



NEXUS MINERALS LIMITED

ABN: 96 122 074 006

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2015

## NEXUS MINERALS LIMITED

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## **NEXUS MINERALS LIMITED**

### **CORPORATE INFORMATION**

#### **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 WA 6011  
Australia

#### **Principal place of business**

41-47 Colin Street  
West Perth WA 6005  
Australia  
Telephone: +61 8 9481 1749  
Facsimile: +61 8 9481 1756  
Website: [www.nexusminerals.com](http://www.nexusminerals.com).

#### **Auditors**

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

#### **Solicitors**

Fairweather Corporate  
595 Stirling Highway  
Cottesloe WA 6011  
Australia

#### **Share Register**

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009  
Australia

## NEXUS MINERALS LIMITED

### DIRECTORS' REPORT

The directors of Nexus Minerals Limited submit herewith the interim financial report of Nexus Minerals Limited ("Nexus" or "the Company") and its subsidiaries ("Consolidated entity" or "Group") for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

|                 |                                                |
|-----------------|------------------------------------------------|
| Mr. P. Boyatzis | Non-Executive Chairman                         |
| Dr. M. Elliott  | Non-Executive Director                         |
| Mr B. Maluish   | Non-Executive Director (appointed 1 July 2015) |
| Mr. P. MacLeod  | Non-Executive Director                         |

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

### About Nexus

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

### REVIEW OF OPERATIONS

#### (a) Overview

During the half-year the Company undertook a number of due diligence project investigations in regards gold opportunities in Western Australia, other states of Australia and overseas. This resulted in the identification and subsequent farm-in/JV agreement being signed for the Pinnacles JV Gold Project, Eastern Goldfields W.A. Geological investigations continued on other company tenements.

#### (b) Review of operations

The Group incurred an after tax loss for the half-year ended 31 December 2015 of \$432,832 (2014: \$585,760).

REVIEW OF OPERATIONS (CONTINUED)

Company Tenements

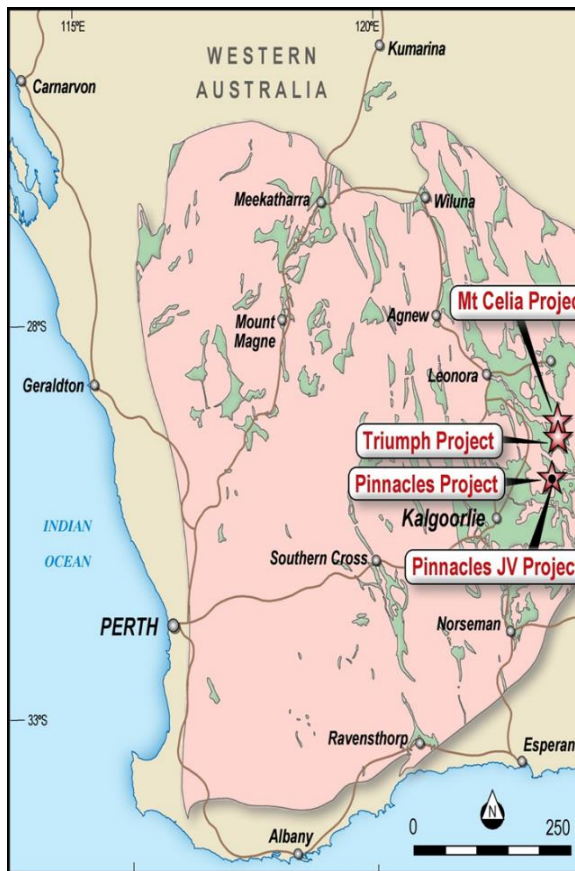


Figure 1. Project locations, Western Australia.

