

NEXUS MINERALS LIMITED

ABN 96 122 074 006



NEXUSMINERALS

A N N U A L R E P O R T 2 0 1 5

## Corporate Directory

### Directors

Paul Boyatzis - Non-Executive Chairman  
Dr Mark Elliott - Non-Executive Director  
Bruce Maluish – Non-Executive Director  
Phillip MacLeod - Non-Executive Director

### Company Secretary

Phillip MacLeod

### Registered Office

108 Forrest Street  
Cottesloe, Western Australia, 6011

### Principal Office

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West Perth, Western Australia, 6005  
(08) 9387 1749  
[www.nexus-minerals.com](http://www.nexus-minerals.com)

### 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

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## Letter to Shareholders

Dear Shareholder

The past year has continued to be an extremely challenging period for the resources sector. Exploration companies have been particularly impacted due to “soft” commodity prices and a continued reduced appetite for risk within the capital markets.

Following on from the Company’s 2014 strategic review, the Board of Nexus Minerals Limited (“Nexus”) has continued to prioritise and rationalise its current exploration project portfolio and consolidate its focus on the Western Australian gold sector. To this end the Company divested its interest in the Pilbara Iron ore tenements during the year.

Nexus is continuing to grow its presence in the eastern goldfields centred around the world renowned Kalgoorlie mining region. Diligent, proactive and cost effective pursuit of high value propositions in the market place continues to be the main driver of new project assessment, with a number of exciting projects being added to the Company over the last 12 months.

Nexus will continue to be an active gold explorer and expand its footprint through project acquisition or farm-in/joint ventures, as scalable growth opportunities are identified. This search for projects, while predominantly eastern goldfields focussed, will also take in the rest of Australia and low risk overseas jurisdiction opportunities.

The Company’s solid financial position of \$6.25 million at 30 June 2015 has been maintained and provides the Company with a unique opportunity to evaluate project acquisition opportunities that will continue to arise in the near term.

I am pleased to report that Board of Nexus has been further strengthened with the appointment on 1<sup>st</sup> July of Non-executive Director Mr Bruce Maluish. Mr Maluish is a mining professional with over 30 years’ industry experience holding numerous roles including managing director and general manager. His management experience includes IPO’s, exploration to full production, and the identification, development and expansion of mining projects.

The Company remains in a strong financial position, with a capable and well-credentialed Board, assisted by an experienced management team. I believe Nexus is well positioned to capitalise on growth opportunities emerging in the Australian minerals sector.

Finally, I would like to thank shareholders for their support during the past twelve months. While the past year has had its market challenges, your Board believes that the decisions made during this period will allow us to firmly focus on the new opportunities that lie ahead.



**Paul Boyatzis**  
Chairman

## Review of Operations

The Company's focus for 2015 has been on developing value creation opportunities through the acquisition and development of Australian and overseas based projects. To date this has involved the assessment of predominantly gold projects in Western Australia. A number of potential opportunities have been the subject of geological assessments, due diligence studies and associated site visits. There have also been a number of projects assessed in both other regions of Australia and overseas.

This work has resulted in the addition of eastern goldfields gold exploration projects – Triumph, Pinnacles JV and the Pinnacles Regional project (Fig. 1 and Fig. 2).

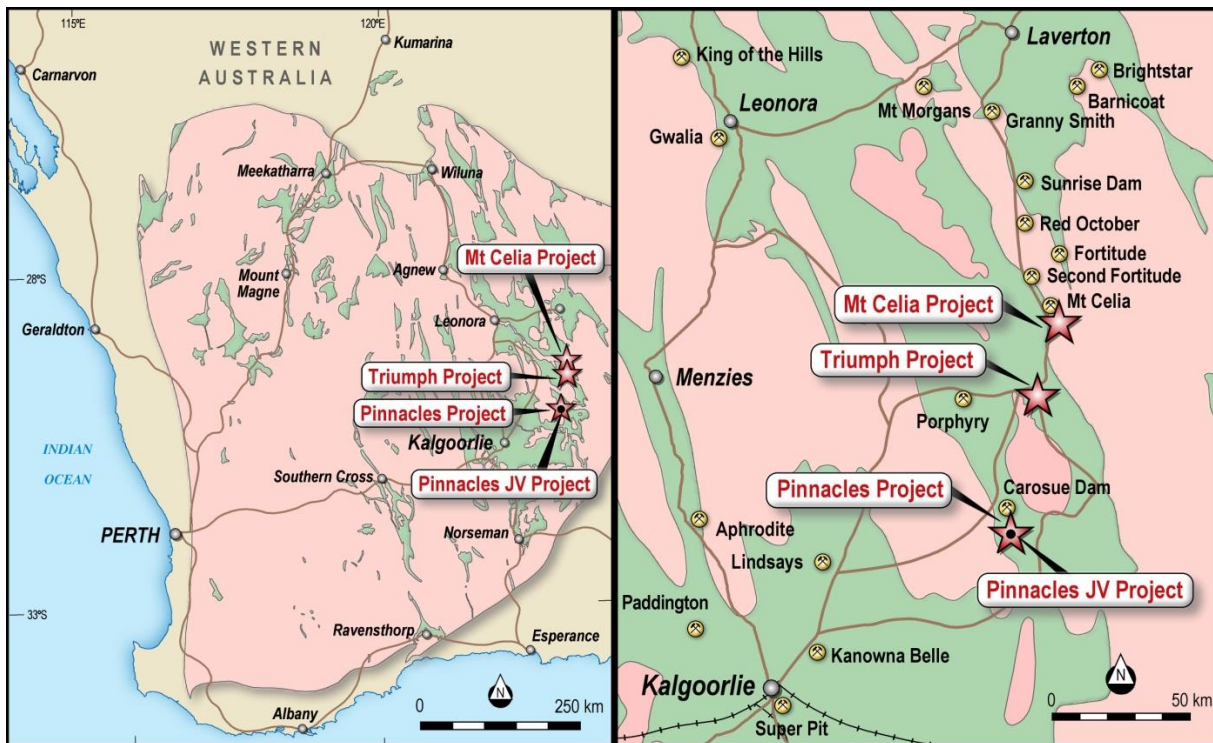


Figure 1 and 2: Nexus Minerals Australian Tenements Location.

## Review of Operations *continued*

### Pinnacles JV & Pinnacles Regional Gold Projects

Subsequent to year end Nexus entered into a Farm-in and Joint Venture Agreement over the Pinnacles Gold Project with Saracen Gold Mines Pty Ltd (**Saracen**), a subsidiary of Saracen Mineral Holdings Limited (**Pinnacles JV**). This investment is consistent with the Company strategy of investing in advanced gold exploration assets.

The Pinnacles JV project is located on a granted Mining Lease, M28/243 (expiry 2031), that covers an area of 8km<sup>2</sup> and is currently held 100% by Saracen. The tenement lies 13km to the south of Saracen's Carosue Dam Mine facility. The tenement is surrounded on all sides by Nexus 94km<sup>2</sup> tenement package (**Pinnacles Regional**). Access into the project area is from the Carosue Dam Mine site via existing Saracen access roads and station tracks (Fig. 3).

The tenement is immediately to the south of, and in conjunction with Nexus regional tenement package is contiguous with, Saracen's Carosue Dam mining tenements, which includes the Whirling Dervish and Karari gold mines, currently in operation (Fig. 3 and Fig. 4). During 2014, the two mines produced 79,000 ounces of gold, and contain a current resource base of 1.4 million ounces.

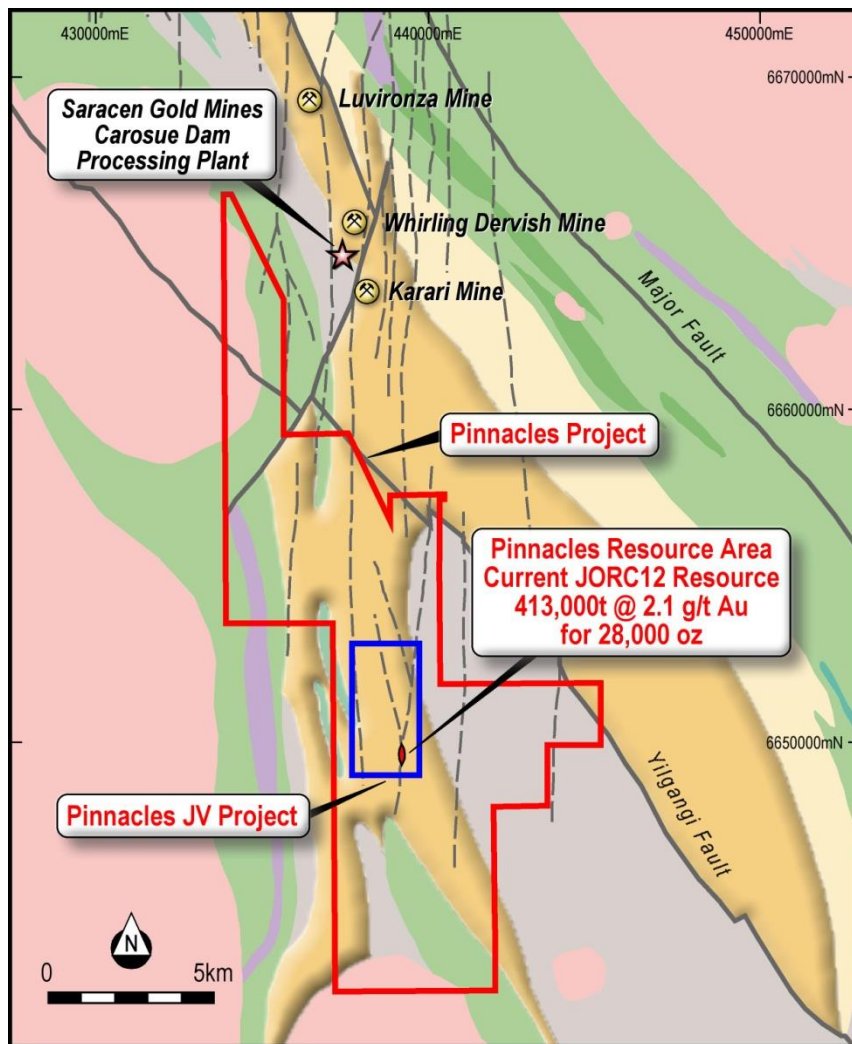
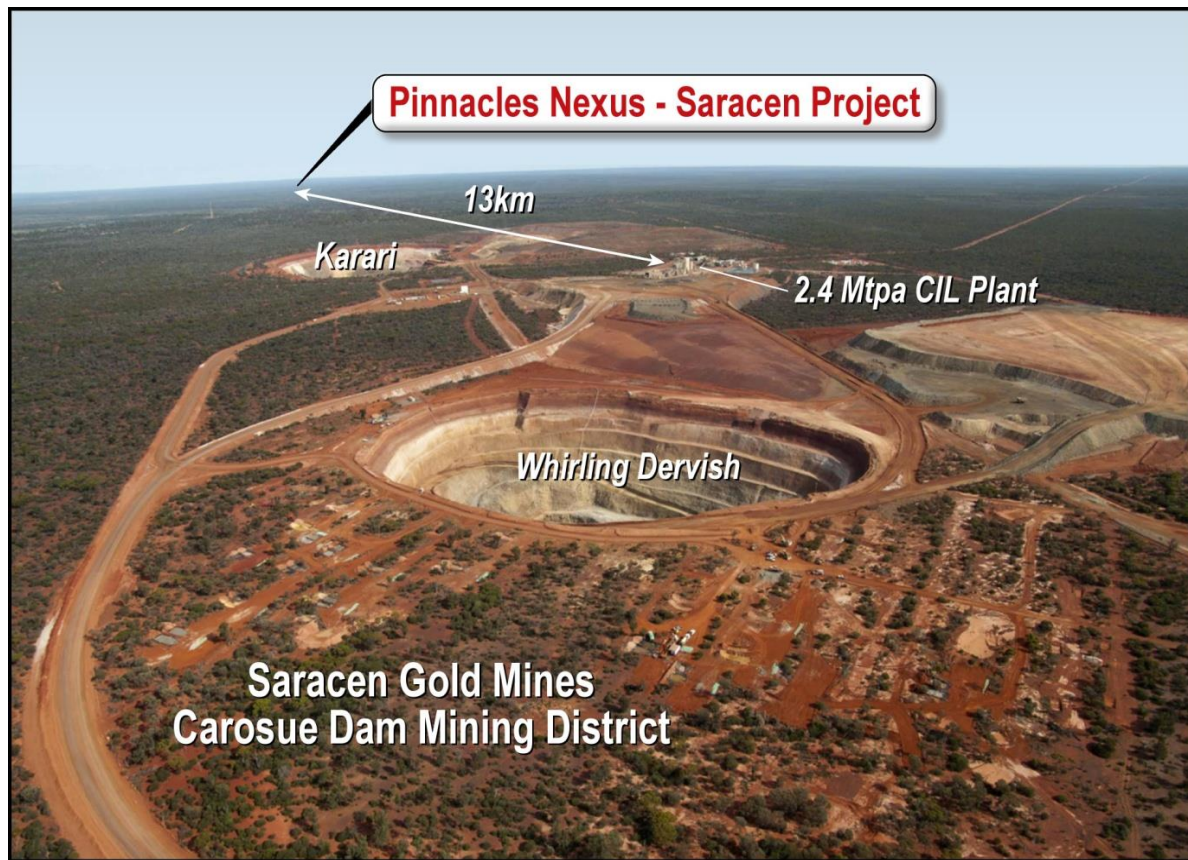


