NEXUS MINERALS LIMITED

ABN 96 122 074 006

NEXUSMINERALS

ANNUAL REPORT 2019

Corporate Directory

Directors

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

Company Secretary
Phillip MacLeod

Registered Office
108 Forrest Street
Cottesloe, Western Australia, 6011

Principal Office
41-47 Colin Street
West Perth, Western Australia, 6005
(08) 9387 1749
www.nexus-minerals.com

ABN
96 122 074 006

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

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

Share Registry
Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia, 6009
(08) 9389 8033

Securities Exchanges
ASX Limited
Home Branch: Perth
Code: NXM

Frankfurt Stock Exchange
Code: YAK

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"), with the continued advancement of its gold projects in the eastern goldfields of Western Australia.

In line with the Company's strategy of investing in scalable gold exploration projects, Nexus acquired 190km^2 of exploration ground from Newmont Exploration Pty Ltd ("Newmont"). The new tenement package abuts, and is encapsulated within, the Company's Wallbrook Gold Project ("Wallbrook") resulting in a contiguous package of 250km^2. The Wallbrook tenement package is considered highly prospective for the discovery of significant gold mineralisation.

Saracen continues to be supportive of the company's regional exploration strategy and holds an approximate 6% equity stake in Nexus.

Following campaigns of geological and alteration mapping, in conjunction with geochemistry, gravity / IP survey and high-resolution ground magnetic surveys, multiple RC drill programs were undertaken on the Paint and Crusader prospects. Crusader prospect returning significant gold results including:

- 27m @ 3.18g/t Au (from 61m)
  - Incl 4m @ 11.70g/t Au
- 35m @ 2.85g/t Au (from 25m to EOH)
  - Incl 15m @ 6.23g/t Au
- 29m @ 2.85g/t Au (from 30m)
  - Incl 8m @ 7.20g/t Au

Following the success of the drill programs, a JORC 2012 combined mineral resource estimate was completed. With the mineral resource covering only 600m strike length of the >5km strike of the interpreted mineralised corridor, substantial exploration upside remains.

The Company has continued to work with its JV partner Saracen on 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. Nexus has also continued to progress the 125km^2 Pinnacles Regional Gold Project, that encapsulates the Pinnacles JV tenement.

The Company continues to maintain a strong financial position and had $3.29 million in cash as at 30 June 2019.

Finally, I would like to thank 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 gold exploration assets. In line with the Company's strategy, Nexus acquired from successful ASX-listed gold producer Saracen Gold Mines Pty Ltd ("Saracen"), a subsidiary of Saracen Mineral Holdings Limited, the Wallbrook Gold Project ("Wallbrook") in January 2018. The 60km^2 Wallbrook tenement package is considered highly prospective for the discovery of significant gold mineralisation.

In October 2018 Nexus announced the signing of a Tenement Sale and Purchase Agreement with Newmont, with Nexus purchasing three tenements from Newmont covering some 190km^2 of prospective geological terrain. The tenements are located along strike immediately to the north, south and encompassed within the existing Wallbrook Gold Project tenements, already owned by Nexus. They complement Nexus' existing landholding for a total contiguous package of some 250km^2. Nexus acquired the tenements for a total consideration of $13,100 and a 2% net smelter royalty on all mineral product extracted and recovered from the tenements.

Within the Carosue Dam district over 5.0 million ounces of gold resources are hosted in a similar geological setting to that underlying the Nexus Wallbrook tenement holding.

Saracen continues to hold an approximate 6% equity stake in Nexus and is supportive of Nexus regional exploration endeavours.

Nexus had previously entered into a Farm-In and Joint Venture Agreement with Saracen over the Pinnacles JV Project ("Pinnacles JV") in September 2015. After three years of exploration activities on the JV tenement, Nexus now holds an 89% interest in the tenement. The Company also holds the Pinnacles Gold Project ("PGP"), with tenements that cover approximately 125km^2 and encapsulate the Pinnacles JV Project.

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

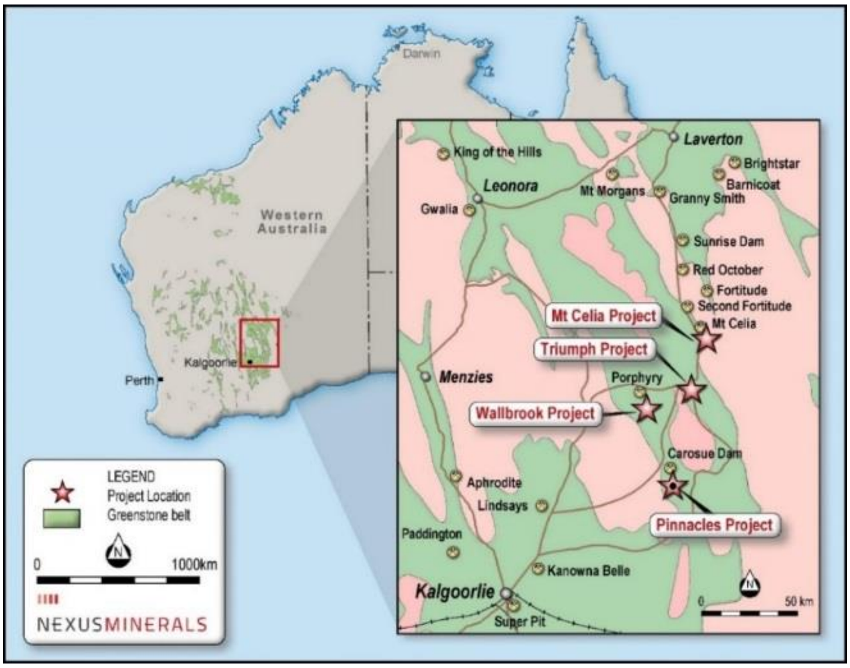

Figure 1: Nexus Minerals Project Locations

Review of Operations

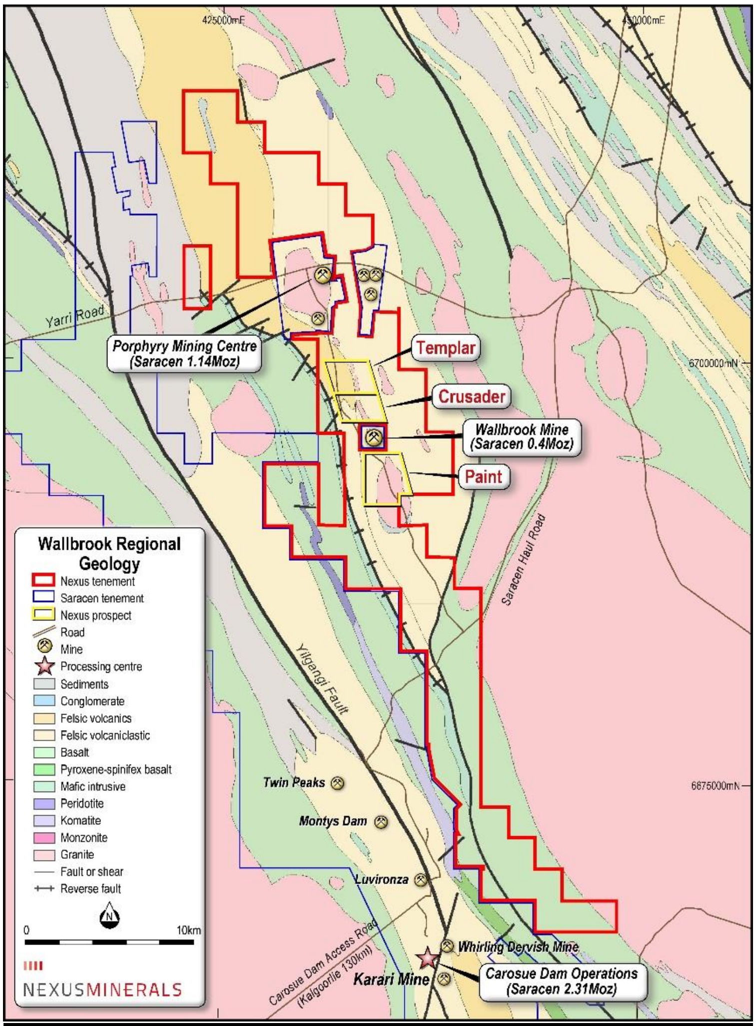

Figure 2: Nexus Minerals Wallbrook Project and Prospect Locations

<u>Wallbrook Gold Project</u>

Regional Geology

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 Saracen's Carosue Dam Operation (2.18 Moz).

The lithologies at Wallbrook are dominated by intermediate (andesitic) volcanics, intrusive felsic porphyries and granite (Figure 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.

Review of Operations

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 Exploration Activities

Exploration activities have centred on the Crusader, Paint and Templar prospects (see Figure 2).

Historical data review was completed with various data sets being assembled. These data sets were brought into a central database system for more efficient management and interpretation. 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. Exploration activities were developed to target these styles of mineralisation.

Geological mapping of the tenement package was undertaken throughout the year and is ongoing. Mapping searching for host rock alteration where surface outcrop is evident. Surface geochemistry data was also assessed and areas of limited or no coverage sampled in the search for high level gold anomalism.

Multiple high-resolution ground magnetics and gravity surveys were undertaken and have proven to be an effective tool to map the location of non-outcropping porphyritic intrusives and dyke stocks, above larger intrusive bodies. An IP / Resistivity survey over the Paint prospect was also employed as an effective exploration tool, with IP resistivity highs associated with possible intrusive bodies or siliceous alteration and chargeability highs with disseminated sulphides often associated with mineralisation.

The work completed above, culminated in RC drilling of two highly prospective targets – Crusader prospect and Paint prospect.

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.

Geological mapping 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.

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. A distinct northeast-southwest structural corridor is evident (Figure 3).

Review of Operations

Geological exposure is limited across the Crusader prospect due to transported sheetwash cover, so detailed ground magnetic data has been acquired to assist with mapping lithological continuity and identify structural discontinuities. Magnetic readings were taken using a highly sensitive fast-sampling magnetometer with continuous station recording along survey lines orientated east-west and spaced 25m apart. The quality of the ground magnetic data is excellent and is proving to be an important aid in understanding the setting of mineralisation and assisting with ongoing drill targeting. The more intense magnetic character (seen highlighted in red on Figure 4 below) is considered to be, at least in part, due to hydrothermal alteration of the host rocks.

The combination of mapped geology and surface geochemistry results, with the interpretation of 3D modelling of the gravity and ground magnetics results, has allowed for drill targets to be generated.