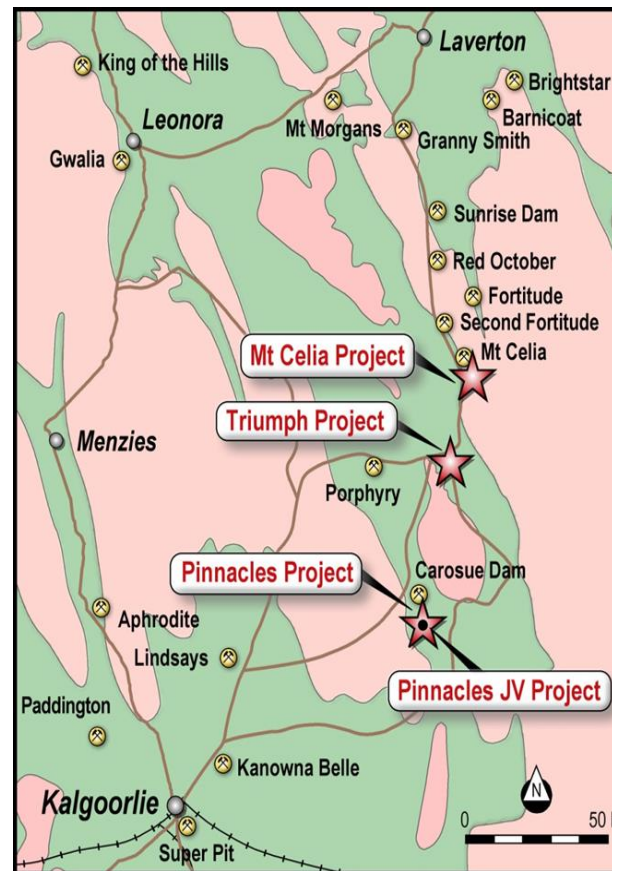


Figure 2. Project locations, Eastern Goldfields, Western Australia.

**Pinnacles JV Gold Project**

Detailed due diligence on the Pinnacles JV Gold Project culminated in the farm-in and joint venture agreement being finalised with Saracen Mineral Holdings (Saracen) and the agreement announced on 17 September 2015. The Pinnacles JV Project is located in the Eastern Goldfields of Western Australia, some 100km northeast of Kalgoorlie (figures 1 and 2).

The Project contains a JORC-2012 compliant Mineral Resource, completed by Saracen, of 413,000t @ 2.1g/t Au for 28,000oz gold (see Saracen Mineral Holdings Limited's ASX release 9 October 2014 '2014 Mineral Resources and Ore Reserves' and '2014 Mineral Resource and Ore Reserve Statement Explanatory Notes and Table'). The Resource is defined from surface to a depth of only 130m. Nexus is targeting the potential for high grade mineralisation from 130-500m depth, consistent with the depth extent of other deposits in the district including Sunrise Dam, Red October, Karari and Deep South.

## NEXUS MINERALS LIMITED

### REVIEW OF OPERATIONS (CONTINUED)

#### Pinnacles JV Gold Project (continued)

The key terms of the Agreement are:

- Nexus is the sole manager of the Farm-in and Joint Venture (JV) from the commencement date.
- Year 1 - Nexus to spend \$200,000 on the project to earn 25% equity interest (25%).
- Year 2 - Nexus to spend \$200,000 on the project to earn a further 25% equity interest (50%).
- Year 3 - Nexus to spend \$200,000 on the project to earn a further 12% equity interest (62%).
- Year 4 - Nexus to spend \$200,000 on the project to earn a further 12% equity interest (74%).
- Year 5 - Nexus to spend \$200,000 on the project to earn a further 11% equity interest (85%).
- Upon Nexus earning an interest of 85%, a contributing JV will be established with each party contributing to its JV interest – Nexus 85% / Saracen 15%.
- Nexus has the right to elect to exit the JV after a minimum spend of \$200,000.
- Nexus shall have access to the Carosue Dam Mine facilities, infrastructure and mine village.
- An Ore Sale and Purchase Agreement (not toll treatment) whereby:
  - Nexus agrees to sell and Saracen agrees to buy any future ore defined and mined within the tenement.
  - The ore will be purchased by Saracen as delivered to the Carosue Dam plant ROM pad - post determination of recovery % / tonnes / grade, less a treatment charge.
  - Payment for the ore will be based on delivery to the ROM pad of ore material (regardless of whether Saracen has treated the ore or not).
  - Saracen is responsible for all treatment and royalty costs.

The Farm-in & Joint Venture not only allows for the opportunity to access a project with significant exploration drill results to date and high expectations for further exploration success, but also allows for access to the Carosue Dam Mine facilities, infrastructure and access roads. Upon establishment of any potential future mining operation on the Project, the ability to access the Carosue Dam plant eliminates the requirement for any processing plant capital.

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

The Company completed a 2,000m, 7 hole RC drilling program at the Pinnacles JV Gold Project during the period. This is the first RC drilling program completed by Nexus since entering into a Joint Venture with Saracen Mineral Holdings (ASX:SAR) and achieved the aim of testing for extensions to previously identified high grade mineralisation. The Nexus drilling has shown the mineralisation to continue a further 100m vertically to ~250m below surface, and also that the mineralised structure continues to the north and south of the known resource.

