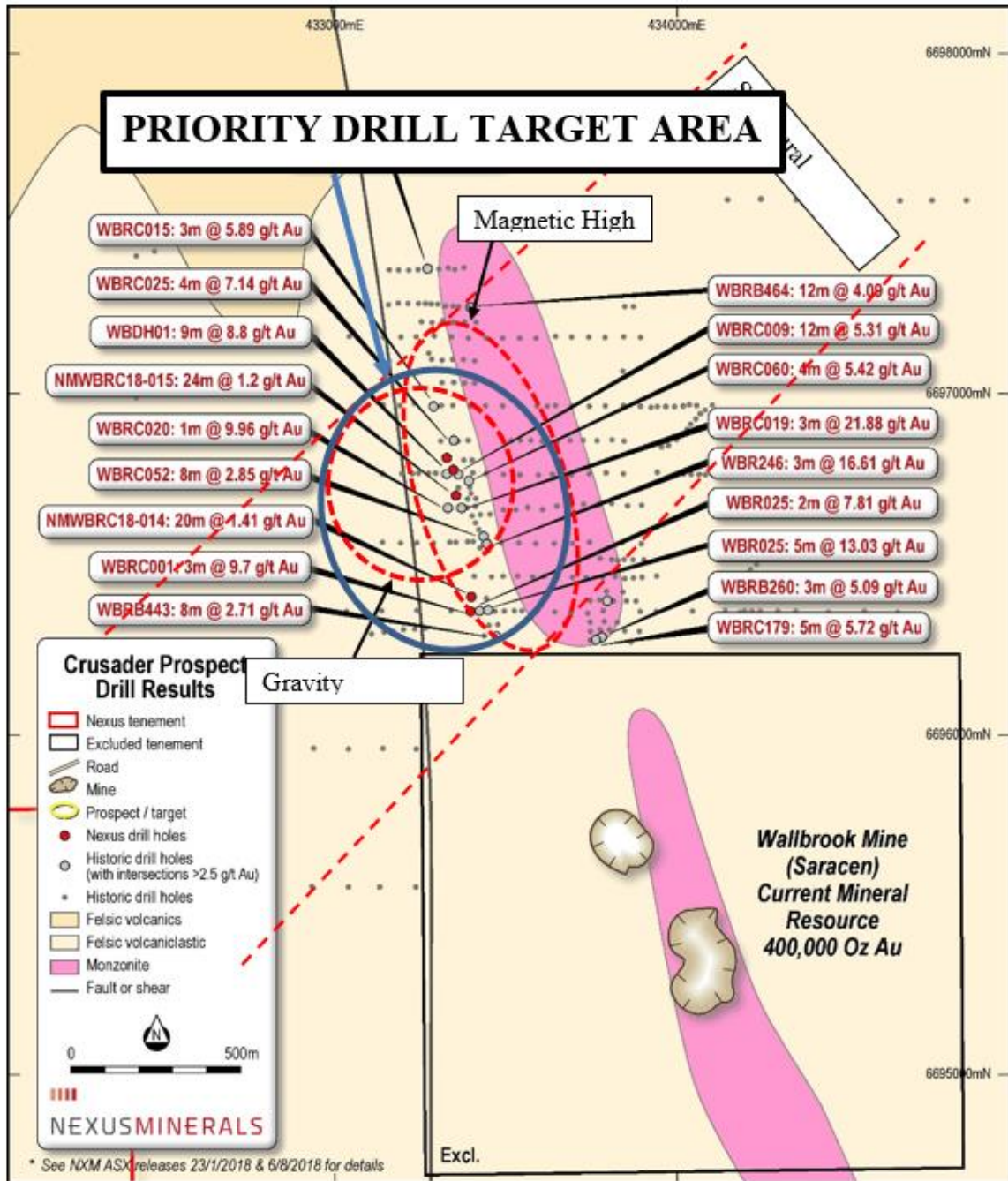


Figure 11: Crusader Prospect – Nexus RC Drill Target Area

NEXUS MINERALS LIMITED

REVIEW OF OPERATIONS (CONTINUED)

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 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, with RC drill programs over the most prospective areas identified. The GT7 prospect remains a prospect of interest and will be the focus for ongoing exploration activities.