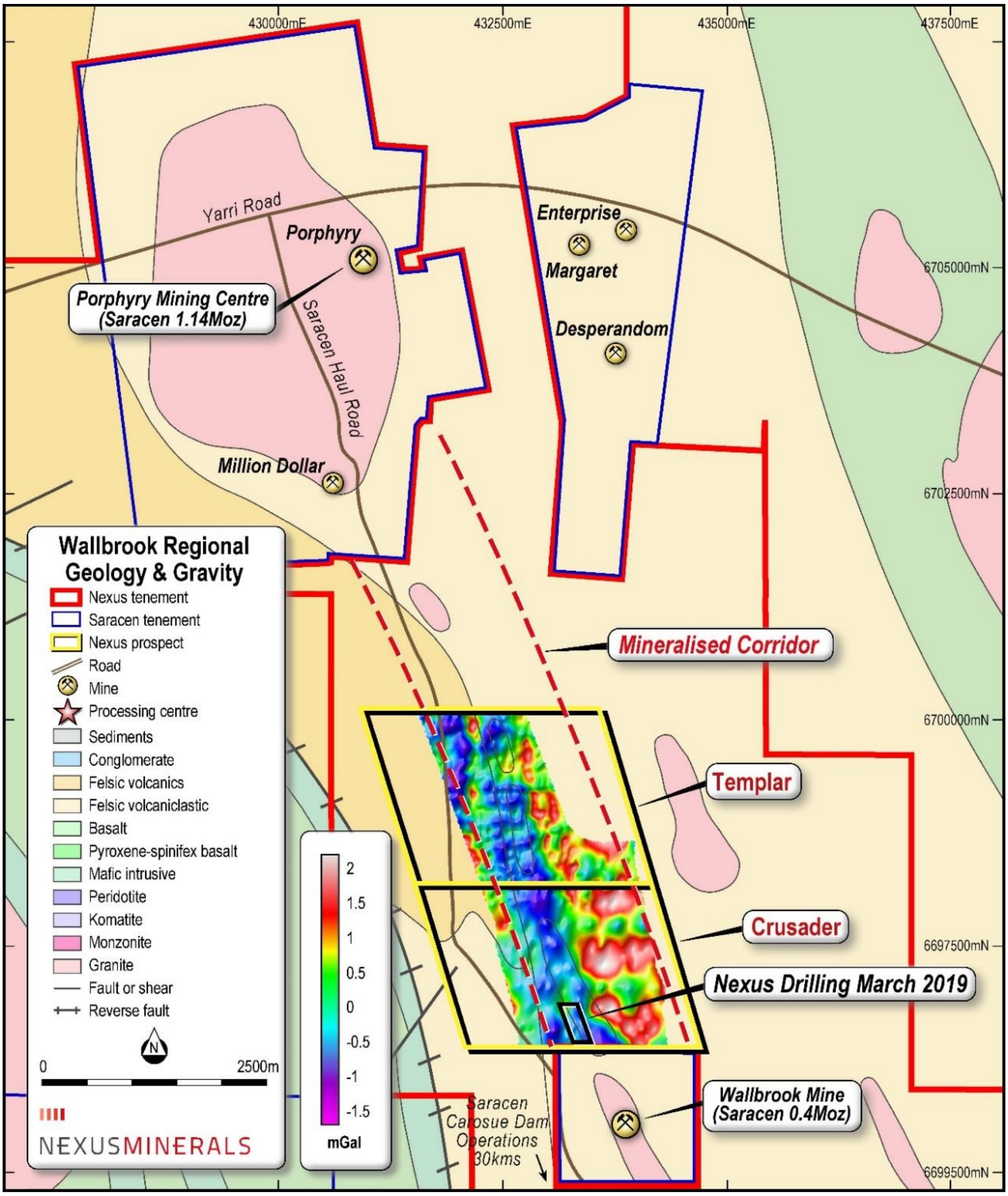

Figure 3 Crusader Prospect – Gravity Results

Review of Operations

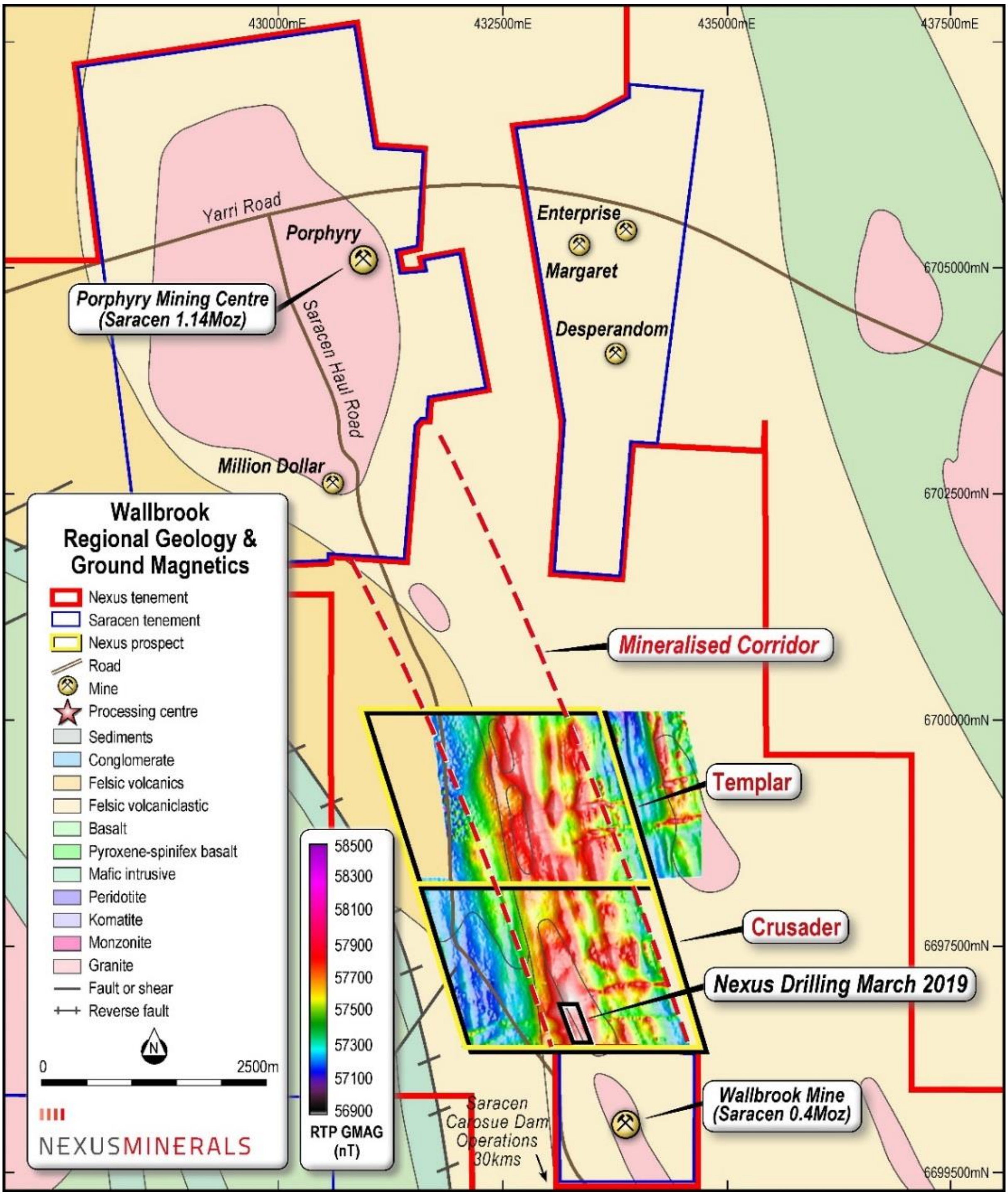

Figure 4 Crusader Prospect – Ground Magnetic Results

Review of Operations

Crusader Prospect Drill Targeting

The Nexus' RC drill program of 40 holes for 4,626m, concentrated on mineralisation from surface to a vertical depth of around 100m. The positive results from the drilling campaign allowing Nexus to complete a maiden JORC 2012 mineral resource estimate of 2.17Mt @ 1.22g/t Au for 85,000 ounces contained gold (see Nexus Minerals ASX release 8 July 2019). The estimate is based on results received from Nexus RC drill programs (4,626m) plus RC drilling (4,951m) and diamond drilling (159m) from previous companies.

The mineral resource estimate confirms the presence of significant mineralisation along the initial 600m strike length tested. The Nexus' drilling to date has only tested 600m of the >5km strike extent of the mineralised corridor identified to date and only down to 100m depth.

	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)	Cut Off Grade g/tAu
Crusader Open Pit	1,222,000	1.18	46,000	908,000	1.19	35,000	2,130,000	1.18	81,000	0.5
Crusader UG	-	-	-	37,000	3.38	4,000	37,000	3.38	4,000	2
Crusader Total	-	-	-	-	-	-	2,167,000	1.22	85,000	