The drilling also indicated that in the most northerly Nexus hole drilled to date, there exists multiple hanging wall zones of mineralisation including: 6m@4.4g/t Au, 13m@4.6g/t Au, 2m@10.7g/t Au and 1m@14.2g/t Au.

# NEXUS MINERALS LIMITED

## REVIEW OF OPERATIONS (CONTINUED)

### Pinnacles JV Gold Project (continued)

Table 1 below highlights significant +2g/t Au results received from the program. Intersections in red are shown on Figure 3 Long Section, with bold numbers highlighting high grade zones >10g/t Au.

| Hole ID | From (m) | To (m) | Length (m) | Grade g/t Au |
|---------|----------|--------|------------|--------------|
| NMPRC1  | 175      | 186    | 11         | 5.6          |
| incl    | 181      | 184    | 3          | 13.2         |
| NMPRC2  | 208      | 214    | 6          | 13.1         |
| incl    | 210      | 214    | 4          | 16.5         |
| NMPRC3  | 250      | 253    | 3          | 9.8          |
| incl    | 251      | 253    | 2          | 11.0         |
| NMPRC4  | 246      | 250    | 4          | 7.6          |
| incl    | 248      | 249    | 1          | 10.1         |
| NMPRC5  | 210      | 218    | 8          | 7.7          |
| incl    | 216      | 217    | 1          | 11.0         |
| NMPRC6  | 226      | 233    | 7          | 5.9          |
| incl    | 228      | 229    | 1          | 12.3         |
| NMPRC7  | 285      | 289    | 4          | 2.2          |

Table 1: Summary of Significant Intercepts (2.0g/t Au Cut-off)

