

NEXUS MINERALS LIMITED

ACN 122 074 006

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting to be held on
9 November 2018 at
9:00am (Western Standard Time) at**

**The Celtic Club
48 Ord Street
West Perth, Western Australia**

This is an important document. Please read it carefully.

***If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.***

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of Nexus Minerals Limited will be held at:

The Celtic Club	Commencing
48 Ord Street	at 9:00am (Western Standard Time)
West Perth WA 6005	on 9 November 2018.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00am (Western Standard Time).

Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- Hand to the Company's registered office at 108 Forrest Street, Cottesloe, Western Australia, 6011;
- Facsimile to fax number +61 (8) 9481 1756;
- Post to PO Box 2803, West Perth, Western Australia, 6872; or
- Email to pmacleod@gapcs.com.au,

so that it is received not later than 9:00am (WST) on 7 November 2018.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman of the Meeting will vote undirected proxies in favour of all Resolutions. In relation to Resolution 1, the proxy form expressly authorises the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Any undirected proxies held by a Director, any member of the Key Management Personnel or any of their Closely Related Parties (who are not the Chairman of the Meeting) will not be voted on Resolution 1.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 7 November 2018 at 5.00pm (Western Standard Time).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

NEXUS MINERALS LIMITED
ACN 122 074 006

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Nexus Minerals Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 9 November 2018 at 9:00am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company together with the Directors' Report, Directors' Declaration and the Independent Audit Report for the year ended 30 June 2018.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Annual Financial Report for the year ended 30 June 2018."

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the voter may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair of the meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Director – Mr Paul Boyatzis

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Paul Boyatzis, who retires by rotation in accordance with rule 7.3 of the Constitution, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 3 – Ratification of Issue of Shares to Acquire the Wallbrook Gold Project

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,490,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Ratification of Prior Issue of Shares and Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,800,000 Shares and 1,900,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Approval of Additional Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Phillip MacLeod
Company Secretary
3 October 2018

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Shareholders may view the Company's annual financial report on its website at www.nexus-minerals.com or the ASX website at www.asx.com.au.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2018;
- (b) ask questions and make comment on the management of the Company; and
- (c) Ask questions about, or make comment on, the Remuneration Report.
- (d) Ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2018.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another

general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Previous Voting Results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Proxy Restrictions

Pursuant to the Corporations Act, if you appoint a member of the Key Management Personnel (other than the Chair) or any Closely Related Party as your proxy to vote on this Resolution 1, ***you must direct the proxy how they are to vote***. Where you do not direct such a person on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

If you appoint the Chair as your proxy, and you do not direct the Chair on how to vote on this Resolution 1, then by signing and returning the proxy form you are giving express authorisation for the Chair to vote all undirected proxies **FOR Resolution 1** even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PAUL BOYATZIS

Pursuant to rule 7.3 of the Company's Constitution and Listing Rule 14.4, Mr Boyatzis, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Boyatzis was appointed a director of the Company on 6 October 2006 and was last re-elected on 19 November 2015.

Experience and qualifications

Mr Boyatzis – B.Bus, ASA,MSDIA - has over 30 years' experience in the commercial, investment and equity markets, and has assisted many emerging growth companies within the resources and financial services sectors. He has served as Chairman and Director of a number of public and private companies.

Other Material Directorships

Mr Boyatzis is Chairman of ASX listed mineral exploration companies, Ventnor Resources Limited and Aruma Resources Limited.

Independence

Mr Boyatzis is the Non-Executive Chairman of the Company. Mr Boyatzis is not considered to be an independent director as he is a substantial shareholder of the Company.

Board Recommendation

The Directors (apart from Mr Boyatzis) recommend that Shareholders vote in favour of the election of Mr Boyatzis.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ACQUIRE THE WALLBROOK GOLD PROJECT

4.1 Background

On 17 January 2018 Nexus announced that it was acquiring the Wallbrook Gold Project from a subsidiary of Saracen Mineral Holding Limited (Saracen). The consideration for the acquisition was 1,490,000 Shares. The Company announced the completion of the acquisition on 6 April with the consideration Shares being issued under the Company's ASX Listing Rule 7.1 capacity on 5 April 2018.