Review of Operations

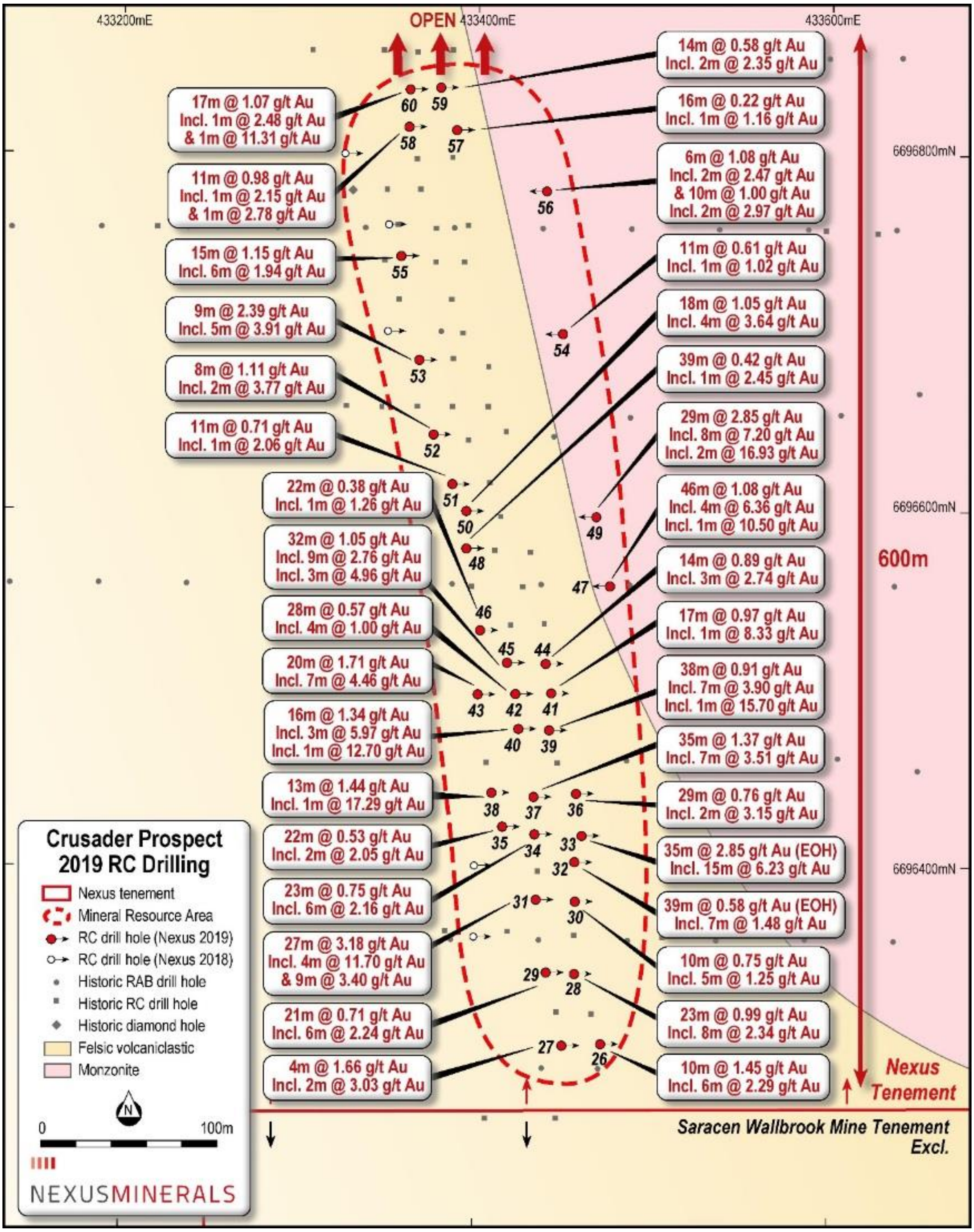

Figure 5 Crusader Prospect – Mineral resource estimate area

Review of Operations

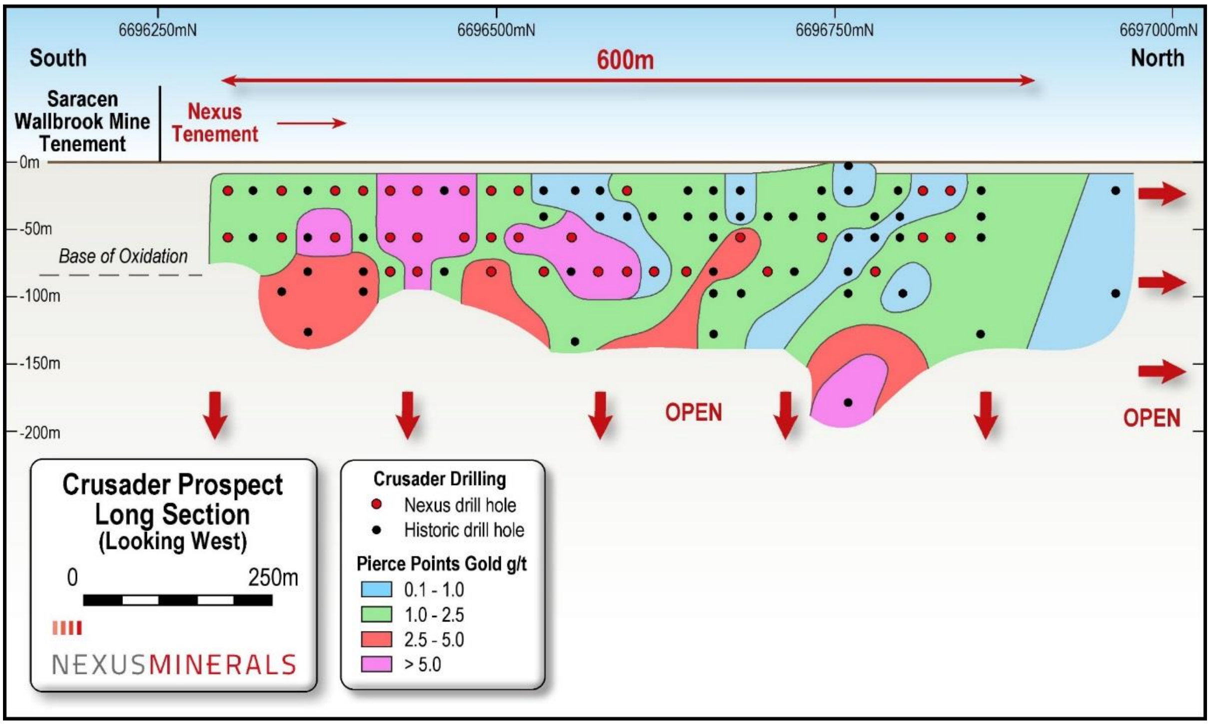

Figure 6 Crusader Prospect – Mineral resource estimate long section

Notes to accompany Mineral Resource Statement

The Crusader resource model has been prepared after the completion of a 40 hole (4,626m) reverse circulation drilling program by Nexus. The resource model also includes 45 reverse circulation holes (4,951m) and 1 diamond drill hole (159m) drilled by previous operators.

The Nexus mineralisation interpretation is based on a combination of geological and grade features. Bulk density is applied on the basis of Oxide / Transition / Fresh.

Grade modelling is based on ordinary kriging of top-cut drillhole sample gold grades into 2mE by 10mN by 6mRL blocks that apply sub-cells down to 2mE by 2mN by 2mRL to represent the interpreted boundaries of the mineralisation.

Based on the quality of the supporting data, the confidence in the deposit interpretation and geological continuity and the demonstrated grade continuity, combined with the current drillhole sample spacing, the deposit model has been divided into Indicated and Inferred category Mineral Resources.

A gold cut-off grade of 0.5g/t has been applied for reporting of the potential open pit portion of the resource (which has been constrained using a benchmark analysis) while a cut-off grade of 2.0g/t has been used to report that portion which presents an underground mining opportunity.

The updated Mineral Resource estimate has been compiled, reported and classified in accordance with the guidelines provided in the 2012 edition of the JORC Code.

Tonnages, grades and contained metal have been rounded to reflect the accuracy of the calculations. Rounding errors will occur.

Review of Operations

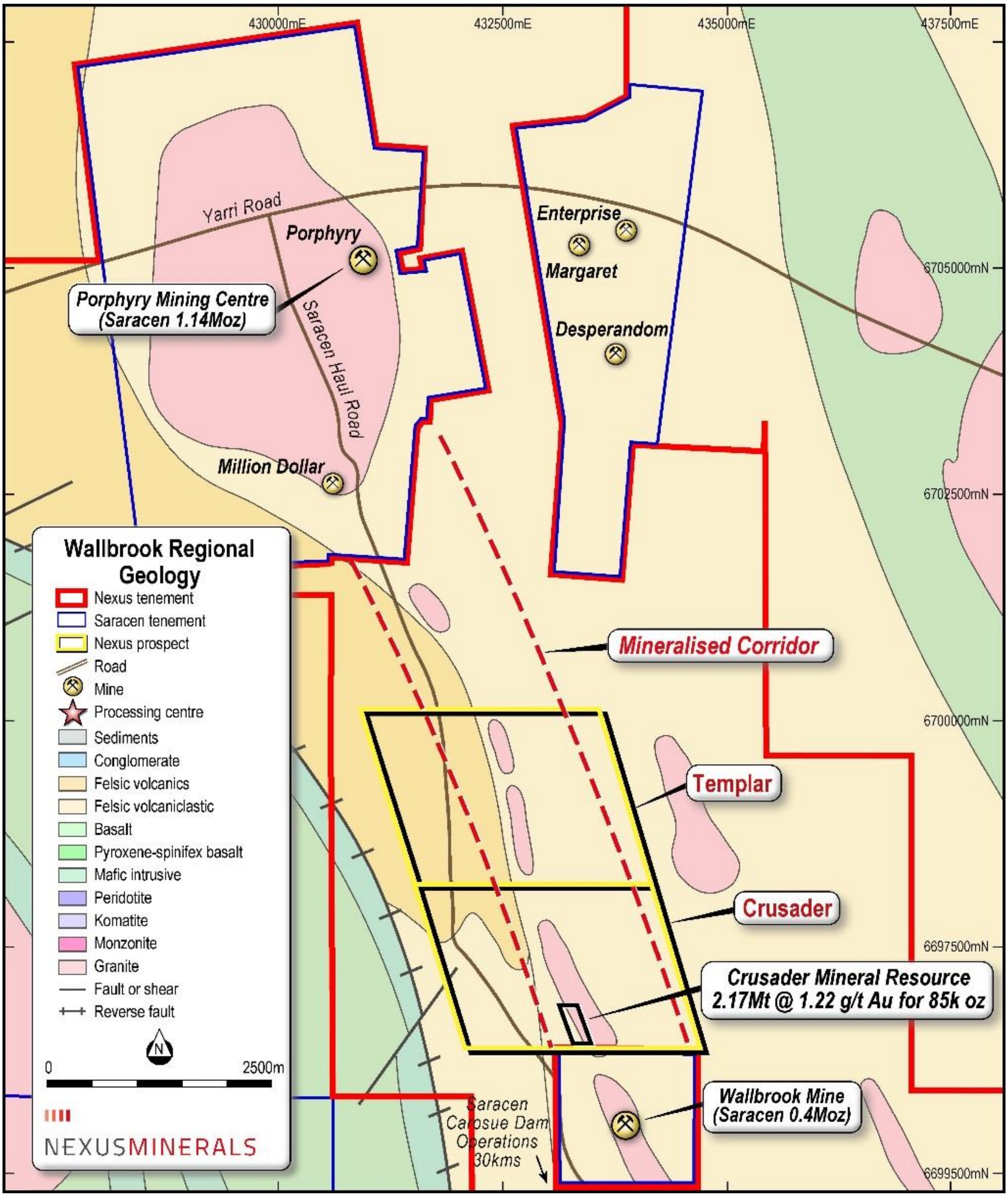

Figure 7 Crusader Prospect and Mineralised Corridor

Review of Operations

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 volcaniclastic 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). Mineralisation occurring in a complex contact zone between monzonitic intrusive and intermediate volcanoclastic sediments and volcanics.

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 (35km’s 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 km^2 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.

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.

Review of Operations

Strongly coincident chargeability and resistivity anomalies are shown in figures below.