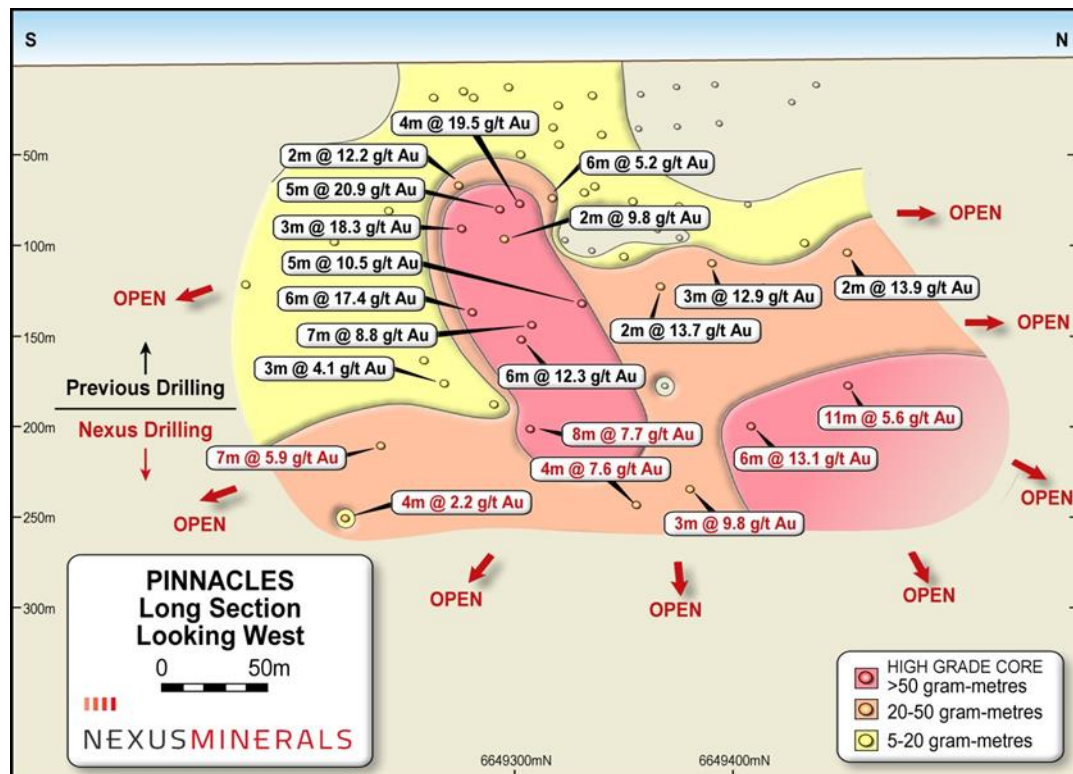


Figure 3: Pinnacles Long Section – After Nexus drill program

## REVIEW OF OPERATIONS (CONTINUED)

### Pinnacles Regional Project

The Pinnacles Project tenements cover approximately 94km<sup>2</sup>. Nexus has applied for an exploration license (90% Nexus/10% Pumphrey) that covers some 92km<sup>2</sup>, and have purchased a further 2km<sup>2</sup> prospecting license (Nexus 100%) to complete the package.

The tenement area is immediately to the south of Saracen Gold Mines' Carosue Dam mining operation, which includes the Whirling Dervish and Karari gold mines, currently in operation. During the 2014 year, Saracen produced 79,000 ounces of gold from these two mines and they contain a current resource base of some 1.4 million ounces.

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

The Pinnacles project area is considered to be prospective for gold mineralization, and as such, a full compilation of historic data is underway. This will be completed in conjunction with regional geological, geophysical and structural interpretation. Field programs will then be undertaken over the most prospective areas identified.

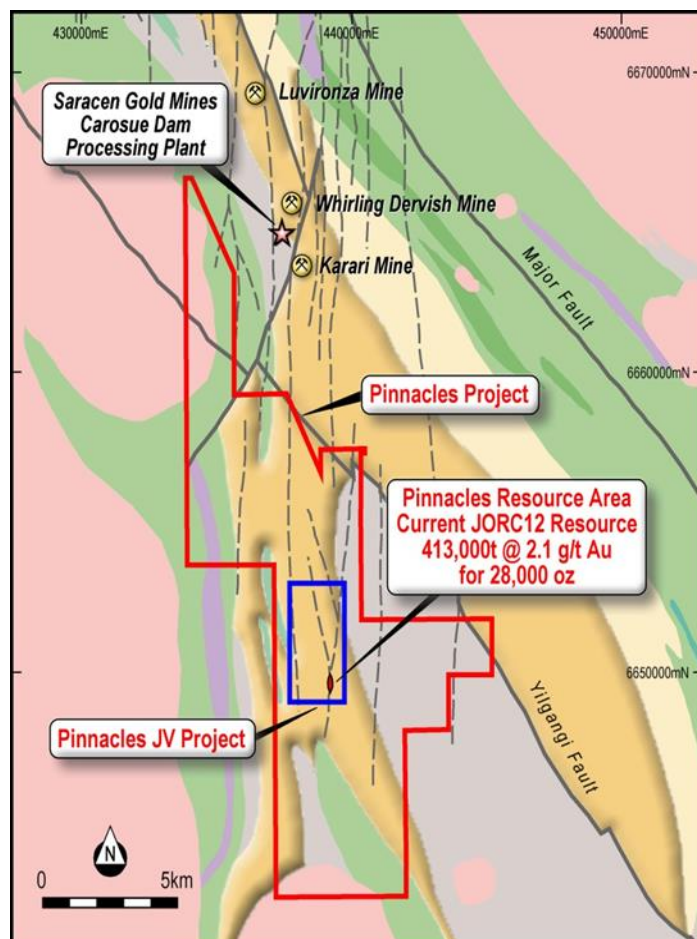


Figure 4. Pinnacles Regional project location, Eastern Goldfields, Western Australia (Red). Pinnacles Regional Tenement package surrounds the Pinnacles JV tenement (Blue).



## REVIEW OF OPERATIONS (CONTINUED)

### Triumph Project

The Triumph Gold Project is located 145km northeast of Kalgoorlie and comprises both 100% 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>. To date, the Company has undertaken an IP ground geophysical program, which identified a central high strain zone. When layered with geology, structural interpretation and ground magnetics, it assists in understanding of structural controls on mineralisation. Nexus completed an RC drill program in early 2015 totalling 4,034m to test four high priority areas, with high grade mineralisation intersected at Triumph and Glengarry prospects. Geological interpretation continued during the period.