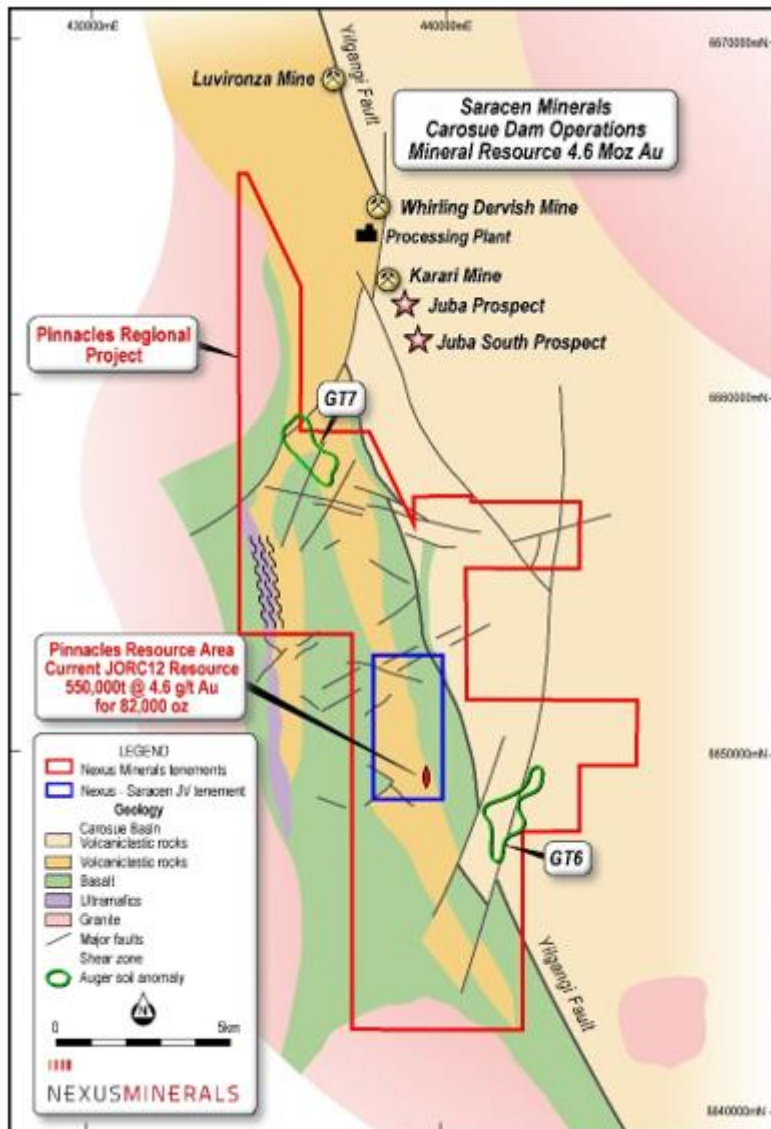


Figure 12: Pinnacles Regional Geology – Eastern Goldfields, Western Australia

NEXUS MINERALS LIMITED

REVIEW OF OPERATIONS (CONTINUED)

Triumph Project

An application was made during the period for an exploration tenement covering the regional trend of the historical Triumph Gold Project.

Mt Celia Project

No field work was undertaken during the period. Post a full geological review of the project tenements prospectivity, six of the seven tenements were relinquished.

Corporate

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

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 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'. 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 Mr Andy Tudor, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tudor is a full-time employee of Nexus Minerals Limited. Mr Tudor has sufficient experience 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 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

EVENTS AFTER THE BALANCE DATE

Subsequent to the balance date Nexus completed the placement of 22 million shares at an issue price of 5.7 cents per share. The Company also intends to raise up to a further \$750,000 through a Share Purchase Plan (SPP) offered to existing eligible shareholders.

Capital raised pursuant to the placement and SPP will be used to fund exploration, including a high impact RC drilling program on the Wallbrook gold project, and other working capital requirements.

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 20 of the directors' report for the half-year ended 31 December 2018.