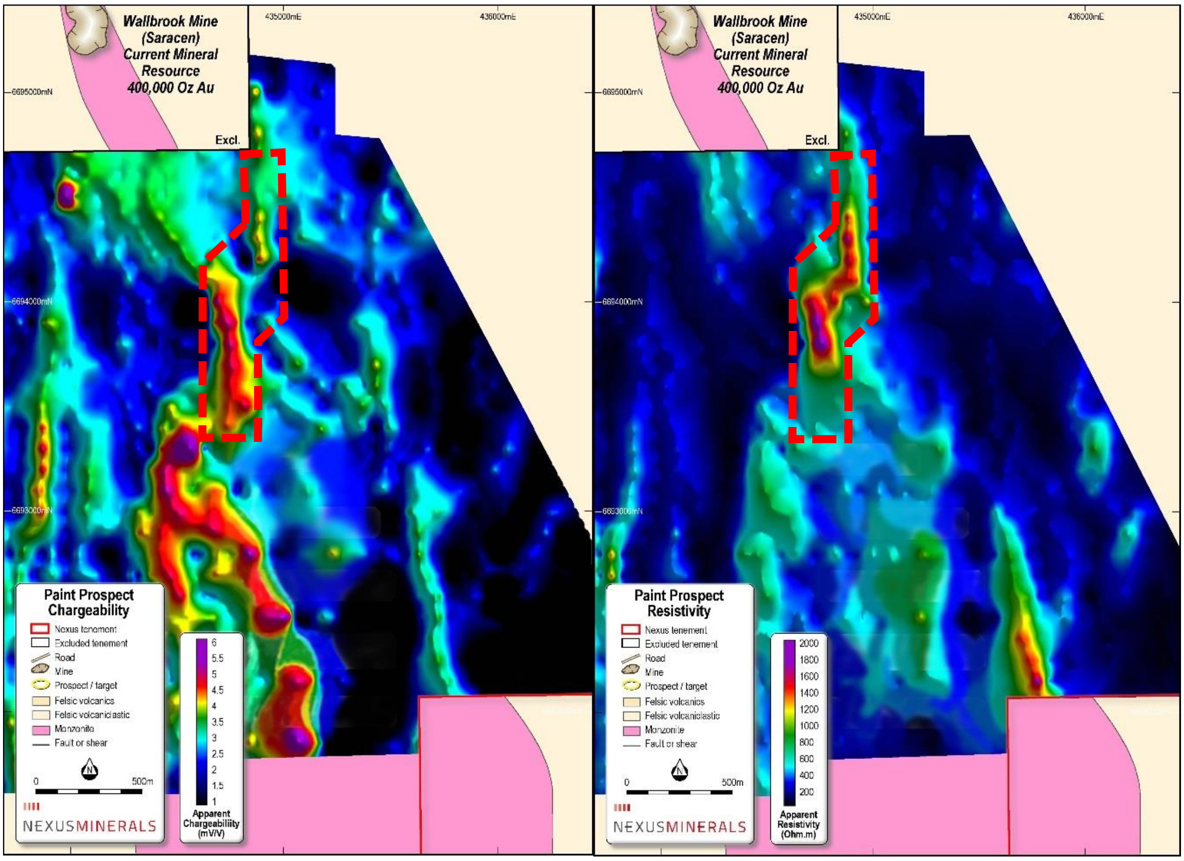

Figure 8 Paint Prospect GAIP Survey Results

High Resolution Ground Magnetics 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.

Review of Operations

High Resolution Ground Magnetics Results

The level of detail obtained in the survey is excellent (Figure 9), 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.

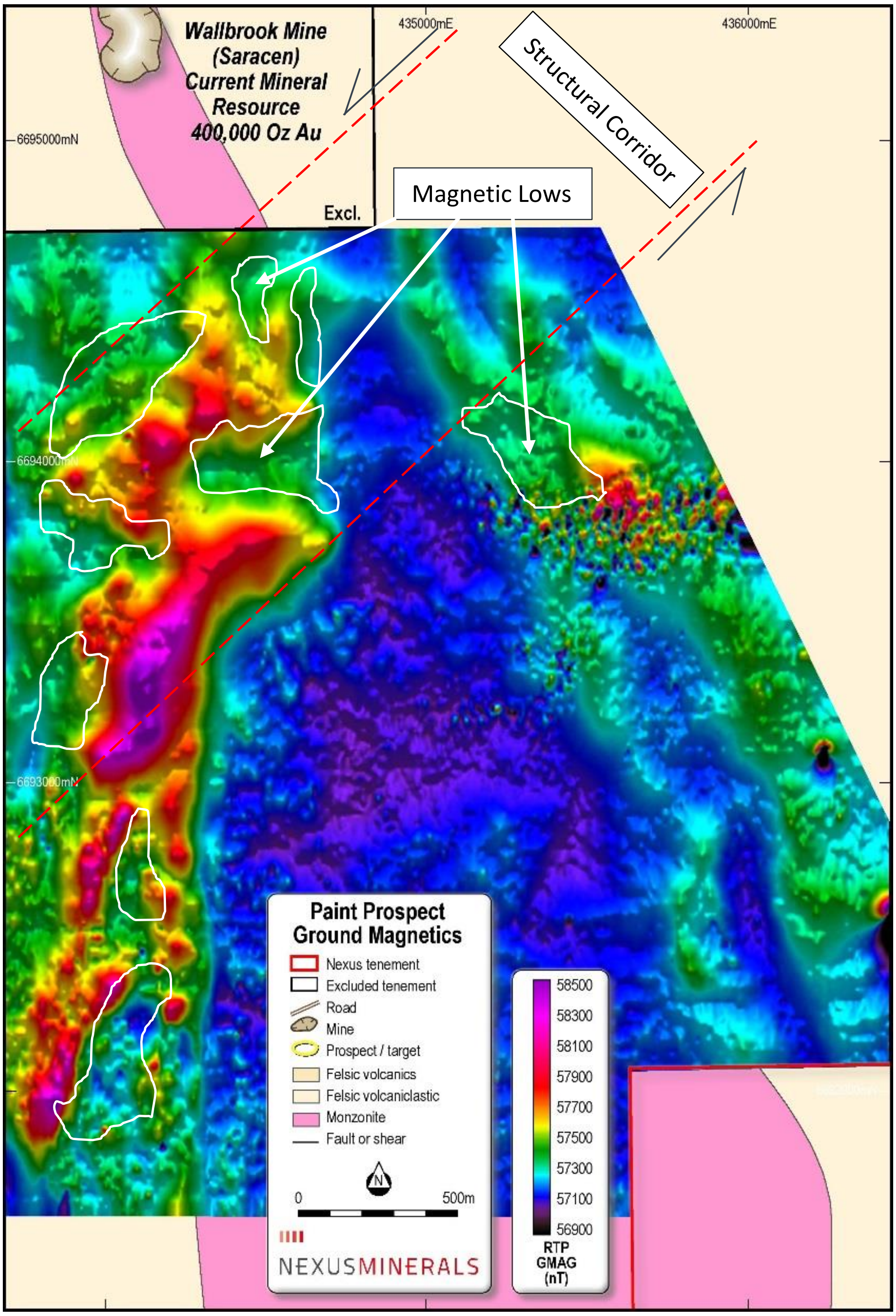

Figure 9 Paint Prospect Ground Magnetics Survey Results

Review of Operations

Paint Drilling

Nexus completed a 13 hole, 3,252m RC drill program at the Paint Prospect to follow up the surface exploration targets generated. Broad zones of altered intrusive and volcanic rocks intersected with brick-red hematitic alteration were intersected.

Significant mineralisation intersected including:

20m @ 0.58g/t Au – including 4m @ 2.17g/t Au,

16m @ 0.89g/t Au – including 8m @ 1.70g/t Au,

20m @ 0.63g/t Au – including 4m @ 1.20g/t Au and 4m @ 1.17g/t Au,

20m @ 0.42g/t Au,

28m @ 0.25g/t Au, and

16m @ 0.30g/t Au.

Gold enrichment encountered in the first pass drill program in 2018 provided a broad low-grade mineralised halo, with mineralised intervals including 64m @ 0.32g/t Au, 48m @ 0.36g/t Au, 32m @ 0.43g/t Au and 40m @ 0.24g/t Au.

Within these broad low-grade zones narrower higher-grade zones exhibiting brick-red coloured hematitic alteration were observed. Gold mineralisation in the Wallbrook area is known to be closely associated with quartz +/- pyrite and brick-red coloured hematitic alteration of high-level porphyry intrusives and their volcanic/ sedimentary host rocks.

The Nexus drilling intersected altered intrusive and volcanic rocks down to 300m depth across a width of approximately 800m and contain broad zones of prospective brick-red hematitic hydrothermal alteration and associated elevated gold mineralisation.

Interpretation and analysis of results continues in an attempt to discover the controls on the mineralisation and methodology for targeting of high-grade zones within this large alteration system.