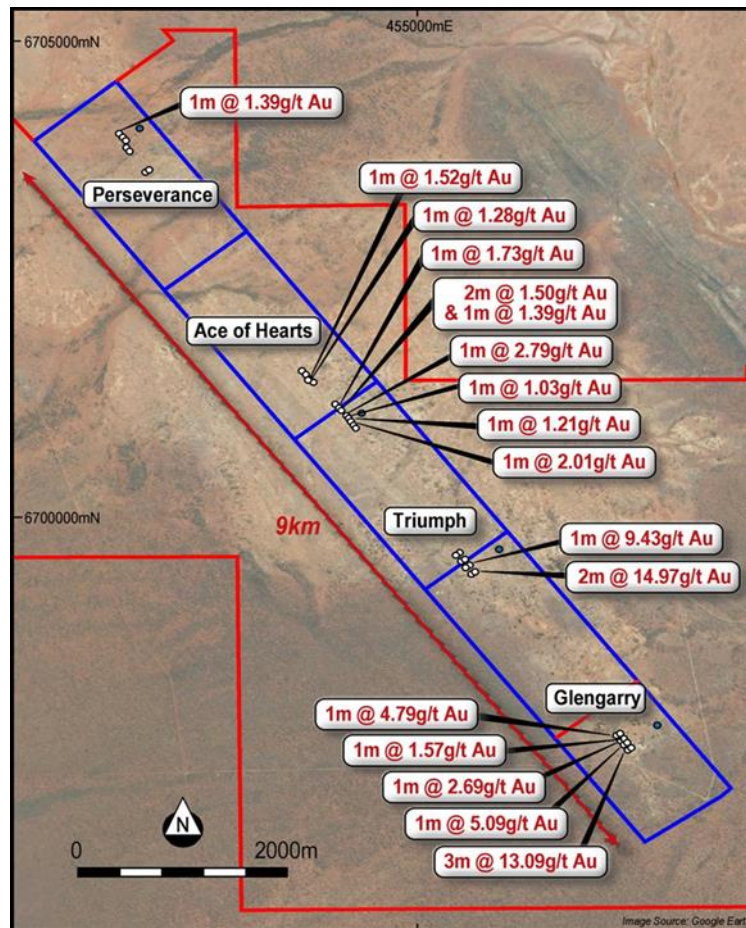


Figure 5: Triumph drill intersections +1g/t Au cut-off

### Mt Celia Project

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

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

Geological interpretation continued during the period.

## NEXUS MINERALS LIMITED

### REVIEW OF OPERATIONS (CONTINUED)

#### Other Company Tenements

Nexus continued to undertake geological assessments and maintain its commitments on all Company tenements and project areas.

*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.*

#### Corporate

Nexus CEO Andy Tudor presented to a number of stockbrokers, fund managers and high net worth investors in Sydney, Melbourne and Perth and was well received. The presentation provided an update of the Company's activities including the newly executed Pinnacles Joint Venture and Farm-In Agreement with Saracen Gold Mines.

An interview with Nexus CEO, Andy Tudor appeared in the Oct/Dec 2015 issue of Gold Mining Journal (Page 13).

Nexus applied for, and was successful, in its application for government co-funded exploration grant for the sum of \$100 000. The matched expenditure funding is to undertake two 750m deep diamond drill holes in the centre of the Pinnacles JV Gold Project. It is proposed to undertake 400m RC drill pre-collars and 350m diamond "tails" with the aim of intersecting the mineralised structure at a depth of ~550m below surface. To utilise the co-funding grant, the drilling must be completed before the end of 2016.

In order to further align management interest with shareholders 900 000 unlisted options were issued to Mr Andy Tudor on 12 November 2015. The options have an exercise price of 11.8 cents and an expiry date of 9 November 2018.

#### EVENTS AFTER THE BALANCE DATE

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

**NEXUS MINERALS LIMITED**

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Nexia Perth Audit Services Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 11 of the directors' report for the half-year ended 31 December 2015.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Philip J MacLeod', written in a cursive style.

P MacLeod

Director

Perth, 15 March 2016

**Auditor's independence declaration under section 307C of the Corporations Act 2001**

To the directors of Nexus Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 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 review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