Figure 3: Pinnacles JV and Regional Tenement Location.



## Review of Operations *continued*



**Figure 4: Pinnacles JV and Regional Tenements Location in relation Carosue Dam Plant.**

The Agreement includes an Ore Sale and Purchase Agreement, whereby any future ore mined from the Project tenement will be purchased by Saracen for processing through its 2.4Mtpa CIL processing plant at Carosue Dam – 13km to the north of the project area.

Regionally the Pinnacles project area covers part of a 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 volcanoclastic sandstones and subordinate felsic volcanic rocks. These greenstones have been intruded and disrupted by the forceful intrusion of a series of granitoid rocks.

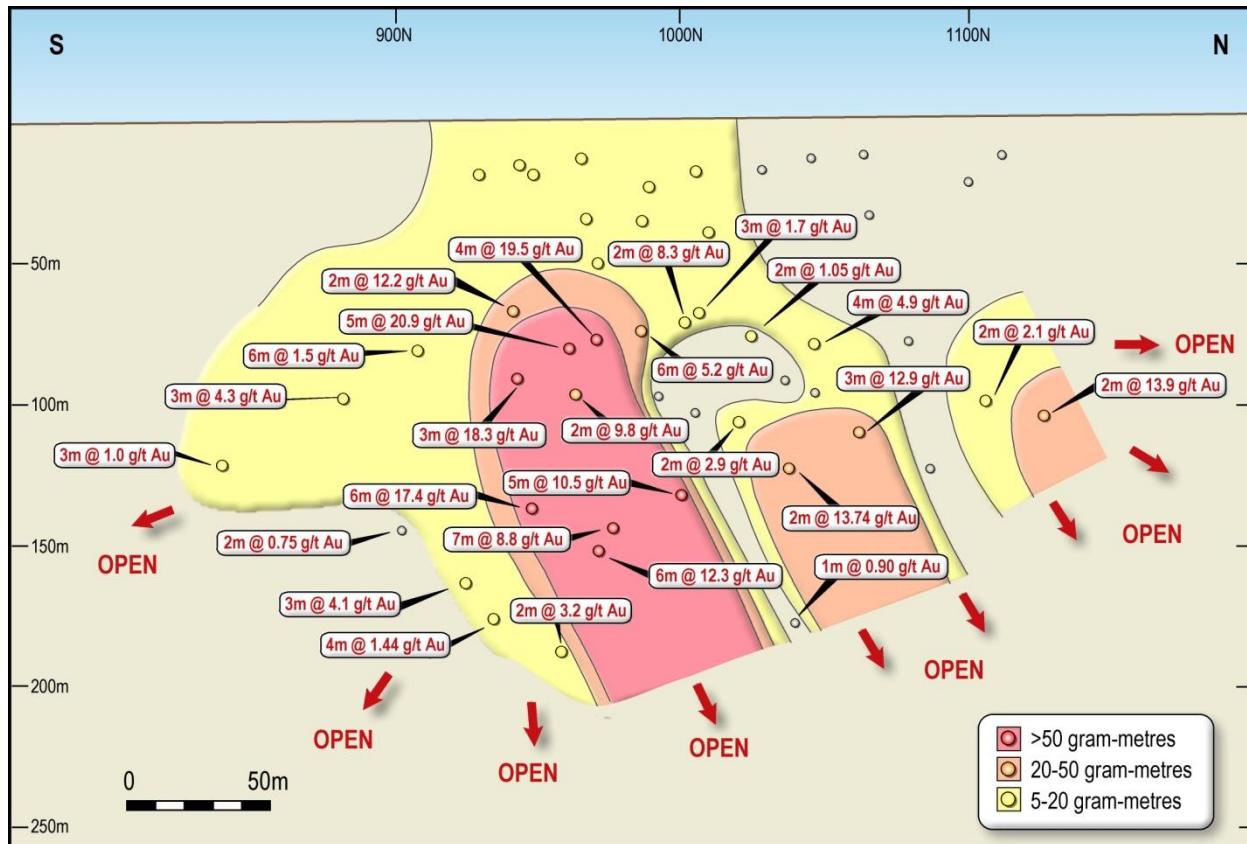
The Pinnacles JV tenement exhibits historic gold mine workings and multiple parallel mineralised structures. Gold mineralisation occurs within a sub-vertical shear zone and is associated with quartz veining and sheared altered host rocks.

There are a number of small shafts that have been worked in the early 1900's extracting gold bearing ferruginous quartz. There has been limited exploration undertaken on the tenements by a number of companies from the early 1980's to present, but only in the search for shallow oxide gold potential.

The Project contains a JORC-2012 compliant resource, completed by Saracen, of 413,000t @ 2.1g/t Au for 28,000oz gold (see Nexus ASX Release 16/9/2015). The Resource is defined to a depth of only 150m.

Some of the deepest RC drilling (~150m) has yielded significant high grade gold intersections (6m @ 12.3g/t Au). Mineralisation remains open at depth, and to the north and south along strike. Encouragingly, geological modeling of the deposit reveals a significant high grade "core" to the mineralised structure, with multiple repetitions of steeply dipping high grade ore shoots evident (Fig. 5).

## Review of Operations continued



**Figure 5: Pinnacles JV Long Section.**

The Pinnacles JV project gold mineralisation occurs within a sub-vertical shear zone hosted within volcanoclastic sandstones. It is associated with quartz within the sheared altered host rocks. There appears to be a sub-vertical and a sub-horizontal control on the mineralisation. Sub-vertical mineralisation reported to be associated with quartz-albite-pyrite alteration, while the flatter shallow dipping mineralisation shows a strong hematite-carbonate-pyrite alteration association.

## Review of Operations continued

### Triumph Gold Project

The Triumph Gold Project is located 145km northeast of Kalgoorlie and comprises both 100% Company owned tenements (46km<sup>2</sup>) and a Farm-In/JV agreement (24km<sup>2</sup>). The total project area covers some 70km<sup>2</sup> (Fig. 6). To date the Company has undertaken an IP survey and completed a 4,034m RC drill program to test 4 high priority areas – Perseverance, Ace of Hearts, Triumph and Glengarry. High grade gold mineralisation was intersected at two of these prospects – Triumph and Glengarry - with best drill intersections shown on Figure 7 and Table 1 (see ASX release 16 June 2015). Interpretation and assessment continues to better understand the controls on this high grade mineralisation, to enable effective planning of any future exploration programs.

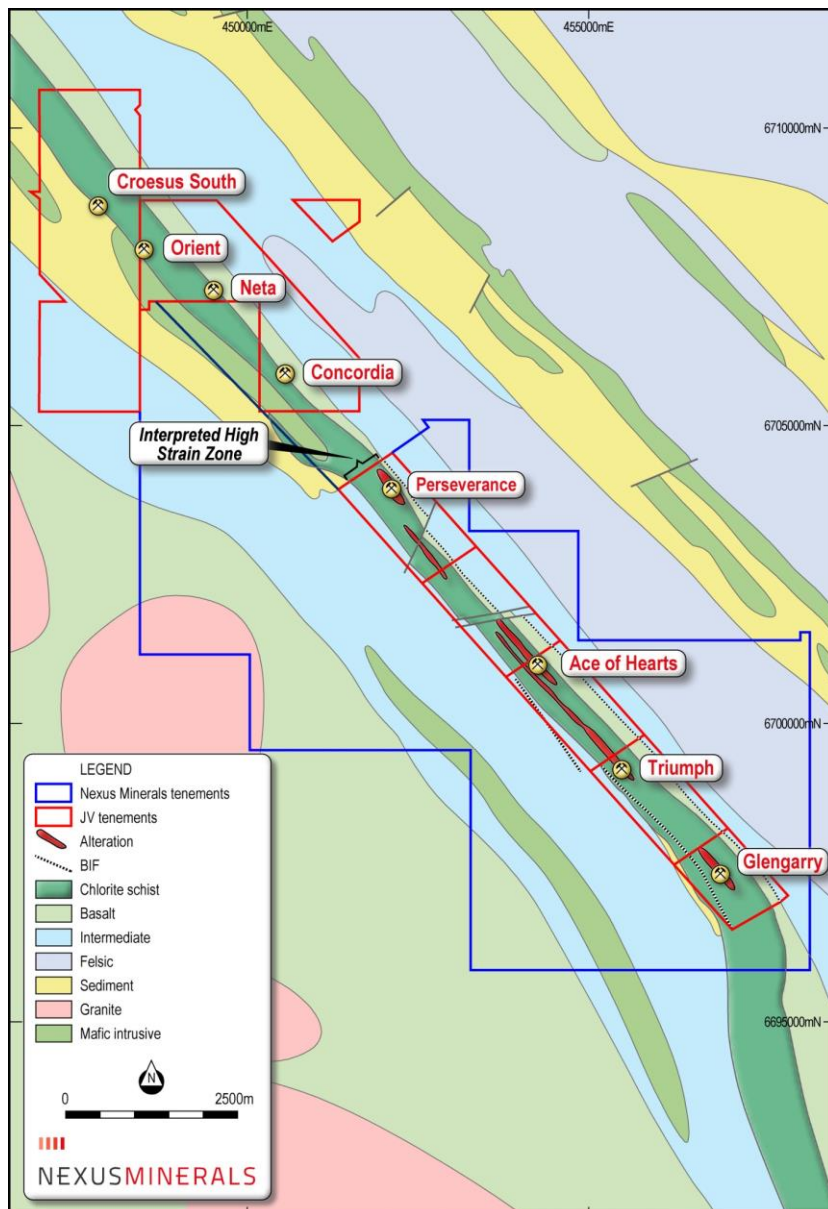


Figure 6: Triumph Tenement Location and Geology.