Review of Operations

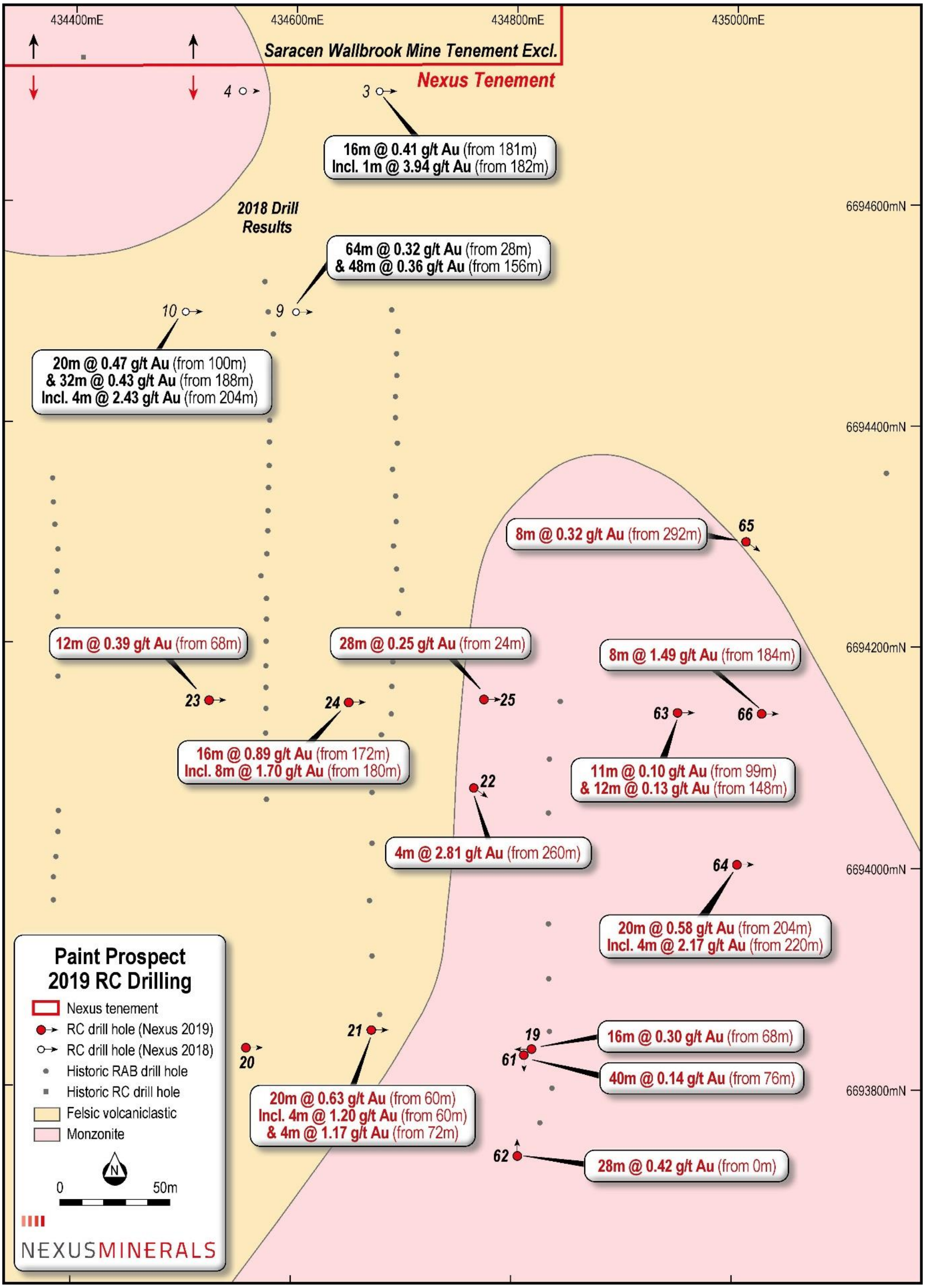

Figure 10 Paint Prospect RC Drilling Results

Review of Operations

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 2018_19 year, Saracen produced 199,743 ounces of gold from CDO. CDO contains a current mineral resource base of 5.40Moz and ore reserves of 1.8Moz. Karari and Whirling Dervish mines alone contain 2.33Moz of resources and 1.33Moz of reserves.

The Pinnacles Regional tenement package surrounds the Pinnacles JV tenement (Figure 11). Nexus regional tenement package is contiguous with Saracen's Carosue Dam mining tenements, which includes the Whirling Dervish and Karari gold mines. The Pinnacles Gold Project area is considered to be prospective for gold mineralisation.

During the year ground geological mapping programs were undertaken.

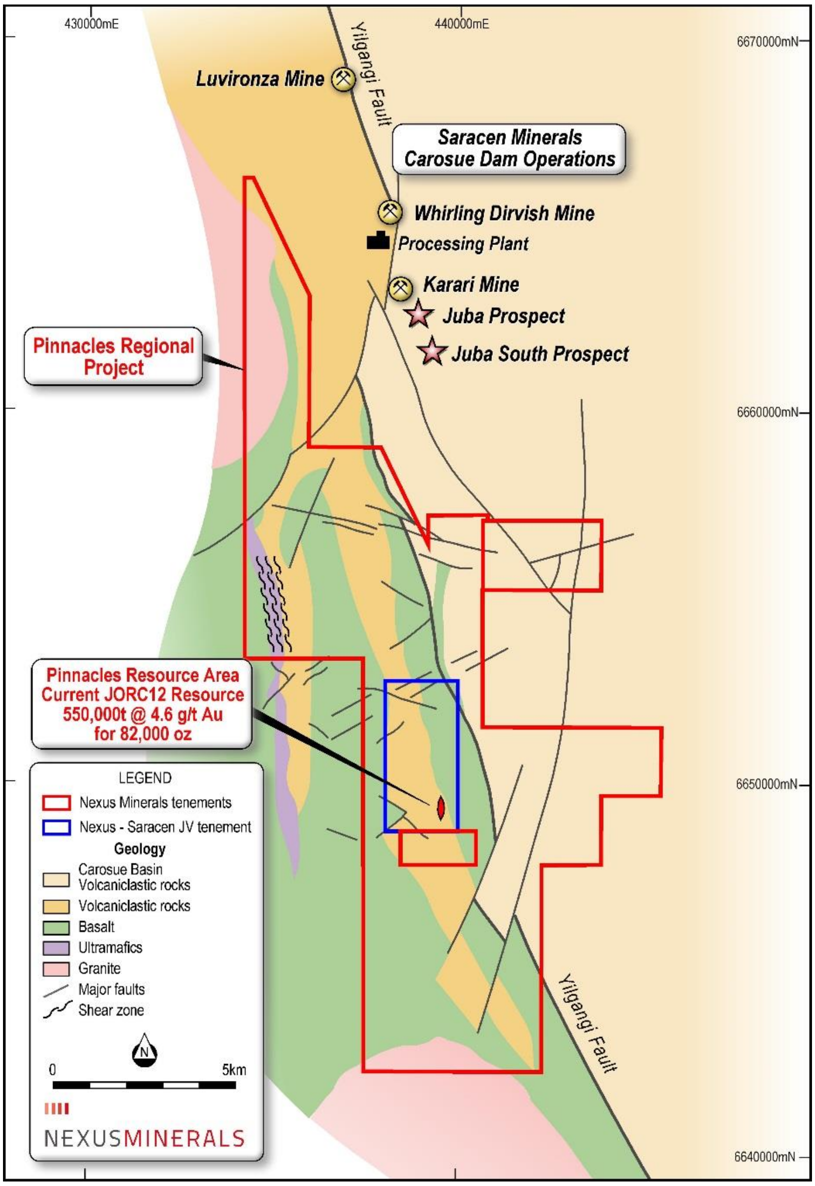

Figure 11 Pinnacles Gold Project

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

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. The Pinnacles JV project contains a JORC 2012 Mineral Resource of 551,200t @ 4.6g/t Au for 82,000oz gold (see Nexus Minerals ASX release 13 October 2016).

	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 2. Nexus Minerals JORC 2012 Mineral Resource Estimate

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.

Nexus R&D Project

Nexus is undertaking a Research and Development project, aiming to develop new knowledge on the application of spectral data in the mineral exploration industry. The project involves the experimentation of new exploration and geo-sensing techniques utilizing spectral data.

The experimental activities will attempt to achieve an outcome by applying a systematic progression of work that proceeds from hypothesis to experimental phase (or phases as required), observation and evaluation, leading to logical conclusions. This will result in the generation of new scientific knowledge.

The R&D project is being undertaken on both Nexus' Wallbrook and Pinnacles Gold Projects, where relevant geological and mineralogical characteristics are known or are being characterized by Nexus, which assists in the evaluation of the new exploration technique. Multiple project areas allow for a series of varying geological settings upon which to undertake the experimental activities and gather sufficient samples/datasets to allow logical conclusions to be reached post analysis.

The research and development project will be undertaken over an approximate four-year time line, which commenced July 2017, with the initial years mainly consisting of data collection with ongoing analysis and the final year consisting of results-based interpretation and conclusions.

During the year the drill chips from the RC and aircore drill programs at Wallbrook and Pinnacles project areas, were dried and collated to allow SWIR analysis of the drill chip samples, using a TerraSpec SWIR unit attached to spectra acquisition software.

Review of Operations

Triumph Gold Project

The Triumph Gold Project is located 145km North-East of Kalgoorlie. Nexus is targeting high grade gold deposits within the Triumph Gold Project tenements.

Geological field investigations were undertaken during the year.

Mt Celia Gold Project

The Mt Celia Gold Project is located 180km North East of Kalgoorlie. The tenement lies within the Laverton Tectonic Zone and this structure has hosted numerous major gold mines.

Geological field investigations were undertaken during the year.

Resources

As at 30 June 2019, Nexus Minerals Limited combined Mineral Resource Estimate at Wallbrook is 2.17Mt @ 1.22g/t Au for 85,000 ounces (refer Table 1) and at Pinnacles is 551,200 tonnes at 4.6gpt Au for 82,000 ounces (refer Table 2). The Company's Mineral Resource has changed from 2018 to include the Wallbrook mineral resource in 2019.

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.

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.

Review of Operations

Competent Person's Statement (continued)

The information in this report that relates to the Nexus Minerals Limited Wallbrook Mineral Resource is based upon information from the Company's announcement dated 8 July 2019 and is available to view on the Company's website at www.nexus-minerals.com. The information was compiled by Mr Adam James, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr James is a full-time employee of Nexus Minerals Limited. Mr James 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 estimate in the relevant market announcement continue to apply and have not materially changed.

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 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'. 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 estimate in the relevant market announcement continue to apply and have not materially changed.

No Ore Reserves have currently been defined on the Wallbrook or Pinnacles tenements. 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 Wallbrook or Pinnacles tenements has yet to be established.

Corporate

During the year the Company completed a placement of 22,000,000 shares at an issue price of 5.7 cents per share to raise $1,254,000 before issue costs. A further 1,149,471 shares were issued to directors on the same terms as the placement. In addition, the Company issued 6,517,515 shares through a share purchase plan, on the same terms as the placement, to eligible shareholders. The total amount raised through the issue of shares during the year was $1,691,020 before issue costs. The funds raised were used to fund exploration, including a RC drilling program on the Wallbrook gold project.

During the year the Company received a rebate of $581,018 under the R&D tax incentive for 2018.

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 2019 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 VRX Silica 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 (1 July 2017 – present) and Mako Gold Limited (14 March 2017 – present). During the last 3 years he has also served as a director of HRL Holdings Limited (to 23 November 2017).

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 VRX Silica Limited (24 September 2010 – present).

Directors' Report

Phillip MacLeod – 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.

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	4	4
Andy Tudor	4	4
Mark Elliott	4	4
Bruce Maluish	4	4

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.

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	9,448,566	2,000,000
Mr A Tudor	759,112	2,000,000
Dr M Elliott	1,602,477	1,500,000
Mr B Maluish	40,000	1,500,000

Directors' Report

4. SHARE OPTIONS

Unissued shares under option

There are 8,900,000 options over unissued shares in Nexus Minerals Limited (2018: 10,600,000).

Number of Shares Under Option	Exercise Price of Options (cents)	Expiry Date of Options
1,900,000	16.8	5 April 2020
7,000,000	11.1	30 November 2020

Share options expired

During the year no options were cancelled (2018: nil). 1,700,000 options expired during the year (2018: nil).

Shares issued on exercise of options

No ordinary shares were issued as a result of the exercise of options during the year (2018: nil).