**Nexia Perth Audit Services Pty Ltd**

PTC Kloppe

**PTC Kloppe**  
Director

15 March 2016  
Perth

**NEXUS MINERALS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

|                                                                 | <b>Half-year ended<br/>31 December 2015<br/>\$</b> | <b>Half-year ended<br/>31 December 2014<br/>\$</b> |
|-----------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Revenue from continuing operations                              | 240,158                                            | 12,829                                             |
| Exploration and evaluation expenditure expensed as incurred     | (429,429)                                          | (361,204)                                          |
| Employee benefits                                               | (6,353)                                            | (15,191)                                           |
| ASX and regulatory expenses                                     | (33,894)                                           | (34,314)                                           |
| Depreciation                                                    | (2,988)                                            | (6,481)                                            |
| Directors' fees                                                 | (71,140)                                           | (62,000)                                           |
| Impairment of available-for-sale financial assets               | -                                                  | (93,751)                                           |
| Insurance                                                       | (9,463)                                            | (11,069)                                           |
| Legal and professional fees                                     | (53,169)                                           | (33,138)                                           |
| Occupancy expenses                                              | (29,160)                                           | (24,885)                                           |
| Marketing                                                       | (33,840)                                           | (930)                                              |
| Share-based compensation                                        | (25,045)                                           | (12,980)                                           |
| Travel expenses                                                 | (6,867)                                            | (3,670)                                            |
| Other expenses                                                  | (45,034)                                           | (62,581)                                           |
| <b>Loss from operating activities</b>                           | <b>(506,224)</b>                                   | <b>(709,365)</b>                                   |
| Financial income                                                | 73,804                                             | 123,605                                            |
| Financial expenses                                              | (412)                                              | -                                                  |
| <b>Net financing income</b>                                     | <b>73,392</b>                                      | <b>123,605</b>                                     |
| <b>Loss before income tax benefit/(expense)</b>                 | <b>(432,832)</b>                                   | <b>(585,760)</b>                                   |
| Income tax benefit/(expense)                                    | -                                                  | -                                                  |
| <b>Loss for the period</b>                                      | <b>(432,832)</b>                                   | <b>(585,760)</b>                                   |
| <b>Other comprehensive income/(expenses)</b>                    |                                                    |                                                    |
| Items that may be reclassified subsequently to profit or loss:  |                                                    |                                                    |
| Net change in fair value of available-for-sale financial assets | 2,500                                              | (41,249)                                           |
| Other comprehensive income/(expenses) for the period            | 2,500                                              | (41,249)                                           |
| <b>Total comprehensive loss for the period</b>                  | <b>(430,332)</b>                                   | <b>(627,009)</b>                                   |
| <b>Loss per share</b>                                           |                                                    |                                                    |
| Basic and diluted loss per share (cents per share)              | (0.61) cents                                       | (0.83) cents                                       |

The accompanying notes form part of these financial statements.

NEXUS MINERALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015

|                                     |      | CONSOLIDATED<br>31 December 2015<br>\$ | CONSOLIDATED<br>30 June 2015<br>\$ |
|-------------------------------------|------|----------------------------------------|------------------------------------|
|                                     | Note |                                        |                                    |
| <b>Current assets</b>               |      |                                        |                                    |
| Cash and cash equivalents           |      | 5,779,595                              | 6,252,427                          |
| Trade and other receivables         |      | 48,186                                 | 35,853                             |
| Other assets                        |      | 23,219                                 | 40,160                             |
| <b>Total current assets</b>         |      | <b>5,851,000</b>                       | <b>6,328,440</b>                   |
| <b>Non-current assets</b>           |      |                                        |                                    |
| Available-for-sale financial assets |      | 52,500                                 | 35,000                             |
| Plant and equipment                 |      | 8,503                                  | 11,311                             |
| <b>Total non-current assets</b>     |      | <b>61,003</b>                          | <b>46,311</b>                      |
| <b>Total assets</b>                 |      | <b>5,912,003</b>                       | <b>6,374,751</b>                   |
| <b>Current liabilities</b>          |      |                                        |                                    |
| Trade and other payables            |      | 71,593                                 | 131,182                            |
| Provisions                          |      | 22,460                                 | 20,332                             |
| <b>Total current liabilities</b>    |      | <b>94,053</b>                          | <b>151,514</b>                     |
| <b>Total liabilities</b>            |      | <b>94,053</b>                          | <b>151,514</b>                     |
| <b>Net assets</b>                   |      | <b>5,817,950</b>                       | <b>6,223,237</b>                   |
| <b>Equity</b>                       |      |                                        |                                    |
| Issued capital                      | 2    | 17,182,333                             | 17,182,333                         |
| Reserves                            | 3    | 332,329                                | 485,228                            |
| Accumulated losses                  |      | (11,696,712)                           | (11,444,324)                       |
| <b>Total equity</b>                 |      | <b>5,817,950</b>                       | <b>6,223,237</b>                   |

The accompanying notes form part of these financial statements.