## Review of Operations continued

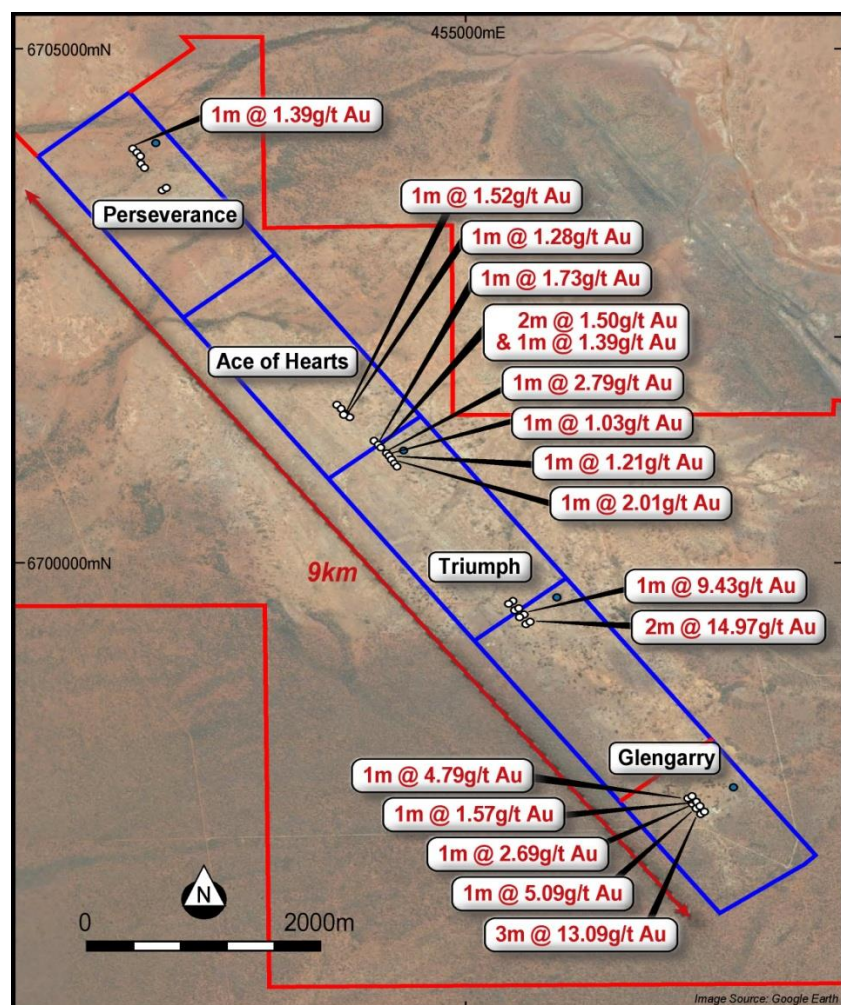


Figure 7: Triumph Drill Intersections 1g/t Au Cut-off.

Prospect	Hole ID	From (m)	To (m)	Length (m)	Grade (g/t)
Triumph	NMTRRC24	115	117	2	14.97
Triumph	incl	115	116	1	25.82
Triumph	incl	116	117	1	4.13
Triumph	NMTRRC26	101	102	1	9.43
Glengarry	NMTRRC32	46	49	3	13.09
Glengarry	incl	46	47	1	12.34
Glengarry	incl	47	48	1	5.38
Glengarry	incl	48	49	1	21.56
Glengarry	NMTRRC34	38	39	1	5.09
Glengarry	NMTRRC38	30	31	1	4.79

Table 1: Summary of Significant Intercepts (4.0g/t Au Cut-off)

## Review of Operations *continued*

### Mt Celia Gold Project

The Mt Celia mining area lies some 180km's north east of Kalgoorlie within a narrow belt of greenstones, bounded by granitoids to the east, and intruded by several small granitoid plutons. District historic gold production (~100kg) was from quartz veining within, and parallel to, the north-west trending greenstone sequence. Three prospecting licenses (P39/5484, P39/5485 and P39/5486) have been granted to Nexus, cover 5.2km<sup>2</sup> and contain this north-west trending greenstone sequence, and occur along strike approximately 1.5km's to the south east of Legacy Iron Ore's Mt Celia Gold Project (JORC compliant Blue Peter prospect - inferred resource 239,272t @ 3.97g/t Au for 30,554 ounces. (See Legacy Iron Ore Limited website [www.legacyiron.com.au](http://www.legacyiron.com.au) for details).

A further 6.5km<sup>2</sup> exploration licence has been applied for (E39/1890) and this extends the package to the east-northeast of the granted Nexus tenements. A full data review is currently being undertaken to determine the prospectivity of this tenement package. Field fact mapping and ground truthing will take place over prospective areas.

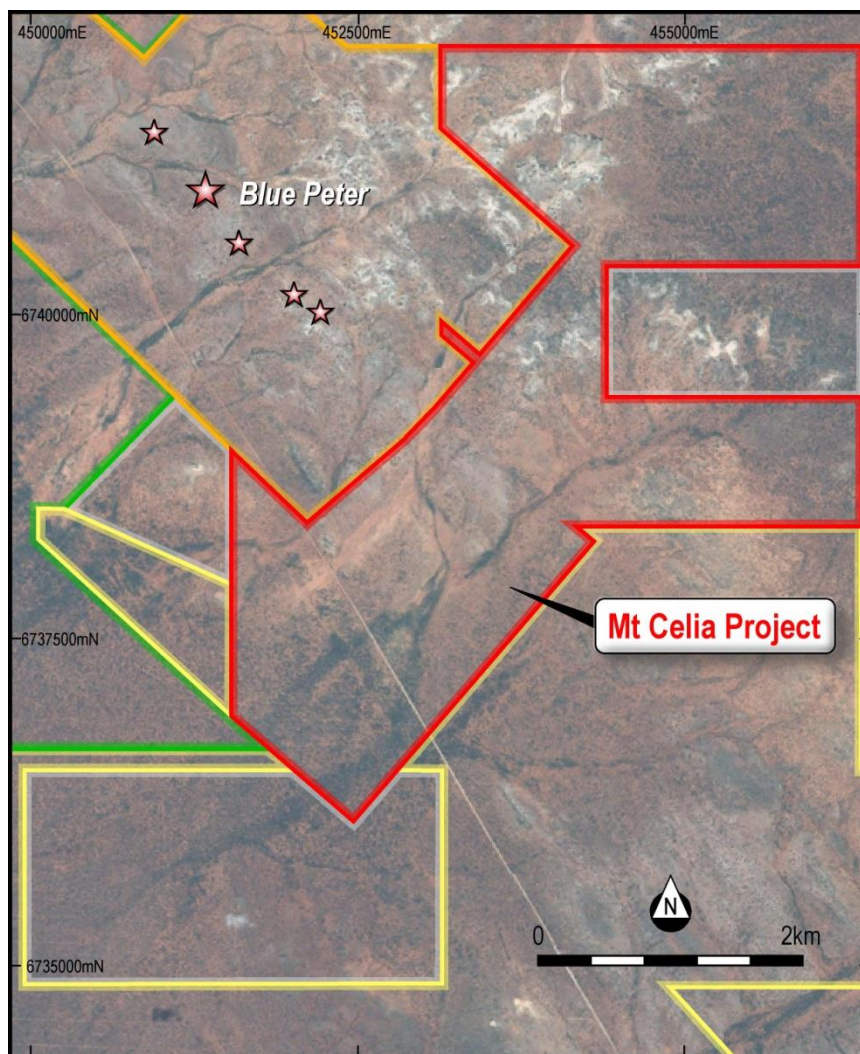


Figure 8: Mt Celia Tenements.

## Review of Operations *continued*

### Competent Person's Statement

*The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Andy Tudor, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tudor is a full-time employee of Nexus Minerals Limited. Mr Tudor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The exploration results are available to be viewed on the Company website [www.nexus-minerals.com](http://www.nexus-minerals.com). The Company confirms it is not aware of any new information that materially affects the information included in the original announcement, 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.*

## 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 2015 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 25 years' experience in the investment and equity markets, particularly with emerging growth companies in the Mining and Industrial sectors.

Mr Boyatzis is a member of the Australian Institute of Company Directors and the Securities and Derivatives Industry Association. Paul has served as Chairman and Director of a number of public and private companies globally.

Mr Boyatzis is a director of Transaction Solutions International Limited, Ventnor Resources Limited and Aruma Resources Limited. During the past three years Mr Boyatzis 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), FSEG**

Dr Elliott is a chartered professional geologist with 38 years' experience in the resources industry. He has extensive experience in managing resource companies in a wide range of commodities.

Dr Elliott has a Diploma in Applied Geology (1973) from the Ballarat School of Mines and a Doctor of Philosophy Degree (1979) from the University of New South Wales. He is a qualified Company Director having completed the Company Directors course Diploma awarded by the University of Sydney Graduate School of Business in 1996. He is a Fellow of the Australian Institute of Company Directors, Australasian Institute of Mining and Metallurgy and Society of Economic Geologists.

Dr Elliott is a Non-Executive Director of geothermal developer and environmental audit and hazardous materials analytical laboratory company HRL Holdings Limited.

During the past three years Dr Elliott has not served as a director of any other listed company.