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 (2018: 7,000,000).

5. PRINCIPAL ACTIVITY

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

6. REVIEW OF OPERATIONS

The Group made a loss after tax for the year of $1,701,674 (2018: $2,528,563). The Group had cash and cash equivalent balances at 30 June 2019 of $3,290,557, a decrease of $623,597 on the prior year.

Information on the operations of the Group and its business strategies are set out on pages 3 to 20 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.

Directors' Report

8. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 2019. 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
Mark Elliott	Non-executive Director
Bruce Maluish	Non-executive Director

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' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company are shown in Table 1 on page 26.

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 (2018: 7,000,000).

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.

Directors' Report

12. REMUNERATION REPORT (Audited)

Details of the nature and amount of each major element of remuneration for each director are as follows:

Nexus Minerals Limited		Short-term				Post Employment	Other Long-term		Share-based Payments			
		Salaries & Fees	Cash Bonus	Non-monetary Benefits	Total	Superannuation Benefits		Termination Benefit	Options & Rights	Total	Proportion of Remuneration Performance Related	Value of Options as Proportion of Remuneration
Directors	**Year**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Mr P Boyatzis	2019	84,000	-	-	84,000	-	-	-	-	84,000	-	-
	2018	84,000	-	-	84,000	-	-	-	57,635	141,635	-	40.69
Mr A Tudor	2019	251,142	25,000	-	276,142	23,858	-	-	-	300,000	-	-
	2018	251,142	-	-	251,142	23,858	-	-	57,635	332,635	-	17.33
Dr M Elliott (1)	2019	40,000	-	-	40,000	-	-	-	-	40,000	-	-
	2018	40,000	-	-	40,000	-	-	-	43,226	83,226	-	51.94
Mr B Maluish	2019	24,000	-	-	24,000	2,280	-	-	-	26,280	-	-
	2018	24,000	-	-	24,000	2,280	-	-	43,226	69,506	-	62.19
Directors Total	**2019**	**399,142**	**25,000**	**-**	**424,142**	**26,138**	**-**	**-**	**-**	**450,280**	-	-
	2018	399,142	-	-	399,142	26,138	-	-	201,722	627,002	-	32.17

1 Includes fees of $16,000 for geological consulting services (2018: $16,000)

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 options over ordinary shares granted as compensation to key management personnel during the current financial year.

No options that were previously granted to key management personnel as part of their compensation 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:

Directors	Held at 1 July 2018	Granted as compensation	Received on exercise of options	Other changes*	Held at 30 June 2019
Mr P Boyatzis	9,088,568	-	-	359,998	9,448,566
Mr A Tudor	320,516	-	-	438,596	759,112
Dr M Elliott	1,251,600	-	-	350,877	1,602,477
Mr B Maluish	40,000	-	-	-	40,000

*shares bought by Directors at $0.057 per share (the same terms as the placement shares issued on 19 March 2019).

Directors	Held at 1 July 2017	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2018
Mr P Boyatzis	9,088,568	-	-	-	9,088,568
Mr A Tudor	320,516	-	-	-	320,516
Dr M Elliott	1,251,600	-	-	-	1,251,600
Mr B Maluish	40,000	-	-	-	40,000

Directors' Report

12. REMUNERATION REPORT (Audited)

12.6 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 2018	Granted as compensation	Options exercised	Options expired	Held at 30 June 2019	Vested during the year	Vested and exercisable at 30 June 2019
Directors							
Mr P Boyatzis	2,000,000	-	-	-	2,000,000	-	2,000,000
Mr A Tudor	2,900,000	-	-	(900,000)	2,000,000	-	2,000,000
Dr M Elliott	1,500,000	-	-	-	1,500,000	-	1,500,000
Mr B Maluish	1,500,000	-	-	-	1,500,000	-	1,500,000

	Held at 1 July 2017	Granted as compensation	Options exercised	Options expired	Held at 30 June 2018	Vested during the year	Vested and exercisable at 30 June 2018
Directors							
Mr P Boyatzis	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Mr A Tudor	900,000	2,000,000	-	-	2,900,000	2,000,000	2,900,000
Dr M Elliott	-	1,500,000	-	-	1,500,000	1,500,000	1,500,000
Mr B Maluish	-	1,500,000	-	-	1,500,000	1,500,000	1,500,000

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:

	2019 $	**2018 $**
Audit and review services:		
Nexia Perth	31,900	32,058
	31,900	32,058
Non-audit services:		
Nexia Perth	5,200	5,200
	5,200	5,200

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 30.

15. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the 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, Western Australia
Dated 26th September 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 audit for the financial year ended 30 June 2019 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.

NPAS

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

Perth, Western Australia

26 September 2019

Nexia Perth
Audit Services Pty Ltd
ACN 145 447 105
Level 3, 88 William Street
Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463
f +61 8 9463 2499
e audit@nexiaperth.com.au
w nexia.com.au

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2019

	Note	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
Revenue from continuing operations	3	588,739	243,611
Exploration expenditure expensed as incurred		(1,686,913)	(2,051,932)
Employee benefits		(35,465)	(9,602)
ASX and regulatory expenses		(80,904)	(69,742)
Depreciation	16	(12,056)	(8,095)
Directors' fees		(134,280)	(134,280)
Insurance		(17,370)	(15,414)
Legal and professional fees		(121,537)	(130,826)
Marketing and promotion		(72,815)	(66,811)
Travel expenses		(9,368)	(6,799)
Occupancy expenses		(84,575)	(81,968)
Share-based compensation	23	-	(201,722)
Other expenses		(94,490)	(101,131)
Loss for the year before financial income	4	(1,761,034)	(2,634,711)
Financial income		59,385	106,148
Financial expenses		(25)	-
Net financial income	5	59,360	106,148
Loss from continuing operations before tax		(1,701,674)	(2,528,563)
Income tax expense	8	-	-
Loss for the year		(1,701,674)	(2,528,563)
Other comprehensive income			
Items that may not be reclassified to profit and loss			
Net change in the fair value of financial assets	14	(101,250)	46,875
Other comprehensive income for the year net of tax		(101,250)	46,875
Total comprehensive loss for the year		(1,802,924)	(2,481,688)
Earnings/(loss) per share			
Basic and diluted loss per share	7	(1.74) cents	(2.99) cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
Current assets			
Cash and cash equivalents	10	3,290,557	3,914,154
Trade and other receivables	11	54,881	113,727
Other financial assets	12	57,879	56,305
Other assets	13	16,981	20,726
Total current assets		3,420,298	4,104,912
Non-current assets			
Financial assets	14	35,625	121,875
Exploration assets	15	125,160	125,160
Plant and equipment	16	20,204	21,692
Total non-current assets		180,989	268,727
Total assets		3,601,287	4,373,639
Current liabilities			
Trade and other payables	17	82,875	643,076
Provisions	18	24,686	26,873
Total current liabilities		107,561	669,949
Total liabilities		107,561	669,949
Net assets		3,493,726	3,703,690
Equity			
Issued capital	19	21,461,911	19,868,951
Reserves	20	157,347	322,057
Accumulated losses	21	(18,125,532)	(16,487,318)
Total equity		3,493,726	3,703,690

The accompanying notes form part of these financial statements.

Consolidated Statement of Cashflows

For the Year Ended 30 June 2019

	Note	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
Cash flows from operating activities			
Receipts from exploration and related activities		588,739	243,611
Interest received		64,853	98,947
Interest paid		(25)	-
Exploration expenditure		(1,760,720)	(1,540,300)
Payments to suppliers and employees		(1,083,836)	(673,574)
Net cash used in operating activities	26(b)	(2,190,989)	(1,871,316)
Cash flows from investing activities			
Transfer to term deposit investments		-	(726)
Payments for purchase of plant and equipment		(10,568)	(15,022)
Payment for equity investment		(15,000)	-
Net cash used in investing activities		(25,568)	(15,748)
Cash flows from financing activities			
Proceeds from the issue of shares		1,691,020	319,200
Share issue costs		(98,060)	(3,614)
Net cash provided by financing activities		1,592,960	315,586
Net increase/(decrease) in cash and cash equivalents		(623,597)	(1,571,478)
Cash and cash equivalents at 1 July		3,914,154	5,485,632
Cash and cash equivalents at 30 June	26(a)	3,290,557	3,914,154

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2018

30 June 2018	Issued Capital $	Accumulated Losses $	Share-based Payment Reserve $	Fair value Reserve $	Total Equity $
Balance at 1 July 2017	19,428,205	(13,958,755)	63,460	10,000	5,542,910
Total comprehensive loss for the year					
Loss for the year	-	(2,528,563)	-	-	(2,528,563)
Other comprehensive income					
Change in the fair value of financial assets	-	-	-	46,875	46,875
Total comprehensive loss for the year	-	(2,528,563)	-	46,875	(2,481,688)
Transactions with owners of the Company recognised directly in equity					
Share-based payment transaction	-	-	201,722	-	201,722
Issue of shares for cash	319,200	-	-	-	319,200
Issue of shares for exploration asset	125,160	-	-	-	125,160
Share issue costs	(3,614)	-	-	-	(3,614)
Total transactions with owners of the Company	440,746	-	201,722	-	642,468
Balance at 30 June 2018	**19,868,951**	**(16,487,318)**	**265,182**	**56,875**	**3,703,690**

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

30 June 2019	**Issued Capital $**	**Accumulated Losses $**	**Share-based Payment Reserve $**	**Fair value Reserve $**	**Total Equity $**
Balance at 1 July 2018	19,868,951	(16,487,318)	265,182	56,875	3,703,690
Total comprehensive loss for the year					
Loss for the year	-	(1,701,674)	-	-	(1,701,674)
Other comprehensive income					
Change in the fair value of financial assets	-	-	-	(101,250)	(101,250)
Total comprehensive loss for the year	-	(1,701,674)	-	(101,250)	(1,802,924))
Transactions with owners of the Company recognised directly in equity					
Expiry of options	-	63,460	(63,460)	-	-
Issue of shares for cash	1,691,020	-	-	-	1,691,020
Share issue costs	(98,060)	-	-	-	(98,060)
Total transactions with owners of the Company	1,592,960	63,460	(63,460)	-	1,592,960
Balance at 30 June 2019	**21,461,911**	**(18,125,532)**	**201,722**	**(44,375)**	**3,493,726**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

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 2019.

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 26th September 2019.

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.

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

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

New impairment requirements use an ‘expected credit loss’ (“ECL”) model to recognise an allowance. Impairment is measured using a 12 month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition. In which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict 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. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2018.