**NEXUS MINERALS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

|                                                                 | <b>CONSOLIDATED</b><br><b>Half-year ended</b><br><b>31 December 2015</b><br><b>\$</b> | <b>CONSOLIDATED</b><br><b>Half-year ended</b><br><b>31 December 2014</b><br><b>\$</b> |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Cash flows from operating activities</b>                     |                                                                                       |                                                                                       |
| Cash receipts from customers                                    | 240,158                                                                               | 12,829                                                                                |
| Interest received                                               | 73,804                                                                                | 204,185                                                                               |
| Finance costs                                                   | (412)                                                                                 | -                                                                                     |
| Exploration expenditure                                         | (449,234)                                                                             | (332,474)                                                                             |
| Payments to suppliers and employees                             | (321,968)                                                                             | (236,388)                                                                             |
| <b>Net cash used in operating activities</b>                    | <b>(457,652)</b>                                                                      | <b>(351,848)</b>                                                                      |
| <b>Cash flows from investing activities</b>                     |                                                                                       |                                                                                       |
| Payment for available-for-sale financial assets                 | (15,000)                                                                              | -                                                                                     |
| Payments for purchases of plant and equipment                   | (180)                                                                                 | (7,290)                                                                               |
| <b>Net cash used in investing activities</b>                    | <b>(15,180)</b>                                                                       | <b>(7,290)</b>                                                                        |
| <b>Net decrease in cash and cash equivalents</b>                | <b>(472,832)</b>                                                                      | <b>(359,138)</b>                                                                      |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>6,252,427</b>                                                                      | <b>7,170,885</b>                                                                      |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>5,779,595</b>                                                                      | <b>6,811,747</b>                                                                      |

The accompanying notes form part of these financial statements.

**NEXUS MINERALS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

|                                                                 | Issued<br>Capital | Share based<br>Payment<br>Reserve | Available<br>for sale<br>Reserve | Accumulated<br>Losses | Total     |
|-----------------------------------------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------|-----------|
|                                                                 | \$                | \$                                | \$                               | \$                    | \$        |
| <b>Balance at 1 July 2014</b>                                   | 17,182,333        | 517,316                           | 41,249                           | (10,230,843)          | 7,510,055 |
| <i>Total comprehensive loss for the period</i>                  |                   |                                   |                                  |                       |           |
| Loss for the period                                             | -                 | -                                 | -                                | (585,760)             | (585,760) |
| <i>Other comprehensive income/(expenses)</i>                    |                   |                                   |                                  |                       |           |
| Change in the fair value of available-for-sale financial assets | -                 | -                                 | (41,249)                         | -                     | (41,249)  |
| Total comprehensive loss for the period                         | -                 | -                                 | (41,249)                         | (585,760)             | (627,009) |
| Share based payment transaction                                 | -                 | 12,980                            | -                                | -                     | 12,980    |
| <b>Balance at 31 December 2014</b>                              | 17,182,333        | 530,296                           | -                                | (10,816,603)          | 6,896,026 |
| <b>Balance at 1 July 2015</b>                                   | 17,182,333        | 485,228                           | -                                | (11,444,324)          | 6,223,237 |
| <i>Total comprehensive loss for the period</i>                  |                   |                                   |                                  |                       |           |
| Loss for the period                                             | -                 | -                                 | -                                | (432,832)             | (432,832) |
| <i>Other comprehensive income/(expenses)</i>                    |                   |                                   |                                  |                       |           |
| Change in the fair value of available-for-sale financial assets | -                 | -                                 | 2,500                            | -                     | 2,500     |
| Total comprehensive loss for the period                         | -                 | -                                 | 2,500                            | (432,832)             | (430,332) |
| Share based payment transaction                                 | -                 | 25,045                            | -                                | -                     | 25,045    |
| Changes in equity due to cancellation of options                | -                 | (180,444)                         | -                                | 180,444               | -         |
| <b>Balance at 31 December 2015</b>                              | 17,182,333        | 329,829                           | 2,500                            | (11,696,712)          | 5,817,950 |

The accompanying notes form part of these financial statements.