#### **Bruce Maluish – Non-Executive Director appointed 1 July 2015**

**BSc (Surv), Dip Met Min**

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

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

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



## Directors' Report

**Phillip MacLeod – Non-Executive Director appointed 16 May 2014 /**

**Company Secretary appointed 6 October 2006**

**B.Bus, ASA, MAICD**

Mr MacLeod has over 20 years' commercial experience and has held the position of company secretary with listed public companies since 1995. Mr MacLeod has provided corporate, management and accounting advice to a number of public and private companies involved in the resource, technology, property and healthcare industries.

During the past 3 years Mr MacLeod has not served as a director of any other listed company.

### 2. DIRECTORS' MEETINGS

The number of Directors' meetings held and the number of meetings attended by each of the Directors of the Company during their term in office during the financial year is as follows.

Director	Meetings Held	Meetings Attended
Paul Boyatzis	5	5
Mark Elliott	5	5
Phillip MacLeod	5	5
Bruce Maluish*	N/A	N/A

*\*Appointed 1 July 2015*

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:

Directors	Fully Paid Ordinary Shares Number	Share Options Number
Mr P Boyatzis	8,128,346	500,000
Dr M Elliott	751,600	500,000
Mr P MacLeod	139,000	-
Mr B Maluish	40,000	-
<b>Executives</b>		
Mr A Tudor	166,666	600,000



## Directors' Report *continued*

### 4. SHARE OPTIONS

#### Unissued shares under option

There are 5,100,000 options over unissued shares in Nexus Minerals Limited (2014: 8,800,000).

Number of Shares Under Option	Exercise Price of Options (cents)	Expiry Date of Option
2,500,000	19.9	23 January 2016
1,000,000	21.1	23 July 2016
1,000,000	8.2	17 October 2016
600,000	10.5	30 June 2017

#### Share options lapsed

During the year no options were cancelled (2014: 2 million). 700,000 options expired during the year (2014: nil).

#### Shares issued on exercise of options

There were no ordinary shares issued as a result of the exercise of options during the year (2014: none).

#### Share options granted to directors and key management personnel

During and since the financial year, share options were granted to the following key management personnel of the Company and the entities it controlled as part of their remuneration.

	Number of Options Granted	Number of Ordinary Shares Under Option
Andy Tudor*	600,000	600,000

\*Appointed 7 July 2014

### 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 \$1,258,549 (2014: \$667,427). The Group had cash and term deposit balances at 30 June 2015 of \$6,252,427, a decrease of \$918,458 on the prior year.

Information on the operations of the Group, its business strategies and future prospects are set out on pages 3 to 10 of the annual report.

## Directors' Report continued

### 7. DIVIDENDS

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

### 8. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Company entered into a Farm-in and Joint Venture agreement over the Pinnacles Gold Project with Saracen Mineral Holdings Limited. Refer to ASX announcement dated 17 September 2015 for further details of the agreement.

Subsequent to the reporting date the Company appointed Mr Bruce Maluish as a Non-executive Director. Refer to ASX announcement dated 1 July 2015 for further details.

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

### 9. LIKELY DEVELOPMENTS

The Group will continue planning and executing mineral exploration work on its existing projects as well as any new projects or investments which come under review during the financial year.

### 10. ENVIRONMENTAL REGULATIONS

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements up to the date of this report. The board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

### 11. INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has entered into Director and Officer Protection Deeds (Deed) with each Director and the Company Secretary (officers). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Also pursuant to the Deed, the Company must insure the officers against liability and provide access to all board papers relevant to defending any claim brought against the officers in their capacity as officers of the Company.

The Company has paid insurance premiums during the year in respect of liability for any past, present or future directors, secretary, officers and employees of the Company or related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance or indemnification for the Auditor of the Company.

## Directors' Report continued

### 12. REMUNERATION REPORT (Audited)

#### 12.1 Principles of compensation (audited)

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 2015. 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)
Mark Elliott	Non-executive
Philip MacLeod	Non-executive
Bruce Maluish	Non-executive (appointed 1 July 2015)

##### Executive

Andy Tudor	Chief Executive Officer (appointed 7 July 2014)
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Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year.

Remuneration levels for key management personnel and other staff of the company are competitively set to attract and retain appropriately qualified and experienced directors and executives and take account of factors such as length of service, particular experience and expertise. The directors obtain independent advice on the appropriateness of compensation packages of the company given trends in comparative local companies and the objectives of the company's compensation strategy. Non-executive directors receive a fixed fee of up to \$40,000 plus statutory superannuation, if applicable. The Chairman receives a fixed fee of \$84,000 per annum. Currently key management personnel remuneration is not dependent on the satisfaction of any performance condition.

#### 12.2 Directors' and senior executives' remuneration (audited)

Details of the nature and amount of each major element of remuneration of each director of the Company and named executives of the Company receiving the highest remuneration are shown in Table 1 on page 17.

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

During the year 600,000 share options over unissued shares were granted to Directors and senior executives (2014: 1,000,000).

## **Directors' Report** continued

### **12.4 Service agreements (audited)**

On 7<sup>th</sup> July 2014 the Company appointed Mr Andy Tudor to the position of Chief Executive Officer. Mr Tudor receives a basic salary of \$251,142 plus superannuation of 9.50%. The service agreement is open ended and may be terminated by either party with one month's notice. Mr Tudor (or his nominee) received 600,000 options expiring 30 June 2017 with an agreed exercise price of 10.5 cents.

## Directors' Report continued

**Table 1:** Details of the nature and amount of each major element of remuneration of each director and named executives receiving the highest remuneration are:

Nexus Minerals Limited		Short-term				Post Employment	Other Long-term		Share-based Payments	Total \$	Proportion of Remuneration Performance Related %	Value of Options as Proportion of Remuneration %
		Salaries & Fees \$	Cash Bonus \$	Non-monetary Benefits	Total	Superannuation Benefits \$	\$	Termination Benefit \$	Options & Rights \$			
Directors	Year											
Mr P Boyatzis	2015	84,000	-	-	84,000	-	-	-	-	84,000	-	-
	2014	84,000	-	-	84,000	-	-	-	16,361	100,361	-	16.30
Dr M Elliott (1)	2015	40,000	-	-	40,000	-	-	-	-	40,000	-	-
	2014	42,000	-	-	42,000	-	-	-	16,361	58,361	-	28.03
Mr P MacLeod (2)	2015	36,000	-	-	36,000	-	-	-	-	36,000	-	-
	2014	36,000	-	-	36,000	-	-	-	-	36,000	-	-
Mr J Greive (3)	2014	150,808	-	-	150,808	5,396	-	-	10,469	166,673	-	6.28
Directors Total	2015	160,000	-	-	160,000	-	-	-	-	160,000	-	-
	2014	312,808	-	-	312,808	5,396	-	-	43,191	361,395	-	11.95
<b>Executive</b>												
Mr A Tudor	2015	251,142	-	-	251,142	23,858			12,980	287,980	-	4.51
Executive Total	2015	251,142	-	-	251,142	23,858			12,980	287,980	-	4.51
Total	2015	411,142	-	-	411,142	23,858			12,980	447,980	-	2.90
	2014	312,808	-	-	312,808	5,396	-	-	43,191	361,395	-	11.95

- 2014 fees includes \$2,000 for geological consulting services (2015: nil)
- Appointed 16 May 2014. Includes fees of \$36,000 (2014: \$36,000) for Company Secretarial services
- Resigned as Managing Director 30 August 2013, resigned as Non-executive director 16 May 2014. 2014 total includes salaries and fees of \$98,908 and superannuation of \$5,396 paid to Mr Greive whilst employed as Managing Director. Mr Greive was also paid \$23,500 for geological consulting services during the year. 2,000,000 tranche 3 options were cancelled during the year by mutual consent.



## Directors' Report continued

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

Directors	Date Granted	Number Granted During the Year	Number Vested During the Year	% of Grant Vested	% Compensation for the Year Consisting of Options
Andy Tudor	7 July 2014	600,000	600,000	100%	4.51%

The fair value of the options at the time of grant was \$12,980. The options vested immediately.

There were no options that were granted to key management personnel as part of their compensation which were exercised during the year by key management personnel.

### 12.6 Options granted, exercised or cancelled during the year in relation to key management personnel as part of their remuneration

Directors	Value of Options Granted at the Grant Date \$	Value of Options Exercised at the Exercised Date \$	Value of Options Expired at the Expiry Date \$
Andy Tudor	12,980	-	-
Phil MacLeod	-	-	12,877

### 12.7 Key management personnel equity holdings

The movement during the year in the number of ordinary shares in Nexus Minerals Limited held, directly, indirectly or beneficially, by each key management person, including their personally related entities, is as follows:

	Held at 1 July 2014	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2015
<b>Directors</b>					
Mr P Boyatzis	7,898,566	-	-	-	7,898,566
Dr M Elliott	751,600	-	-	-	751,600
Mr P MacLeod	105,000	-	-	-	105,000
<b>Executive</b>					
Mr A Tudor*	-	-	-	-	-

\* Appointed 7 July 2014

## Directors' Report continued

### 12.7 Key management personnel equity holdings (continued)

Directors	Held at 1 July 2013	Granted as Compensation	Received on Exercise of Options	Other Changes	Held at 30 June 2014
Mr P Boyatzis	7,898,566	-	-	-	7,898,566
Dr M Elliott	751,600	-	-	-	751,600
Mr P MacLeod	105,000	-	-	-	105,000

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 2014	Granted as compensation	Options exercised	Other changes	Held at 30 June 2015	Vested during the year	Vested and exercisable at 30 June 2015
<b>Directors</b>							
Mr P Boyatzis	500,000	-	-	-	500,000	-	500,000
Dr M Elliott	500,000	-	-	-	500,000	-	500,000
Mr P MacLeod	200,000	-	-	(200,000)	-	-	-
<b>Executive</b>							
Mr A Tudor*	-	600,000	-	-	600,000	600,000	600,000

\*Appointed 7 July 2014

Directors	Held at 1 July 2013	Granted as compensation	Options exercised	Other changes	Held at 30 June 2014	Vested during the year	Vested and exercisable at 30 June 2014
Mr P Boyatzis	-	500,000	-	-	500,000	500,000	500,000
Dr M Elliott	-	500,000	-	-	500,000	500,000	500,000
Mr P MacLeod*	200,000	-	-	-	200,000	-	200,000
Mr J Greive**	7,500,000	-	-	(7,500,000)	-	3,000,000	-

\* Appointed 16 May 2014

\*\* Resigned 16 May 2014. 2,000,000 Tranche 3 options were cancelled during the year by mutual consent. Mr Greive held 5,500,000 options at the date of resignation.

### END OF REMUNERATION REPORT

## Directors' Report continued

### 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 PWC, Tanzania and their related practices for audit and non-audit services provided during the year are set out below:

	2015 \$	2014 \$
<b>Audit and review services:</b>		
Nexia Perth	33,815	40,525
PWC, Tanzania	-	6,738
	<u>33,815</u>	<u>47,263</u>
<b>Non-audit services:</b>		
Nexia Perth	6,400	7,400
	<u>6,400</u>	<u>7,400</u>

### 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 21.

### 15. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of directors there were no significant changes in the state of affairs of the Group that occurred during the year other than as previously disclosed in this report.