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

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 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces IAS‘ 17 'leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

For lessor accounting the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019. The impact of its adoption is estimated to be as follows:

	2020	2021	2022	2023
Consolidated	**$**	**$**	**$**	**$**
Right-of-use asset	71,255	44,534	17,814	-
Lease liability	75,106	49,432	20,799	-
Reduction in operating lease expense	30,540	31,150	31,773	21,479
Increase in interest expense	7,592	5,500	3,164	680
Increase in depreciation expense	26,720	26,720	26,720	17,184

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

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 2019

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 2019

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 2019

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 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 2019

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 2019

1. SIGNIFICANT ACCOUNTING POLICIES

q) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

— amortised cost;
— fair value through other comprehensive income; or
— fair value through profit or loss

On the basis of the two primary criteria:

— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

— the financial asset is managed solely to collect contractual cash flows; and
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
— the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

— amortised cost; or
— fair value through profit or loss

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

q) Financial Instruments (continued)

Classification and subsequent measurement (continued)

A financial liability is measured at fair value through profit and loss if the financial liability is:
— a contingent consideration of an acquirer in a business combination to which AASB 3 applies
— held for trading; or
— initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
— incurred for the purpose of repurchasing or repaying in the near term;
— part of a portfolio where there is an actual pattern of short-term profit taking; or
— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

q) Financial Instruments (continued)

Derecognition (continued)

modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

— the right to receive cash flows from the asset has been expired or been transferred;
— all risk and rewards of ownership of the asset have been substantially transferred; and
— the entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

r) Impairment

The Group recognises a loss allowance for expected credit losses on:

— financial assets that are measured at amortised cost or fair value through other comprehensive income;
— lease receivables;
— contract assets (e.g. amount due from customers under construction contracts);
— loan commitments that are not measured at fair value through profit or loss; and
— financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

— financial assets measured at fair value through profit or loss; or
— equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

r) Impairment (continued)

The Group uses the following approaches to impairment, as applicable under AASB 9:
— the general approach;
— the simplified approach;
— the purchased or originated credit impaired approach; and
— low credit risk operational simplification.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
— trade receivables

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. depending on the diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

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 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 directors become fully entitled to the award (the vesting period).

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

u) Leases (continued)

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.

v) Financial position

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activties 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 $1,701,674 (2018: $2,528,563) and a cash outflow from operating activities of $2,190,989 (2018: $1,871,316).

At year end, the Group had $3,290,557 in cash and cash equivalents. 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
3. REVENUE		
R & D tax incentive	581,018	216,581
Rental income	1,447	26,980
Refunds	6,274	-
Sundry income	-	50
	588,739	243,611
4. LOSS BEFORE INCOME TAX		
Loss before income tax expense has been arrived at after charging the following items:		
Operating lease payments	64,458	74,697
5. FINANCING INCOME		
Interest income	59,385	106,148
Interest expense	(25)	-
	59,360	106,148
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	31,900	32,058
	31,900	32,058
Taxation and other services:		
Nexia Perth	5,200	5,200
	5,200	5,200

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019	CONSOLIDATED 2018
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	(1.74) cents	(2.99) cents
Loss per share – continuing operations	(1.74) cents	(2.99) cents
a) Number of ordinary shares on issue at 30 June	118,240,561	88,573,575
Weighted average number of shares used in calculation of basic loss per share	97,889,009	84,529,986
b) Loss used in calculating basic loss per share	$1,701,674	$2,528,563
c) Loss used in calculating basic loss per share in continued operations	$1,701,674	$2,528,563

Diluted loss per share has not been calculated as there were no options on issue which would be potential ordinary shares having a dilutive effect. The number of options at 30 June 2019 was 8,900,000 (2018: 10,600,000). These were not considered to be dilutive because the share price at 30 June 2019 did not exceed the share price targets attached.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
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	(1,701,674)	(2,528,563)
Income tax expense/(income) calculated at 30% (2018: 30%)	(510,502)	(758,569)
Impact from reduction/(increase) in tax rate on unrecognised tax losses	-	(327,841)
Prior year under-provision	400,703	149,366
Effect of expenses that are not deductible in determining taxable profit	586	62,402
Effect of revenues that are not assessable in determining taxable profit	(174,306)	(64,974)
Effect of temporary differences that would be recognized directly in equity	(59,793)	12,978
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	343,312	926,638
Income tax expense/(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2018: 30%) payable by Australian corporate entities on taxable profits under Australian tax law.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
8. INCOME TAXES		
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses – revenue	4,798,053	4,493,570
Temporary differences	78,149	39,320
	4,876,202	4,532,890
Deferred tax assets/(liabilities) not recognised in respect of the following items:		
Items capitalised for tax purposes	7,372	8,109
Trade and other payables	7,128	8,842
Employee benefits	7,406	8,062
Section 40 – 880 expenses	42,980	31,369
Financial assets	13,263	(17,062)
Tax losses carry forward	4,798,053	4,493,570
Total deferred tax assets not recognised	4,876,202	4,532,890

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2019 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
ii. the Company continues to comply with conditions for deductibility imposed by law; and
iii. no changes in legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

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).

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 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 2019 $**	**CONSOLIDATED 2018 $**
Cash and bank balances	10	3,290,557	3,914,154
Trade and other receivables	11	54,881	113,727
Term deposit investments	12	57,879	56,305

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

9. FINANCIAL INSTRUMENTS

Credit Risk

None of the Company's trade and other receivables are past due (2018: $nil). As the Group is not trading there is no management of credit risk performed through an ageing analysis.

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 2019				
Trade and other payables	82,875	(82,875)	(82,875)	-
	82,075	(82,075)	(82,075)	-
30 June 2018				
Trade and other payables	643,076	(643,076)	(643,076)	-
	643,076	(643,076)	(643,076)	-

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

9. FINANCIAL INSTRUMENTS

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.

Profile

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

	CONSOLIDATED 2019		CONSOLIDATED 2018	
	CARRYING AMOUNT $	INTEREST RATE %	CARRYING AMOUNT $	INTEREST RATE %
Fixed Rate Instruments				
Term deposit investments	57,879	1.87	56,305	2.45
Variable Rate Instruments				
Cash and bank balances	3,290,557	2.14	3,914,154	2.35

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 2018.

	Equity		Profit and Loss	
	100bp increase	**100bp** decrease	**100bp** increase	**100bp** decrease
30 June 2019				
Variable rate instruments	32,906	(32,906)	32,906	(32,906)
30 June 2018				
Variable rate instruments	39,142	(39,142)	39,142	(39,142)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

9. FINANCIAL INSTRUMENTS

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).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2019 and 30 June 2018.

Consolidated 30 June 2019	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Financial assets	35,625	-	-	35,625

Consolidated 30 June 2018	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Financial assets	121,875	-	-	121,875

The fair value of financial instruments traded in active markets (such as equity 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 listed 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
10. CASH AND CASH EQUIVALENTS		
Cash at hand	110	15
Cash at bank	3,290,447	3,914,139
	3,290,557	3,914,154
	%	%
Weighted average interest rate	2.14	2.35
11. TRADE AND OTHER RECEIVABLES		
Current		
Interest receivable	165	7,207
GST receivable	53,181	105,995
Other receivables	1,535	525
	54,881	113,727

Trade and other receivables are non-interest bearing.

12. OTHER FINANCIAL ASSETS

Current		
Term deposit investments	57,879	56,305
	57,879	56,305

Term deposit investments comprise term deposits with a maturity date of 3 to 6 months and attract a weighted average interest rate of 1.87%.

13. OTHER ASSETS

Current		
Prepayments	16,981	20,726
	16,981	20,726

14. FINANCIAL ASSETS

Non-current		
Fair value at beginning of the year	121,875	75,000
Investment	15,000	-
Revaluation of listed shares taken to reserve	(101,250)	46,875
Fair value at end of the year	35,625	121,875

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
15. CAPITALISED EXPLORATION EXPENDITURE		
Non-current		
Balance at beginning of the year	125,160	-
Acquisition of tenements by issue of shares	-	125,160
Balance at end of the year	125,160	125,160

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance date the exploration projects have not reached a stage where this determination can be made.

16. PLANT AND EQUIPMENT

Exploration equipment at cost	10,296	2,796
Accumulated depreciation	(2,735)	(741)
	7,561	2,055
Leasehold improvements at cost	4,680	4,680
Accumulated amortisation	(4,680)	(4,680)
	-	-
Computer & office equipment at cost	69,299	66,231
Accumulated depreciation	(56,656)	(46,594)
	12,643	19,637
Total carrying value	20,204	21,692

The reconciliation of plant and equipment is as follows:		
Opening carrying value	21,692	14,765
Additions	10,568	15,022
Depreciation	(12,056)	(8,095)
Closing carrying value	20,204	21,692

17. TRADE AND OTHER PAYABLES

Current		
Trade creditors and accruals	82,875	643,076

All trade creditors and accruals are non-interest bearing.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
18. PROVISIONS		
Current		
Annual leave	24,686	26,873

	COMPANY 2019 $	COMPANY 2018 $
19. SHARE CAPITAL		
Ordinary shares		
118,240,561 (2018: 88,573,575)		
Fully paid ordinary shares	21,461,911	19,868,951

Movements during the year	2019 Number	2019 $	2018 Number	2018 $
Balance at beginning of year	88,573,575	19,868,951	83,283,575	19,428,205
Shares issued for cash	29,666,986	1,691,020	3,800,000	319,200
Shares issued for tenements acquisition	-	-	1,490,000	125,160
Transaction costs arising on share issues	-	(98,060)	-	(3,614)
Balance at end of year	118,240,561	21,461,911	88,573,575	19,868,951

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
0.118	9/11/18	900,000	-	-	(900,000)	-
0.250	15/12/18	800,000	-	-	(800,000)	-
0.111	30/11/20	7,000,000	-	-	-	7,000,000
0.168	5/4/20	1,900,000	-	-	-	1,900,000
		10,600,000	-	-	(1,700,000)	8,900,000

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
20. RESERVES		
Share-based payment reserve	201,722	265,182
Fair value reserve	(44,375)	56,875
	157,347	322,057
Movements:		
Share-based payment reserve		
Balance at beginning of year	265,182	63,460
Expired during the year [1]	(63,460)	-
Share-based payments	-	201,722
Balance at end of year	201,722	265,182
Assets classified as Fair value through OCI		
Balance at beginning of year	56,875	10,000
Increase/(decrease) in fair value recognised in reserve	(101,250)	46,875
Balance at end of year	(44,375)	56,875

[1] 1,700,000 options over shares (2018: nil) expired 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.

Fair value reserve

This reserve used to record equity instruments which are measured at fair value with changes in fair value recognised in other comprehensive income (OCI). The gains and losses on equity instruments are recognised in OCI are not recycled on disposal of the asset and there is no separate impairment accounting. If the fair value of the equity instrument declines, this decrease is recorded through OCI.