## NEXUS MINERALS LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies

##### Statement of compliance

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

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

##### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. The consolidated entity, comprising Nexus Minerals Limited, Nexus Minerals Australia Pty Ltd, Nexus Minerals Africa Pty Ltd, Transformation Minerals Africa Pty Ltd and Nexus Triumph Pty Ltd, is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2015. For the purpose of preparing the report the half-year has been treated as a discrete reporting period.

##### Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

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

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

| New or revised requirement                                                                                                                                                                                                                                                                       | When effective                                                           | Applicability to 31 December 2015 half year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------|
| <b>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</b><br><br>Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. | Applicable to annual reporting periods beginning on or after 1 July 2015 | Mandatory                                   |

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

# NEXUS MINERALS LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Significant Accounting Policies (continued)

#### Significant Accounting Judgements and Key Estimates

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

In preparing this interim financial report the significant judgements made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2015.

### 2. Issued capital

|                                                | 31 December<br>2015           | 30 June<br>2015           |
|------------------------------------------------|-------------------------------|---------------------------|
|                                                | \$                            | \$                        |
| <i>Issued and paid up capital</i>              |                               |                           |
| Fully paid ordinary shares                     | 17,182,333                    | 17,182,333                |
|                                                |                               |                           |
|                                                | 31 December<br>2015<br>Number | 30 June<br>2015<br>Number |
| <i>Movements in fully paid shares on issue</i> |                               |                           |
| At beginning of period                         | 70,383,575                    | 70,383,575                |
| Balance at end of period                       | 70,383,575                    | 70,383,575                |

### 3. Reserves

|                                                 | 31 December<br>2015 | 30 June<br>2015 |
|-------------------------------------------------|---------------------|-----------------|
|                                                 | \$                  | \$              |
| Share based payment reserve                     |                     |                 |
| Balance at beginning of period                  | 485,228             | 517,316         |
| Cancellation of options                         | (180,444)           | (45,068)        |
| Share based payments                            | 25,045              | 12,980          |
| Balance at end of period                        | 329,829             | 485,228         |
| Available for sale asset reserve                |                     |                 |
| Balance at beginning of period                  | -                   | 41,249          |
| Decrease in fair value taken to profit and loss | -                   | (41,249)        |
| Increase in fair value taken to reserve         | 2,500               | -               |
| Balance at end of period                        | 2,500               | -               |
| <b>Total reserves</b>                           | <b>332,329</b>      | <b>485,228</b>  |

# NEXUS MINERALS LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. Contingencies and Commitments

|                                              | 31 December<br>2015<br>\$ | 30 June<br>2015<br>\$ |
|----------------------------------------------|---------------------------|-----------------------|
| <b>Commitments</b>                           |                           |                       |
| Operating lease commitments                  |                           |                       |
| Office premises                              |                           |                       |
| not later than 1 year                        | 48,130                    | 36,884                |
| Later than 1 year but not later than 5 years | 9,626                     | 13,608                |
|                                              | <u>57,756</u>             | <u>50,492</u>         |
| <b>Exploration expenditure commitments</b>   |                           |                       |
| Minimum exploration expenditure:             |                           |                       |
| not later than 1 year                        | 286,960                   | 305,280               |
| Later than 1 year but not later than 5 years | 1,147,840                 | 471,120               |
|                                              | <u>1,434,800</u>          | <u>776,400</u>        |

In the opinion of the directors, other than the matter disclosed above, there were no contingent liabilities at the date of this report.

### 5. 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.

## **NEXUS MINERALS LIMITED**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

#### **6. Events after the balance date**

No matter or circumstance has arisen, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

#### **7. Related Parties**

Transactions with directors and director-related entities continue to be in place. For details on these arrangements, please refer to the 30 June 2015 annual financial report. No other related party transactions were entered into during the half year ended 31 December 2015.

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

**NEXUS MINERALS LIMITED**

**DIRECTORS' DECLARATION**

In the opinion of the directors:

- 1 the financial statements and notes set out on pages 12 to 19 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date of the consolidated entity; and
- 2 there are reasonable grounds to believe that Nexus Minerals Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Philip J MacLeod', written in a cursive style.

P MacLeod  
Director

Perth, 15 March 2016

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

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Nexus Minerals Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year 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.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nexus Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### **Nexia Perth Audit Services Pty Ltd**

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Independent member of Nexia International



## **Independence**

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

## **Conclusion**

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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

**Nexia Perth Audit Services Pty Ltd**

A handwritten signature in black ink that reads "PTC Kloppe".

**PTC Kloppe**  
Director

15 March 2016  
Perth