Signed in accordance with a resolution of the directors:



P Boyatzis  
Chairman

Perth  
Dated 29<sup>th</sup> September 2015

**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 2015 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**

Amar Nathwani

**Amar Nathwani**  
**Director**

29 September 2015  
Perth

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

		CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
	Note		
Revenue from continuing operations	3	46,315	162,008
Exploration expenditure expensed as incurred		(901,444)	(314,734)
Employee benefits		(21,898)	(45,650)
ASX and regulatory expenses		(62,353)	(56,923)
Depreciation	14	(10,748)	(24,504)
Directors' fees		(124,000)	(210,734)
Impairment of assets	13	(125,314)	-
Insurance		(20,704)	(33,411)
Legal and professional fees		(39,021)	(6,998)
Travel expenses		(9,679)	(20,608)
Loss on disposal of plant & equipment		(2,376)	-
Occupancy expenses		(53,172)	(70,418)
Share-based compensation	19	(12,980)	(50,230)
Other expenses		(144,512)	(167,077)
<b>Loss for the year</b>	4	<b>(1,481,886)</b>	<b>(839,279)</b>
Financial income		223,337	276,110
Financial expenses		-	(72)
<b>Net financing income</b>	5	<b>223,337</b>	<b>276,038</b>
<b>Loss from continuing operations</b>		<b>(1,258,549)</b>	<b>(563,241)</b>
Income tax expense	8	-	-
Discontinued operations net of tax		-	(104,186)
<b>Loss for the year</b>		<b>(1,258,549)</b>	<b>(667,427)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit and loss			
Exchange differences on translation		-	(23,717)
Net change in the fair value of available for sale assets	13	(41,249)	41,249
Other comprehensive income for the year net of tax		(41,249)	17,532
<b>Total comprehensive loss for the year</b>		<b>(1,299,798)</b>	<b>(649,895)</b>
<b>Earnings/(loss) per share</b>	7		
Basic and diluted loss per share		(1.79) cents	(0.95) cents
Loss per share from continuing operations		(1.79) cents	(0.80) cents

The accompanying notes form part of these financial statements.



## Consolidated Statement of Financial Position

As at 30 June 2015

	Note	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	10	6,252,427	7,170,885
Trade and other receivables	11	35,853	181,456
Other assets	12	40,160	44,001
<b>Total current assets</b>		6,328,440	7,396,342
<b>Non-current assets</b>			
Available-for-sale assets	13	35,000	201,563
Plant and equipment	14	11,311	16,183
<b>Total non-current assets</b>		46,311	217,746
<b>Total assets</b>		6,374,751	7,614,088
<b>Current liabilities</b>			
Trade and other payables	16	131,182	98,017
Provisions	17	20,332	6,016
<b>Total current liabilities</b>		151,514	104,033
<b>Total liabilities</b>		151,514	104,033
<b>Net assets</b>		6,223,237	7,510,055
<b>Equity</b>			
Issued capital	18	17,182,333	17,182,333
Reserves	19	485,228	558,565
Accumulated losses	20	(11,444,324)	(10,230,843)
<b>Total equity</b>		6,223,237	7,510,055

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cashflows

For the Year Ended 30 June 2015

	Note	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		-	162,008
Interest received		355,248	216,627
Interest paid		-	(72)
Exploration expenditure		(872,661)	(397,941)
Payments to suppliers and employees		(439,108)	(719,182)
<b>Net cash used in operating activities</b>	26(b)	(956,521)	(738,560)
<b>Cash flows from investing activities</b>			
Payments for purchase of plant and equipment		(8,252)	-
Proceeds from term deposit investments		-	4,295,282
Proceeds from disposal of tenement		46,315	-
Proceeds from disposal of Nexus Tanzania shares		-	123,829
<b>Net cash provided by/(used in) investing activities</b>		38,063	4,419,111
Net increase/(decrease) in cash and cash equivalents		(918,458)	3,680,551
Cash and cash equivalents at 1 July		7,170,885	3,490,334
<b>Cash and cash equivalents at 30 June</b>	26(a)	6,252,427	7,170,885

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Share-based Payment Reserve \$	Available for Sale Reserve \$	Total Equity \$
<b>30 June 2014</b>						
Balance at 1 July 2013	17,182,333	(9,716,337)	23,717	620,007	-	8,109,720
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	(667,427)	-	-	-	(667,427)
<b>Other comprehensive income</b>						
Movement in fair value of available-for-sale assets taken to/(from) reserve	-	-	-	-	41,249	41,249
Movement in foreign exchange on translation	-	-	(23,717)	-	-	(23,717)
Total comprehensive loss for the year	-	(667,427)	(23,717)	-	41,249	(649,895)
<b>Transactions with owners of the company recognised directly in equity</b>						
Share-based payment transaction	-	-	-	50,230	-	50,230
Transfer of options to accumulated losses on cancellation of options	-	152,921	-	(152,921)	-	-
Total transactions with owners of the Company	-	152,921	-	(102,691)	-	50,230
<b>Balance at 30 June 2014</b>	<b>17,182,333</b>	<b>(10,230,843)</b>	<b>-</b>	<b>517,316</b>	<b>41,249</b>	<b>7,510,055</b>

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Share-based Payment Reserve \$	Available for Sale Reserve \$	Total Equity \$
<b>30 June 2015</b>						
Balance at 1 July 2014	17,182,333	(10,230,843)	-	517,316	41,249	7,510,055
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	(1,258,549)	-	-	-	(1,258,549)
<b>Other comprehensive income</b>						
Movement in fair value of available-for-sale assets taken to/(from) reserve	-	-	-	-	(41,249)	(41,249)
Total comprehensive loss for the year	-	(1,258,549)	-	-	(41,249)	(1,299,798)
<b>Transactions with owners of the company recognised directly in equity</b>						
Share-based payment transaction	-	-	-	12,980	-	12,980
Transfer of options to accumulated losses on cancellation of options	-	45,068	-	(45,068)	-	-
Total transactions with owners of the Company	-	45,068	-	(32,088)	-	12,980
<b>Balance at 30 June 2015</b>	<b>17,182,333</b>	<b>(11,444,324)</b>	<b>-</b>	<b>485,228</b>	<b>-</b>	<b>6,223,237</b>

The accompanying notes form part of these financial statements.

## **Notes to the Consolidated Financial Statement**

### **For the Year Ended 30 June 2015**

#### **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 2015.

##### **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 29<sup>th</sup> September 2015.

##### **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.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 2013-4 *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*
- Interpretation 21 *Accounting for Levies*
- AASB 2014-1 *Amendments to Australian Accounting Standards*

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The Group’s assessment of the impact of these new standards and interpretations is set out below.



## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### c) Adoption of New and Revised Accounting Standards *continued*

###### *AASB 9 Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

AASB 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

The standard is not expected to have a material impact on the group's financial instruments.

###### *AASB 15 Revenue from Contracts with Customers*

AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (1 July 2018), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

AASB 15 is mandatory for financial years commencing on or after 1 January 2018. Management is currently assessing the impact of the new rules. At this stage, the group is not able to estimate the impact of the new rules on the group's financial statements. The group will make more detailed assessments of the impact over the next twelve months.

##### 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 parent 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.

## **Notes to the Consolidated Financial Statement** continued

### **For the Year Ended 30 June 2015**

#### **1. SIGNIFICANT ACCOUNTING POLICIES** continued

##### **d) Basis of Consolidation** continued

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 statement of 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**

###### *i. 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.

###### *ii. 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.

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### 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.

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.

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### h) Impairment *continued*

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.

##### 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.

## **Notes to the Consolidated Financial Statement** continued

### **For the Year Ended 30 June 2015**

#### **1. SIGNIFICANT ACCOUNTING POLICIES** continued

##### **l) Income Tax** continued

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.

##### **m) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered by a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

##### **n) 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.

## **Notes to the Consolidated Financial Statement** continued

### **For the Year Ended 30 June 2015**

#### **1. SIGNIFICANT ACCOUNTING POLICIES** continued

##### **o) 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.

##### **p) 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 to employees.

##### **q) 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.

##### **r) Financial Assets**

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL") 'held to maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### r) Financial Assets *continued*

###### i) *Effective Interest Method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

###### ii) *Financial Assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both which, is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives and AASB 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial Assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of profit or loss and other comprehensive income.



## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### r) Financial Assets *continued*

###### (iii) AFS Financial Assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Fair value is determined in the manner described in note 9. Gains and losses arising from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

###### (iv) Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost, using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

###### (v) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets are assessed on an individual basis.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### r) Financial Assets *continued*

With the exception of AFS equity instruments, if, in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

##### s) Share-based Payment Transactions

###### *(i) Equity settled transactions:*

The Group provides benefits to directors and executives of the Group in the form of share-based payments, whereby directors and executives render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with directors and executives is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option valuation, further details of which are given in note 23.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

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.

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES *continued*

##### s) Share-based Payment Transactions *continued*

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

##### t) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

##### u) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight-line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

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

In the application of the Group's accounting policies which are described in note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Share-based Payment Transactions*

The Group measures the cost of equity-settled transactions with directors and executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value was determined using a Black-Scholes model, using the assumptions detailed in note 23.

##### *Exploration and evaluation costs carried forward*

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the directors have elected for exploration assets relating to the acquisition of licenses to be carried at cost. All other exploration and evaluation costs are expensed during the period in which they are incurred.

##### *Recovery of Deferred Tax Assets*

Deferred tax assets are recognised for deductible temporary differences where management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgment has been effected to determine that no deferred tax assets was recognized.

##### *Impairment of Available-for-sale Financial Assets*

The Group follows the guidance of AASB 139 *Financial Instruments: Recognition and Measurement* to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>3. REVENUE</b>		
Gain on sale of tenement	46,315	-
Option fee	-	150,000
Refunds	-	12,008
	46,315	162,008

#### 4. LOSS BEFORE INCOME TAX

Loss before income tax expense has been arrived at after charging the following items:

Operating lease payments	40,455	33,402
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#### 5. FINANCING INCOME

Interest income	223,337	276,110
Interest expense	-	(72)
	223,337	276,038

#### 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:

Auditor's remuneration:

Audit and review services:

Nexia Perth	33,815	40,525
PWC, Tanzania	-	6,738
	33,815	47,263

Auditor's remuneration:

Taxation and other services:

Nexia, Perth	6,400	7,400
	6,400	7,400

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015	CONSOLIDATED 2014
<b>7. EARNINGS (LOSS) PER SHARE</b>		
Earnings (loss) per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date	(1.79) cents	(0.95) cents
Loss per share – continuing operations	(1.79) cents	(0.80) cents
a) Weighted average number of shares used in calculation of basic loss per share		
Issued ordinary shares at 1 July	70,383,575	70,383,575
Weighted average number of ordinary shares at 30 June	70,383,575	70,383,575
b) Loss used in calculating basic loss per share	\$1,258,549	\$667,427
c) Loss used in calculating basic loss per share in continued operations	\$1,258,549	\$563,241

As the Group incurred a loss for the year ended 30 June 2015 the options on issue have an anti-dilutive effect and therefore the diluted loss per share is deemed equal to the basic loss per share.



## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
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#### 8. INCOME TAXES

##### Recognised in the statement of profit or loss and other 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 profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate.

Profit/(loss) before income tax expense from continuing operations	(1,258,549)	(563,241)
Income tax expense/(income) calculated at 30%	(377,565)	(168,972)
Effect of expenses that are not deductible in determining taxable profit	26,527	15,192
Total current year tax loss	(351,038)	(153,780)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	351,038	153,780
	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

##### Unrecognised deferred tax assets/(liabilities)

The following deferred tax assets have not been brought to account:

Tax losses – revenue	3,096,395	2,780,203
Temporary differences	67,215	(10,383)
	3,163,610	2,769,820

Deferred tax assets have not been recognised in respect of the following items:

Items capitalised for tax purposes	10,320	-
Trade and other payables	47,660	(31,412)
Section 40 – 880 expenses	9,235	21,029
Tax losses carry forward	3,096,395	2,780,203
	3,163,610	2,769,820

## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 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 are held with Westpac and ANZ Banks, which are Australian banks 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 relate to 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	
		CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
	Note		
Trade and other receivables	11	15,707	147,630
Cash and bank balances	10	6,252,427	7,170,885

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 9. FINANCIAL INSTRUMENTS CONTINUED

##### Credit Risk continued

##### *Impairment Losses*

None of the Company's trade and other receivables are past due (2014: \$nil). As the Group is not trading there is no management of credit risk performed through an ageing analysis.

The movement in the allowance for impairment in respect of available-for-sale financial assets during the year was as follows:

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
Balance at 1 July	194,063	194,063
Transfer from reserve to profit and loss	41,249	-
Impairment loss recognised	125,314	-
Balance at 30 June	360,626	194,063

During 2015 there was a transfer of impairment loss of \$41,249 between the statement of profit or loss and other comprehensive income and available-for-sale asset reserve by the Group (2014: nil).

##### 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 \$
<b>30 June 2015</b>				
Trade and other payables	131,182	(131,182)	(131,182)	-
	131,182	(131,182)	(131,182)	-
<b>30 June 2014</b>				
Trade and other payables	98,017	(98,017)	(98,017)	-
	98,017	(98,017)	(98,017)	-

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 9. FINANCIAL INSTRUMENTS CONTINUED

##### 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 2015		CONSOLIDATED 2014	
	CARRYING AMOUNT \$	INTEREST RATE %	CARRYING AMOUNT \$	INTEREST RATE %
<b>Fixed Rate Instruments</b>				
Term deposit investments	-	-	-	-
Cash and bank balances	6,162,639	2.39	6,946,455	3.71
	6,162,639	2.39	6,946,455	3.71
<b>Variable Rate Instruments</b>				
Cash and bank balances	89,788	-	224,430	0.10

##### 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 2014.

	Equity		Profit and Loss	
	100bp increase	100bp decrease	100bp increase	100bp decrease
<b>30 June 2015</b>				
Variable rate instruments	898	(898)	898	(898)
<b>30 June 2014</b>				
Variable rate instruments	2,244	(2,244)	2,244	(2,244)

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 9. FINANCIAL INSTRUMENTS CONTINUED

##### Market risk (continued)

##### 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 2015 and 30 June 2014.

<b>Consolidated 30 June 2015</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Level 4 \$</b>
Assets				
Available-for-sale financial assets	35,000	-	-	35,000

<b>Consolidated 30 June 2014</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Level 4 \$</b>
Assets				
Available-for-sale financial assets	201,563	-	-	201,563

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the close price at reporting date. These instruments are included in level 1.

The Group currently has available-for-sale securities that are traded in an active market.

##### Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
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#### 10. CASH AND CASH EQUIVALENTS

Cash at hand	47	75
Cash and bank	89,741	224,355
Term deposit investments	6,162,639	6,946,455
	6,252,427	7,170,885

	%	%
Weighted average interest rate	2.36	3.60

#### 11. TRADE AND OTHER RECEIVABLES

\$

\$

##### Current

Interest receivable	15,183	147,094
GST receivable	20,146	33,826
Other receivables	524	536
	35,853	181,456

Term deposit investments comprise term deposits with a maturity date of not more than 3 months and attract a weighted average interest rate of 2.39%

#### 12. OTHER ASSETS

\$

\$

##### Current

Deposits, bonds	24,759	24,661
Prepayables	15,401	19,340
	40,160	44,001

Trade and other receivables are non-interest bearing.

#### 13. AVAILABLE –FOR-SALE FINANCIAL ASSETS

\$

\$

##### Non-current

Fair value at beginning of the year	201,563	160,314
Impairment loss	(125,314)	-
Revaluation of listed shares taken to reserve	(41,249)	41,249
Fair value at end of the year	35,000	201,563

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>14. PLANT AND EQUIPMENT</b>		
Exploration equipment at cost	715	7,008
Accumulated depreciation	(265)	(3,793)
	450	3,215
Leasehold improvements at cost	4,680	4,680
Accumulated amortisation	(4,680)	(4,019)
	-	661
Computer & office equipment at cost	35,027	135,682
Accumulated depreciation	(24,166)	(123,375)
	10,861	12,307
Total carrying value	11,311	16,183

The reconciliation of plant and equipment is as follows:

Opening carrying value	16,183	83,721
Additions	8,252	2,061
Disposals	(2,376)	(25,359)
Depreciation – continued operations	(10,748)	(24,504)
Depreciation – discontinued operations	-	(19,093)
Effect of exchange rate on carrying value	-	(643)
Closing carrying value	11,311	16,183

Plant and equipment of \$115,200 at cost and with a nil book value was retired during the year.

<b>15. DEFERRED EXPLORATION EXPENDITURE</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	-	135,254
Impairment expense	-	(16,365)
Balance of tenements on disposal of subsidiary	-	(116,100)
Effect on foreign exchange rates	-	(2,789)
Balance at end of the year	-	-

During the year the Group recorded an impairment expense of \$nil (2014: \$16,365) due to the relinquishment of tenements held by the Group.

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.



## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	<b>CONSOLIDATED 2015 \$</b>	<b>CONSOLIDATED 2014 \$</b>
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#### 16. TRADE AND OTHER PAYABLES

Trade creditors and accruals	131,182	98,017
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All trade creditors and accruals are non-interest bearing.

#### 17. PROVISIONS

\$

\$

##### Current

Provisions for employee entitlements	20,332	6,016
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	<b>COMPANY 2015 \$</b>	<b>COMPANY 2014 \$</b>
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#### 18. SHARE CAPITAL

##### Ordinary shares

70,383,575 (2014: 70,383,575)

Fully paid ordinary shares	17,182,333	17,182,333
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	<b>2015 Number</b>	<b>2015 \$</b>	<b>2014 Number</b>	<b>2014 \$</b>
<i>Movements during the year</i>				
Balance at beginning of year	70,383,575	17,182,333	70,383,575	17,182,333
Shares issued:	-	-	-	-
Transaction costs arising on share issues	-	-	-	-
<b>Balance at end of year</b>	<b>70,383,575</b>	<b>17,182,333</b>	<b>70,383,575</b>	<b>17,182,333</b>

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>19. RESERVES</b>		
Share-based payment reserve	485,228	517,316
Foreign currency translation reserve	-	-
Available-for-sale reserve	-	41,249
	485,228	558,565
Movements:		
<i>Share-based payment reserve</i>		
Balance at beginning of year	517,316	620,007
Cancelled during the year (1)	(45,068)	(152,921)
Share-based payments	12,980	50,230
Balance at end of year	485,228	517,316
<i>Foreign currency translation reserve</i>		
Balance at beginning of year	-	23,717
Eliminate reserve on disposal of overseas subsidiary	-	(23,717)
Balance at end of year	-	-
<i>Assets classified as held-for-sale reserve</i>		
Balance at beginning of year	41,249	-
Increase in fair value recognised in reserve	-	41,249
Transferred to profit and loss	(41,249)	-
Balance at end of year	-	41,249

(1) Options over shares recorded at \$45,068 (2014: \$152,921) 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.

#### Foreign currency translation reserve (FCTR)

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

#### Assets classified as held-for-sale reserve

This reserve is used to record increases in the fair value of assets classified as available-for-sale and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>20. ACCUMULATED LOSSES</b>		
Balance at beginning of year	10,230,843	9,716,337
Cancellation of options	(45,068)	(152,921)
Loss for the year	1,258,549	667,427
Balance at end of year	11,444,324	10,230,843

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
<b>21. COMMITMENTS</b>		
<b>Operating Lease Commitments</b>		
Not later than 1 year	36,884	12,152
Later than 1 year but not later than 5 years	13,608	48,608
	50,492	60,760
<b>Exploration Expenditure Commitments</b>		
Minimum exploration expenditure		
Not later than 1 year	305,280	275,000
Later than 1 year but not later than 5 years	471,120	1,100,000
	776,400	1,375,000

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

## **22. CONTINGENT LIABILITIES**

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

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 23. SHARE-BASED PAYMENTS

During the year 600,000 options were granted as share-based compensation. (2014: 1,500,000).

The following share-based payment arrangements were in place during the year:

<b>Nexus Minerals Limited</b>	<b>Number</b>	<b>Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price \$</b>	<b>Fair Value at Grant Date \$</b>
Option series No.1*	700,000	7 March 2012	6 March 2015	0.195	45,068
Option series No.2	3,000,000	28 March 2012	23 July 2015	0.186	180,444
Option series No.3	2,500,000	28 March 2012	23 Jan' 2016	0.199	182,600
Option series No.4	1,000,000	28 March 2012	23 July 2016	0.211	76,482
Option series No.5	1,000,000	18 Nov' 2013	17 Oct' 2016	0.082	32,722
Option series No.6	600,000	7 July 2014	30 June 2017	0.105	12,980

\* expired during the year

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

<b>Nexus Minerals Limited</b>	<b>2015 Number</b>	<b>2015 Weighted Average Exercise Price \$</b>	<b>2014 Number</b>	<b>2014 Weighted Average Exercise Price \$</b>
Outstanding at the beginning of the year	8,200,000	0.180	8,700,000	0.20
Expired/cancelled during the year*	(700,000)	0.195	(2,000,000)	0.21
Granted during the year	600,000	0.105	1,500,000	0.12
Outstanding at the end of the year	8,100,000	0.167	8,200,000	0.18
Exercisable at the end of the year	8,100,000	0.167	8,200,000	0.18

\* In 2014, with the agreement of the holder 2,000,000 Series No.4 options were cancelled.