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

On behalf of the Directors



A Tudor

Director

Perth, 14 March 2019

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 2018 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 Pty Ltd



PTC Klopper
Director

Perth
14 March 2019

NEXUS MINERALS LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	CONSOLIDATED	CONSOLIDATED
	Half-year ended	Half-year ended
	31 December 2018	31 December 2017
	\$	\$
Revenue from continuing operations	588,739	232,562
Exploration and evaluation expenditure expensed as incurred	(557,050)	(888,471)
Employee benefits	(5,436)	(5,047)
ASX and regulatory expenses	(25,225)	(38,018)
Depreciation	(5,183)	(4,054)
Directors' fees	(67,140)	(67,140)
Insurance	(14,839)	(7,496)
Legal and professional fees	(78,126)	(64,706)
Occupancy expenses	(46,852)	(40,754)
Marketing	(43,689)	(34,475)
Share-based compensation	5 -	(201,722)
Travel expenses	(5,452)	(3,891)
Other expenses	(46,645)	(45,863)
Loss from operating activities	(306,898)	(1,169,075)
Financial income	28,508	53,175
Net financing income	28,508	53,175
Loss before income tax benefit/(expense)	(278,390)	(1,115,900)
Income tax benefit/(expense)	-	-
Loss for the period	(278,390)	(1,115,900)
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Net change in fair value of financial assets	(75,000)	234,735
Other comprehensive (loss)/income for the period	(75,000)	234,735
Total comprehensive loss for the period	(353,390)	(881,165)
Loss per share		
Basic and diluted loss per share (cents per share)	(0.31) cents	(1.34) cents

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		CONSOLIDATED	CONSOLIDATED
		31 December 2018	30 June 2018
	Note	\$	\$
Current assets			
Cash and cash equivalents		3,178,377	3,914,154
Trade and other receivables		30,768	113,727
Other financial assets		56,820	56,305
Other assets		16,400	20,726
Total current assets		3,282,365	4,104,912
Non-current assets			
Financial assets		46,875	121,875
Exploration assets		125,160	125,160
Plant and equipment		24,009	21,692
Total non-current assets		196,044	268,727
Total assets		3,478,409	4,373,639
Current liabilities			
Trade and other payables		93,892	643,076
Provisions		34,217	26,873
Total current liabilities		128,109	669,949
Total liabilities		128,109	669,949
Net assets		3,350,300	3,703,690
Equity			
Issued capital	3	19,868,951	19,868,951
Reserves	4	183,597	322,057
Accumulated losses		(16,702,248)	(16,487,318)
Total equity		3,350,300	3,703,690

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 2018

	CONSOLIDATED	CONSOLIDATED
	Half-year ended	Half-year ended
	31 December 2018	31 December 2017
	\$	\$
Cash flows from operating activities		
Cash receipts from customers	588,739	232,613
Interest received	35,200	52,818
Exploration expenditure	(812,426)	(890,035)
Payments to suppliers and employees	(539,790)	(357,947)
Net cash used in operating activities	(728,277)	(962,551)
Cash flows from investing activities		
Payments for purchases of plant and equipment	(7,500)	(11,989)
Net cash used in investing activities	(7,500)	(11,989)
Net decrease in cash and cash equivalents	(735,777)	(974,540)
Cash and cash equivalents at the beginning of the period	3,914,154	5,485,632
Cash and cash equivalents at the end of the period	3,178,377	4,511,092

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 2018

	Issued capital	Share based payment reserve	Fair value reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
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</i>					
Change in the fair value of 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
Balance at 1 July 2018	19,868,951	265,182	56,875	(16,487,318)	3,703,690
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	-	-	(278,390)	(278,390)
<i>Other comprehensive loss</i>					
Change in the fair value of financial assets	-	-	(75,000)	-	(75,000)
Total comprehensive loss for the period	-	-	(75,000)	(278,390)	(353,390)
Expiry of options	-	(63,460)	-	63,460	-
Balance at 31 December 2018	19,868,951	201,722	(18,125)	(16,702,248)	3,350,300

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, Nexus Mt. Celia Pty Ltd, Nexus Pinnacles Pty Ltd and Nexus Gold Pty Ltd, is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2018. 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

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

AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

This Standard amends AASB 15 *Revenue from Contracts* to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15.

AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and measurement of Share-based Payment Transactions*

This Standard amends **AASB 2** *Share-based payment* to address:

- a) the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- b) the classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

- c) the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

AASB 9 *Financial Instruments*

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

- a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.
- c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

- a) Identify the contract with a customer;
- b) Identify the separate performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the separate performance obligations under the contract; and
- e) Recognise revenue when (or as) the entity satisfies a performance obligation.

The application of the above standards and interpretations do not have a material impact to the Group's accounting policies in the current period or comparative years.

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

New Accounting Standards and Interpretations not yet mandatory or early adopted

The following Standards and Interpretations have been issued by the AASB but are not yet effective for the financial period ending 31 December 2018

AASB 16 Leases

AASB 16 replaces AASB 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and represents them in the statement of cash flows applying them in AASB 107 *Statement of Cash Flows*. AASB 16 substantially carries forward the lessor accounting requirements in AASB 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases.

Early application is permitted provided the entity also applies AASB 15 *Revenue from Contracts with Customers* at or before the same date. The Group is currently assessing the impact of this standard.

The Group 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 Group'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 2018.

Research & development tax concession

The Company lodged a claim for a refund under the R&D tax concession scheme for 2018 and received \$581,019 during the half-year.

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Segment Information

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

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

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Western Australia.

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

3. Issued capital

	31 December	30 June
	2018	2018
	\$	\$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	19,868,951	19,868,951
	Six months to	Year to
	31 December 2018	30 June 2018
	Number	Number
<i>Movements in fully paid shares on issue</i>		
At beginning of period	88,573,575	83,283,575
Shares issued for cash	-	3,800,000
Shares issued for tenement acquisition	-	1,490,000
Balance at end of period	83,573,575	88,573,575
	Six months to	Year to
	31 December 2018	30 June 2018
	Number	Number
<i>Movements in options on issue</i>		
At beginning of period	10,600,000	1,700,000
Options issued during the period	-	8,900,000
Options expired during the period	(1,700,000)	-
Balance at end of period	8,900,000	10,600,000

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Reserves

	Six months to 31 December 2018	Year to 30 June 2018
	\$	\$
<i>Movements in share-based payment reserve</i>		
Balance at beginning of period	265,182	63,460
Options expired during the period	(63,460)	-
Share-based payments	-	201,722
Balance at end of period	<u>201,722</u>	<u>265,182</u>
<i>Movements in fair value reserve</i>		
Balance at beginning of period	56,875	10,000
Increase/(decrease) in fair value recognised in reserve	(75,000)	46,875
Balance at end of period	<u>(18,125)</u>	<u>56,875</u>
Total reserves	<u>183,597</u>	<u>322,057</u>

5. Share-based payments

There were no share-based payment arrangements entered into during the period (2017: \$201,722).

No options were exercised during the period (31 December 2017: none). 1,700,000 options expired during the period (31 December 2017: none).

6. Contingencies and commitments

	31 December 2018	30 June 2018
	\$	\$
Commitments		
<i>Operating lease commitments</i>		
Office premises		
not later than 1 year	64,004	53,814
Later than 1 year but not later than 5 years	140,458	-
	<u>204,462</u>	<u>53,814</u>
<i>Exploration expenditure commitments</i>		
Minimum exploration expenditure:		
not later than 1 year	542,500	530,260
Later than 1 year but not later than 5 years	2,170,000	2,121,040
	<u>2,712,500</u>	<u>2,651,300</u>

Operating lease commitments include office rental based on a lease agreement dated 8 March 2019.

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

NEXUS MINERALS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. Events after the balance date

Subsequent to the balance date Nexus completed the placement of 22 million shares at an issue price of 5.7 cents per share. The Company also intends to raise up to a further \$750,000 through a Share Purchase Plan (SPP) offered to existing eligible shareholders.

Capital raised pursuant to the placement and SPP will be used to fund exploration, including a high impact RC drilling program on the Wallbrook gold project, and other working capital requirements.

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

Transactions with directors and director-related entities continue to be in place. For details on these arrangements, please refer to the 30 June 2018 annual financial report. No other related party transactions were entered into during the half year ended 31 December 2018.

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 2018 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

A handwritten signature in black ink, appearing to read 'A Tudor', written over a horizontal line.

A Tudor
Director
Perth, 14 March 2019

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 2018, 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 2018 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 2018 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
14 March 2019