21. ACCUMULATED LOSSES

Balance at beginning of year	16,487,318	13,958,755
Expiry of options	(63,460)	-
Loss for the year	1,701,674	2,528,563
Balance at end of year	18,125,532	16,487,318

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
22. COMMITMENTS		
Operating Lease Commitments		
Not later than 1 year	30,562	53,814
Later than 1 year but not later than 5 years	84,450	-
	115,012	53,814
Exploration Expenditure Commitments		
Minimum exploration expenditure		
Not later than 1 year	637,000	530,260
Later than 1 year but not later than 5 years	2,548,000	2,121,040
	3,185,000	2,651,300

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

23. SHARE-BASED PAYMENTS

During the year there were no options granted as share-based compensation. (2018: 7,000,000).

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.7	900,000	10 November 2015	9 November 2018	0.118	25,025
Option series No.8	800,000	19 September 2016	15 December 2018	0.250	38,435
Option series No.9	7,000,000	30 November 2017	30 November 2020	0.111	201,722

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

23. SHARE-BASED PAYMENTS

The following table illustrates the number and weighted average exercise prices of and movements in share options on issue:

Nexus Minerals Limited	2019 Number	2019 Weighted Average Exercise Price $	2018 Number	2018 Weighted Average Exercise Price $
Outstanding at the beginning of the year	8,700,000	0.132	1,700,000	0.180
Expired during the year	1,700,000	0.181	-	-
Granted during the year (Series No.9)	-	-	7,000,000	0.111
Outstanding at the end of the year	7,000,000	0.111	8,700,000	0.132
Exercisable at the end of the year	7,000,000	0.111	8,700,000	0.132

The outstanding balance as at 30 June 2019 is represented by 7,000,000 options over ordinary shares with an exercise price of $0.111 exercisable up to 30 November 2020.

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)

Dr M Elliott

Mr B Maluish

Executive Director

Mr A Tudor

a) Key management personnel compensation

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

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
Short-term employee benefits	424,142	399,142
Share-based payments	-	201,722
Post-employment benefits	26,138	26,138
	450,280	627,002

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and executives. Remuneration packages comprise fixed remuneration.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

25. RELATED PARTIES

Controlled Entities	OWNERSHIP INTEREST 2019	OWNERSHIP INTEREST 2018
Parent Entity		
Nexus Minerals Limited		
Controlled Entities		
Nexus Minerals Australia Pty Ltd (incorporated 19 August 2009)	100%	100%
Nexus Wallbrook Pty Ltd (incorporated 18 July 2011)	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 18 July 2011)*	100%	100%
Nexus Pinnacles Pty Ltd (incorporated 24 October 2016)**	100%	100%
Nexus Mt Celia Pty Ltd (incorporated 9 October 2018)	100%	-

*ACN 152 163 801 Pty Ltd changed its name to Nexus Gold Pty Ltd during the year.

**ACN 155 124 324 Pty Ltd changed its name to Nexus Pinnacles Pty Ltd during the year.

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 $4,400 at 30 June 2019 (2018: $5,445) 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 $263 (2018: $179) 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 $149,340. A provision for impairment of $136,591 has been recognised by the Parent entity.

(ii). Transactions with Nexus Wallbrook Pty Ltd

During the year the Company loaned a total sum of $263 (2018: $125,809) in working capital to Nexus Wallbrook Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $129,091. A provision for impairment of $598 has been recognised by the Parent entity.

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

During the year the Company loaned the sum of $263 (2018: $508) in working capital to Nexus Pinnacles Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $2,394. A provision for impairment of $2,393 has been recognised by the Parent entity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

25. RELATED PARTIES

d) Related party transactions

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

During the year the Company loaned the sum of $526 (2018: $254) in working capital to Nexus Gold Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $19,600. A provision for impairment of $17,778 has been recognised by the Parent entity.

(v). Transactions with Nexus Mt Celia Pty Ltd

During the year the Company loaned the sum of $263 (2018: nil) in working capital to Nexus Mt Celia Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $263. A provision for impairment of $263 has been recognised by the Parent entity.

(vi). Transactions with Geoex Pty Ltd

During the year the Company paid $63,119 plus GST (2018: $27,378 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 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 2019 $	CONSOLIDATED 2018 $
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	110	15
Cash at bank	3,290,447	3,914,139
	3,290,557	3,914,154
b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:		
Loss for the year	(1,701,674)	(2,528,563)
Adjustments for:		
Depreciation	12,056	8,095
Share-based payments	-	201,722
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	57,272	(74,409)
(Increase)/decrease in prepayments	3,746	(4,223)
Increase/(decrease) in trade and other payables	(560,202)	536,624
Increase/(decrease) in provisions	(2,187)	(10.562)
Net cash used in operating activities	(2,190,989)	(1,871,316)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

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

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 2019

30. PARENT ENTITY INFORMATION

As at, and throughout, the financial year ending 30 June 2019 the parent company of the Group was Nexus Minerals Limited.

	COMPANY	
	2019	**2018**
	$	**$**
Result of the parent entity		
Loss for the year	(1,701,674)	(2,528,563)
Other comprehensive income/(expense)	(101,250)	46,875
Total comprehensive loss for the year	(1,802,924)	(2,481,688)
Financial position of parent entity at year end		
Current assets		
Cash and term deposits	3,290,557	3,914,154
Trade and other receivables	47,073	105,919
Other financial assets	57,879	56,305
Other current assets	16,981	20,726
Total current assets	3,412,490	4,097,104
Non-current assets		
Financial assets	35,625	121,875
Plant and equipment	20,204	21,692
Other non-current receivables	132,968	132,968
Total non-current assets	188,797	276,535
Total assets	3,601,287	4,373,639
Current liabilities		
Trade and other payables	82,875	643,076
Provisions	24,686	26,873
Current liabilities	107,561	669,949
Total liabilities	107,561	669,949
Net assets	3,493,726	3,703,690
Total equity of the parent entity comprising:		
Share capital	21,461,911	19,868,951
Reserves	289,231	453,941
Accumulated losses	(18,257,416)	(16,619,202)
Total Equity	3,493,726	3,703,690

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 2019 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, Western Australia
Dated this 26th day of September 2019

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 2019, 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 2019 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.

Nexia Perth Audit Services Pty Ltd
ACN 145 447 105
Level 3, 88 William Street
Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463
f +61 8 9463 2499
e audit@nexiaperth.com.au
w nexia.com.au

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 2019 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 2020 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 2019, 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 the Directors’ Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Nexus Minerals Limited for the year ended 30 June 2019, 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.

NPAS

Nexia Perth Audit Services Pty Ltd

PTC Klopper

PTC Klopper
Director

Perth, Western Australia

26 September 2019

Corporate Governance Statement

The Company's 2019 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 17 September 2019

Substantial shareholders

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

Shareholder	Number
Graeme Kirke	11,000,000
Casaviva Investments Ltd	6,800,000
Jane Elizabeth Boyatzis	5,448,566
Cleland Projects Pty Ltd	6,020,000
Saracen Mineral Holdings Ltd	6,603,940

Voting rights

Ordinary shares
One vote for each ordinary fully paid share.

On-market buy-back
There is no current on-market buy-back.

Restricted securities

The Company has 118,240,561 shares and 8,900,000 options on issue. No shares or options are subject to ASX or voluntary escrow.

Distribution of equity security holders

Quoted ordinary shares

Category	Number of holders	Number of shares
1 - 1,000	56	17,281
1,001 - 5,000	129	405,064
5,001 - 10,000	112	968,881
10,000 - 100,000	313	12,809,170
100,000 and over	162	104,040,165
	772	118,240,561

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

ASX Additional Information

Category	Unquoted options			
	Exercisable at $0.168 expiring 5 April 2020		Exercisable at $0.111 expiring 30 November 2020	
	Number of holders	Number of options	Number of holders	Number of options
1 - 1,000	-		-	
1,001 - 5,000	-		-	
5,001 - 10,000	-		-	
10,000 - 100,000	-		-	
100,000 and over	1	1,900,000	4	7,000,000
	1	1,900,000	4	7,000,000

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held (%)
Casaviva Investments Ltd	6,800,000	5.75
Saracen Mineral Holdings Ltd	6,603,940	5.58
Cleland Projects Pty Ltd	6,020,000	5.09
Pillage Investments Pty Ltd	5,500,000	4.65
Citicorp Nominees Pty Limited	4,546,930	3.84
KSLCorp Pty Ltd	4,000,000	3.38
Querion Pty Ltd	3,257,895	2.76
Westedge Investments Pty Ltd	3,251,166	2.75
Ayers Pty Ltd	1,875,000	1.59
Piat Corp Pty Ltd	1,500,000	1.27
Graeme Eric Kirke	1,500,000	1.27
Lesuer Pty Ltd	1,500,000	1.27
Equity Trustees Limited	1,481,293	1.25
Exwere Investments Pty Ltd	1,400,206	1.18
Terrence Williamson & Jonine Jancey	1,292,301	1.09
Puresteel Holdings Pty Ltd	1,280,000	1.08
Ayers Pty Ltd	1,115,952	0.94
Jan Marach & Renata Marach	1,115,157	0.94
Toby Peter Jefferies	1,094,298	0.92
David Massey & Kelly Massey	1,072,642	0.91
	56,206,780	47.51

ASX Additional Information

Unquoted securities

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

Options exercisable at 16.8 cents expiring 5 April 2020	Number of options	Percentage
Saracen Mineral Holdings Ltd	1,900,000	100

Options exercisable at 11.1 cents expiring 30 November 2020	Number of options	Percentage
A Tudor	2,000,000	28.6
P Boyatzis	2,000,000	28.6
Elliott Nominees Pty Ltd	1,500,000	21.4
B Maluish	1,500,000	21.4

On-market buy-back

There is no current on-market buy-back.

Tenement Directory

SUMMARY OF NEXUS MINERALS TENEMENTS

WESTERN AUSTRALIA	
Pinnacles (Gold)	
M28/243	89% Nexus Pinnacles Pty Ltd
E28/2526	90% Nexus Gold Pty Ltd
E28/2487	100% Nexus Gold Pty Ltd
Wallbrook (Gold)	
E31/1160	100% Nexus Wallbrook Pty Ltd
M31/157	
M31/188	
M31/190	
M31/191	
M31/231	
M31/251	
E31/1107	
E31/1108	
E31/1118	
Triumph (Gold))	
E31/1161	100% Nexus Minerals Australia Pty Ltd
E39/2044	
E39/2045	
E31/1179	100% Nexus Mt Celia Pty Ltd