The outstanding balance as at 30 June 2015 is represented by 8,100,000 options over ordinary shares with an exercise price of between \$0.082 and \$0.211 each, exercisable up to dates of between 23 July 2015 and until 30 June 2017.

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 23. SHARE-BASED PAYMENTS CONTINUED

The inputs to the options valuation were:

	Series No.1	Series No.2	Series No.3	Series No.4	Series No.5	Series No.6
Dividend yield (%)	n/a	n/a	n/a	n/a	n/a	n/a
Expected volatility (%)	100	100	100	100	97	93
Risk-free interest rate (%)	3.80	3.61	3.61	3.61	3.00	2.67
Expected life of option (years)	3.00	3.33	3.82	4.33	2.92	2.98
Exercise price (cents)	19.5	18.6	19.9	21.1	8.2	10.5
Grant date share price (cents)	12.0	12.0	12.0	12.0	6.0	5.0

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

#### 24. KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Group at any time during the year and unless otherwise indicated were key management personnel for the entire year.

##### Non-executive directors

Mr P Boyatzis (Chairman)

Dr M Elliott

Mr P Macleod

##### Executive

Mr A Tudor (Chief Executive Officer, appointed 7 July 2014)

##### a) Key management personnel compensation

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

	CONSOLIDATED 2015 \$	CONSOLIDATED 2014 \$
Short-term employee benefits	411,142	312,808
Share-based payments	12,980	43,191
Post-employment benefits	23,858	5,396
	447,980	361,395

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 24. KEY MANAGEMENT PERSONNEL CONTINUED

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and executives. Remuneration packages comprise fixed remuneration Information regarding individual directors' and executives' compensation disclosures as permitted by *Corporations Regulations* 2M.3.03 and 2M.6.04 is provided in the remuneration report sections 12.1, 12.2, 12.3 and 12.4 of the Directors' report.

#### 25. RELATED PARTIES

##### Controlled Entities

##### Name of Entity

##### Parent Entity

Nexus Minerals Limited

##### Controlled Entities

Nexus Minerals Australia Pty Ltd (incorporated 19 August 2009)  
Transformation Minerals Africa Pty Ltd (incorporated 18 July 2011)  
Nexus Triumph Pty Ltd (incorporated 18 July 2011)\*  
Nexus Minerals Africa Pty Ltd (incorporated 12 January 2012)  
Transformation Minerals Tanzania Limited (incorporated 10 August 2012)  
Nexus Minerals Uganda Limited (incorporated 21 September 2012)

OWNERSHIP INTEREST 2015	OWNERSHIP INTEREST 2014
-------------------------------	-------------------------------

100%	100%
100%	100%
100%	100%
100%	100%
100%	100%
100%	100%

\* Hemisphere Iron Pty Ltd changed its name to Nexus Triumph Pty Ltd on 2 October 2014.

##### a) Key management personnel

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

##### b) Trade and other payables

Paul Boyatzis, who is a director of the Company was due an amount of \$7,700 at 30 June 2015 (2014: \$7,700) in respect of directors' fees. The outstanding amount was paid subsequent to year end.

##### c) Related party transactions

##### (i). Transactions with Nexus Minerals Australia Pty Ltd

During the year the Company advanced a total sum of \$213 (2014: \$5,567) in working capital to Universal Explorers Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is \$150,267. A provision for impairment of \$140,839 has been recognised by the Parent entity.

##### (ii). Transactions with Nexus Triumph Pty Ltd (formerly Hemisphere Iron Pty Ltd)

During the year the Company loaned a total sum of \$nil (2014: \$1,485) in working capital to Hemisphere Iron Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is \$2,622. A provision for impairment of \$2,258 has been recognised by the Parent entity.

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 25. RELATED PARTIES CONTINUED

##### d) Related party transactions continued

###### (iii). Transactions with Nexus Minerals Africa Pty Ltd

During the year the Company loaned the sum of \$243 (2014: received the sum of \$64) in working capital from Nexus Minerals Africa Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is \$915. A provision for impairment of \$915 has been recognised by the Parent entity.

###### (iv). Transactions with Transformation Minerals Africa Pty Ltd

During the year the Company loaned the sum of \$243 (2014: received the sum of \$64) in working capital to Transformation Minerals Africa Pty Ltd. The loan is unsecured and no interest is charged. The balance at the reporting date is \$18,325. A provision for impairment of \$17,820 has been recognised by the Parent entity.

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 2015 \$	CONSOLIDATED 2014 \$
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	47	75
Cash at bank	89,741	224,355
Short term deposit investments	6,162,639	6,946,455
	6,252,427	7,170,885
b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:		
Loss for the year	(1,258,549)	(667,427)
Adjustments for:		
Depreciation	10,748	43,597
Share-based payments	12,980	50,230
Impairment of financial assets	125,314	-
Impairment of exploration assets	-	16,365
Loss on disposal of plant and equipment	2,376	-
Gain on sale of tenement	(46,315)	-
Add(less):		
(Increase)/decrease in trade and other receivables	145,602	(58,492)
(Increase)/decrease in prepayments	3,840	32,141
Increase/(decrease) in trade and other payables	33,166	(99,372)
Increase/(decrease) in provisions	14,317	(55,602)
Net cash used in operating activities	(956,521)	(738,560)



## Notes to the Consolidated Financial Statement *continued*

### For the Year Ended 30 June 2015

#### 27. SEGMENT INFORMATION

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

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

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

#### 28. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date the Company entered into a Farm-in and Joint Venture agreement over the Pinnacles Gold Project with Saracen Mineral Holdings Limited. Refer to ASX announcement dated 17 September 2015 for further details of the agreement.

Subsequent to the reporting date the Company appointed Mr Bruce Maluish as a Non-executive Director. Refer to ASX announcement dated 1 July 2015 for further details.

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

#### 29. DIVIDENDS

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

## Notes to the Consolidated Financial Statement continued

### For the Year Ended 30 June 2015

#### 30. PARENT ENTITY INFORMATION

As at, and throughout, the financial year ending 30 June 2015 the parent company of the Group was Nexus Minerals Limited.

	COMPANY	
	2015	2014
	\$	\$
<b>Result of the parent entity</b>		
Loss for the year	(1,258,549)	(691,144)
Other comprehensive income/(expense)	(41,249)	41,249
Total comprehensive loss for the year	(1,299,798)	(649,895)
<b>Financial position of parent entity at year end</b>		
<i>Current assets</i>		
Cash and term deposits	6,249,937	7,167,425
Trade and other receivables	28,045	173,638
Other current assets	40,160	44,001
Total current assets	6,318,142	7,385,064
<i>Non-current assets</i>		
Financial assets	35,000	201,563
Plant and equipment	11,311	16,183
Other non-current receivables	10,298	11,278
Total non-current assets	56,609	229,024
Total assets	6,374,751	7,614,088
<i>Current liabilities</i>		
Trade and other payables	131,182	98,017
Provisions	20,332	6,016
Current liabilities	151,514	104,033
Total liabilities	151,514	104,033
<b>Net assets</b>	6,223,237	7,510,055
<i>Total equity of the parent entity comprising:</i>		
Share capital	17,182,333	17,182,333
Reserves	617,110	690,447
Accumulated losses	(11,576,206)	(10,362,725)
<b>Total Equity</b>	6,223,237	7,510,055

## Director's Declaration

In the opinion of the directors of Nexus Minerals Limited (the 'Company'):

- a. the financial statements and notes set out on pages 22 to 56, and the Remuneration disclosures that are contained in page 17 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and
  - (iii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and  
complying with International Financial Reporting Standards as disclosed in Note 1.
- b. the remuneration disclosures that are contained in page 17 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

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



P Boyatzis  
Chairman

Perth  
Dated this 29<sup>th</sup> day of September 2015

## **Independent auditor's report to the members of Nexus Minerals Limited**

### **Report on the financial report**

We have audited the accompanying financial report of Nexus Minerals Limited which comprises the consolidated statement of financial position as at 30 June 2015 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### ***Independence***

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

#### **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

audit@nexiaperth.com.au, www.nexia.com.au

### ***Opinion***

In our opinion:

- (a) the financial report of Nexus Minerals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the remuneration report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. 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.

### ***Opinion***

In our opinion, the remuneration report of Nexus Minerals Limited for the year ended 30 June 2015 complies with Section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads "NPAS".

**Nexia Perth Audit Services Pty Ltd**

A handwritten signature in blue ink that reads "Amar Nathwani".

**Amar Nathwani**  
**Director**

29 September 2015  
Perth

## Corporate Governance Statement

The primary responsibility of the Board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has established a set of corporate governance policies and procedures that are based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"). A copy of the Board Charter and corporate governance policies are available on the Company's website at [www.nexus-minerals.com](http://www.nexus-minerals.com).

The Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the Principles and Recommendations during the period. Where a recommendation has not been followed that fact has been disclosed, together with the reasons for the departure.

### Corporate Governance Compliance

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, have been in place for financial year ended 30 June 2015. The Company has considered the ASX Corporate Governance Principles and the corresponding Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

## Corporate Governance Statement continued

### Disclosure of Corporate Governance Practices

Principle	Conform	Disclosure
<b>1. Lay Solid Foundations for Management and Oversight</b>		
1.1 A listed entity should disclose: (a) The respective roles and responsibilities of its Board and management; and (b) Those matters expressly reserved for the Board and those delegated to management.	Yes	<p>The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The Board has sole responsibility for the following:</p> <ul style="list-style-type: none"> <li>• Appointing and removing the Managing Director and any other executives and approving their remuneration;</li> <li>• Appointing and removing the Company Secretary and Chief Financial Officer and approving their remuneration;</li> <li>• Determining the strategic direction of the Company and measuring performance of management against approved strategies;</li> <li>• Review of the adequacy of resources for management to properly carry out approved strategies and business plans;</li> <li>• Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;</li> <li>• Monitoring the Company's medium term capital and cash flow requirements;</li> <li>• Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;</li> <li>• Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;</li> <li>• Review and ratify systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and</li> <li>• Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.</li> </ul> <p>Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the CEO and his performance is monitored and evaluated by the Board.</p> <p>Some Board functions may be handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.</p>
1.2 A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward for security holders a candidate for election, as a director ; and (b) Provide security holders with all material information in its procession relevant to a decision on whether or not to elect or re-elect a director	Yes	<p>(a) The Company undertakes checks on any person who is being considered as a director. These checks may include good fame and character, experience, education and financial history and background.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director is provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>



## Corporate Governance Statement continued

1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each senior executive and executive Director has a formal employment contract and non-executive Directors have a letter of appointment.								
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.								
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	No	<p>The Company has not adopted a formal diversity policy. The Company respects and values the benefit of diversity throughout the Company in order to enrich the Company's perspective, improve corporate performance, increase Shareholder value and maximise the probability of achievement of the Company's goals. However, given the size and nature of the Company's current operations, the Company has not implemented a formal policy or set measurable goals with respect to diversity.</p> <p>Gender diversity table:</p> <table><tr><td></td><td>Number</td></tr><tr><td>Women employees in the Group:</td><td>1 of 3</td></tr><tr><td>Women in senior executive positions:</td><td>0 of 1</td></tr><tr><td>Women on the Board:</td><td>0 of 4</td></tr></table>		Number	Women employees in the Group:	1 of 3	Women in senior executive positions:	0 of 1	Women on the Board:	0 of 4
	Number										
Women employees in the Group:	1 of 3										
Women in senior executive positions:	0 of 1										
Women on the Board:	0 of 4										

## Corporate Governance Statement continued

1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Chairman is responsible for evaluation of the Board and committees as and when considered appropriate. The review is based on the goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance.</p> <p>No formal review was undertaken during the reporting period. Evaluation of the Board is currently carried out on a continuing and informal basis. A formal process will be put in place when the Board considers it is justified by the level of the Company's operations.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Board is responsible for the evaluation of senior executives. No formal periodic review of senior executives was undertaken during the reporting period with evaluation of management carried out on continuing basis by the Chairman. All directors and senior executives report to the Board as to their area of responsibility at each Board meeting, if required.</p>
<b>2. Structure the Board to Add Value</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	No	<p>A nomination committee has not been established although a nomination committee charter has been adopted. The current size of the Board and the level of operations do not warranted a separate committee with the role and processes of a nomination committee being assumed by the full Board. When circumstance require, the Board considers the necessary skills, knowledge and experience of the Board and management and seeks to fill any gaps in these areas as appropriate.</p>

## Corporate Governance Statement continued

2.1 (b)	if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.														
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	The Board has identified that the appropriate mix of skills and diversity required of its members to operate effectively and efficiently is achieved by personnel having substantial skills and experience in operational management, exploration and geology, finance, listed resource companies, corporate governance and equity markets as well as time availability. The current Board composition adequately addresses these areas. If and when there is a change in the Company's business and/or level of operations, the Board will reconsider the skills matrix and ensure the Board has members with the appropriate skills and experience. A profile of each Director setting out their skills, experience and expertise is set out in the Directors Report of the 2015 Annual Report.												
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	<p>The current Board members and their date of appointment are:</p> <table><tr><td>Mr Boyatzis</td><td>Non-Executive Chairman</td><td>6 December 2006</td></tr><tr><td>Dr Elliott</td><td>Non-executive Director</td><td>6 December 2006</td></tr><tr><td>Mr Maluish</td><td>Non-executive Director</td><td>1 July 2015</td></tr><tr><td>Mr MacLeod</td><td>Non-executive Director</td><td>16 May 2014</td></tr></table> <p>The Board has assessed the independence status of the directors in terms of the ASX Corporate Governance Council's discussion of independent status and has determined that Dr Elliott, Mr Maluish and Mr MacLeod are independent directors.</p>	Mr Boyatzis	Non-Executive Chairman	6 December 2006	Dr Elliott	Non-executive Director	6 December 2006	Mr Maluish	Non-executive Director	1 July 2015	Mr MacLeod	Non-executive Director	16 May 2014
Mr Boyatzis	Non-Executive Chairman	6 December 2006													
Dr Elliott	Non-executive Director	6 December 2006													
Mr Maluish	Non-executive Director	1 July 2015													
Mr MacLeod	Non-executive Director	16 May 2014													
2.4	A majority of the board of a listed entity should be independent directors.	Yes	The Company has a majority of independent directors.												
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	<p>The Company's Chairman, Mr Boyatzis, is not considered to be an independent Director as he is a substantial shareholder of the Company. Despite this relationship, the Board believes that Mr Boyatzis is able, and does make, quality and independent judgements in the best interests of the Company on all relevant issues before the Board.</p> <p>The role of the Chairman and the CEO are not exercised by the same person.</p>												

## Corporate Governance Statement continued

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	A new director is inducted into the Company's policies and processes on engagement. The Company does not have a formal policy or program for professional development of Directors. Directors are expected to maintain and develop their skills and knowledge needed to perform their role effectively. The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.
<b>3. Act Ethically and Responsibly</b>			
3.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	Yes	<p>The Board has adopted a Code of Conduct for Directors, management and employees to promote ethical and responsible decision-making. The Code is disclosed on the Company's website.</p> <p>The code outlines:</p> <ul style="list-style-type: none"> <li>• Responsibilities to shareholders.</li> <li>• Responsibilities to clients, employees, suppliers, creditors, customers and consumers.</li> <li>• Employment practices.</li> <li>• Responsibility to the community.</li> <li>• Responsibility to the individual.</li> <li>• Obligations relative to fair trading and dealing.</li> <li>• Business courtesies and prohibition on bribes, facilitation payments and inducements.</li> <li>• Avoiding and dealing with conflicts of interest.</li> <li>• Confidentiality of information unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.</li> </ul>
<b>4. Safeguard Integrity in Corporate Reporting</b>			
4.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have an audit committee which:               <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ul> </li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> </ul>	No	<p>An Audit Committee has not been established and the role of the Audit Committee has been assumed by the full Board. The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. A charter for the committee, when established, has been adopted and is included in the Corporate Governance policies disclosed on the Company's website.</p> <p>The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.</p>

## Corporate Governance Statement continued

<p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Board requires and has received an appropriate declaration from the CEO and CFO (or those people fulfilling the roles) before it approves the Company's financial statements for each financial period.</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>The Company's external auditor is invited to and attends the Annual General Meeting. The auditor's presence is made known to the shareholders during the meeting and shareholders are provided with an opportunity to address questions to the auditor.</p>
<p><b>5. Make Timely and Balanced Disclosure</b></p>		
<p>5.1 A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>In order to ensure that the Company meets its obligations with regard to the continuous disclosure requirements, the Company has adopted a Continuous Disclosure Policy. The Continuous Disclosure Policy sets out the Company's obligations and its policies and procedures to ensure timely and accurate disclosure of price sensitive information to the market. The policy is disclosed on the Company's website.</p>

## Corporate Governance Statement continued

<b>6. Respect the Rights of Security Holders</b>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information on the Company and its business activities is set out on the Company's website. This information includes the Company's governance policies and procedures.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company has not established a formal investor relations program. The Company does actively communicate with its Shareholders in order to identify their expectations and promotes Shareholder involvement in the Company.
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company has a Shareholder Communications Policy to ensure a regular and timely release of information about the Company to shareholders. Shareholders are encouraged to attend and participate in general meetings.
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders are able to make contact with and receive communications from both the Company and its share registry electronically.
<b>7. Recognise and Manage Risk</b>		
7.1 The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which:               <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:                   <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</li> </ul>	No	<p>The Company does not have a risk management committee with that role undertaken by the Board. A charter for the committee, when established, has been adopted and is included in the Corporate Governance policies disclosed on the Company's website.</p> <p>The Company has policies and procedures in place which are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. Management designs, implements and maintains risk management and internal control systems to manage the Company's material business risks. As part of regular reporting procedure, management report to the Board confirming that those risks are being managed effectively.</p>

## Corporate Governance Statement continued

7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	The Board meets on a regular basis to consider strategic and operating matters. As part of this, all risks are considered including but not limited to strategic, operational, legal, reputational and financial risks. This is an ongoing process rather than an annual formal review.
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	The Company does not have an internal audit function. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by the Board and management.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	The Board is of the view that that the Company's operations do not currently create material exposure to economic, environmental and social sustainability risks.
<b>8.</b>	<b>Remunerate Fairly and Responsibly</b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	No	A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board. A charter for the committee, when established, has been adopted and is included in the Corporate Governance policies disclosed on the Company's website.

## Corporate Governance Statement continued

<p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Yes</p>	<p>The Company provides disclosure of all Director and executive remuneration in its Annual Report.</p> <p>Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. There are no agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).</p> <p>Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed periodically to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>No</p>	<p>The Company has not established a policy on this matter. The Company's current option plan only provides for the issue of unlisted options to eligible participants.</p> <p>KMP are required to comply with the Company's Securities Trading Policy.</p>



## 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 25 September 2015

#### Substantial shareholders

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

Shareholder	Number
Graeme Kirke	9,100,000
Ultimate Victory Holdings Limited	6,800,000
Jane Elizabeth Boyatzis	4,480,946

#### Voting rights

##### Ordinary shares

One vote for each ordinary fully paid share.

##### On-market buy-back

There is no current on-market buy-back.

### Distribution of Equity Security Holders

#### Quoted Ordinary Shares

Category	Number of holders	Number of Shares
1 - 1,000	46	16,257
1,001 - 5,000	140	431,739
5,001 - 10,000	119	1,006,236
10,000 - 100,000	277	10,867,339
100,000 and over	99	58,062,004
	681	70,383,575

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

Unquoted Options	Number of Holders			
	Exercisable at \$0.199 expiring 23 January 2016	Exercisable at \$0.211 expiring 23 July 2016	Exercisable at \$0.082 expiring 17 October 2016	Exercisable at \$0.105 expiring 30 June 2017
Category				
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,000 - 100,000	-	-	-	-
100,000 and over	1	1	2	1
	1	1	2	1

**ASX Additional Information** continued**Twenty Largest Shareholders**

<b>Name</b>	<b>Number of Ordinary Shares Held</b>	<b>Percentage of Capital Held (%)</b>
Ultimate Victory Holdings Limited	6,800,000	9.66
Pillage Investments Pty Ltd	4,500,000	6.39
KSLCorp Pty Ltd	3,600,000	5.12
Piat Corp Pty Ltd	3,000,000	4.26
Westedge Investments Pty Ltd	2,751,166	3.91
Citicorp Nominees Pty Limited	2,640,633	3.75
Megatop Nominees Pty Ltd	2,227,510	3.16
Ringsford Pty Ltd	1,900,000	2.70
Lesuer Pty Ltd	1,500,000	2.13
Paso Holdings Pty Ltd	1,475,000	2.10
Puresteel Holdings Pty Ltd	1,306,000	1.86
Perth Select Seafoods Pty Ltd	1,040,000	1.48
Graeme Eric Kirke	1,000,000	1.42
Williamson, TP & Jancey, JM	1,000,000	1.42
Blue Beach Pty Ltd	888,888	1.26
Sodell Investments Pty Ltd	750,000	1.07
Cleland Projects Pty Ltd	675,000	0.96
RHB Securities Singapore Pte Ltd	575,000	0.82
Rosemont Assets Pty Ltd	565,000	0.80
MDC Funds Pty Ltd	550,000	0.78
	<b>38,744,197</b>	<b>55.05</b>

**Restricted Securities**

The Company has 70,383,575 shares and 5,100,000 options on issue. No shares or options are subject to ASX or voluntary escrow.

## Tenement Directory

### SUMMARY OF NEXUS MINERALS TENEMENTS

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