This Resolution seeks ratification for the issue of the 1,490,000 Shares to Saracen for the acquisition of the Wallbrook Gold Project.

4.2 General

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 and provided that the previous issue did not breach ASX Listing Rule 7.1 (that is, the issue was within the Company's 15% placement capacity or any additional 10% placement capacity under Listing Rule 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 **Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 1,490,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration and at a deemed price of 8 cents each based on the closing price on the date of issue as the Shares were the consideration for the acquisition of the Wallbrook Gold Project;
- (c) the Shares are fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) a voting exclusion statement is included in the Notice;
- (e) the Shares were issued to Saracen Mineral Holdings Limited who is not a related party of the Company; and
- (f) no funds were raised from the issue of the Shares as they were issued as consideration for the acquisition of the Wallbrook Gold Project.

5. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS**

5.1 **Background**

At the time of announcing the acquisition of the Wallbrook Gold Project from Saracen (refer the announcements made to ASX on 17 January and 6 April 2018) as set out in Section 4.1 above, Nexus also announced that Saracen had agreed to subscribe for 3,800,000 Shares at a price of 8.4 cents per Share with 1,900,000 free attaching Options to raise \$319,200. The Options are unlisted, are exercisable at 16.8 cents each and expire 5 April 2020. The funds raised are to be used for the exploration of the Wallbrook Gold Project and working capital. The issue of the Shares and Options was made pursuant to the Company's ASX Listing Rule 7.1 capacity.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 3,800,000 Shares and 1,900,000 Options.

5.2 **General**

A summary of ASX Listing Rule 7.1 is outlined in Section 4.2 above.

By ratifying the issue of the Shares and Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 **Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 3,800,000 Shares and 1,900,000 Options were issued;
- (b) the Shares were issued at a price of 8.4 cents each to raise \$319,200 and the Options were issued as free attaching Options for nil cash consideration;
- (c) the Shares are fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue. The Options are to be issued on the terms and conditions set out in Schedule 1;
- (d) a voting exclusion statement is included in the Notice;

- (e) the Shares and Options were issued to Saracen Mineral Holdings Limited who is not a related party of the Company; and
- (f) the funds raised from the issue of the Shares are to be used for the exploration of the Wallbrook Gold Project and working capital. No funds were raised from the issue of the Options.

6. RESOLUTION 5 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

7.1 General

ASX Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12-month period, subject to a number of exceptions.

ASX Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12-month period after the annual general meeting (**Additional Placement Capacity**).

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in ASX Listing Rule 7.1A.2 (set out below).

7.2 Requirements of ASX Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5 million based on the number of Shares on issue at the date of this Notice and the closing price of Shares (5.6 cents) on the ASX on 2 October 2018.

(b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting. A resolution for the Additional Placement Capacity under ASX Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX being fully paid ordinary Shares. The Company also has unquoted Options on issue.

(d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	<p>The number of fully paid shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2; plus the number of partly paid shares that became fully paid in the 12 months; plus the number of fully paid shares issued in the 12 months with the approval of shareholders under ASX Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; less the number of fully paid shares cancelled in the 12 months.
D	10%

E	The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.
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(e) **Interaction between ASX Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under ASX Listing Rule 7.1A is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The actual number of Equity Securities that the Company will be permitted to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under ASX Listing Rule 7.1A without using the Company's placement capacity under ASX Listing Rule 7.1.

7.3 **Information for Shareholders as required by ASX Listing Rule 7.3A**

(a) **Minimum price**

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

(b) **Risk of economic and voting dilution**

If this Resolution is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities (in the same class) on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under ASX Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		2.8 cents	5.6 cents	11.2 cents
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A 88,573,575 Shares	10% Voting Dilution	8,857,357 Shares	8,857,357 Shares	8,857,357 Shares
	Funds raised	\$248,006	\$496,012	\$992,024
50% increase in current Variable A 132,860,362 Shares	10% Voting Dilution	13,286,036 Shares	13,286,036 Shares	13,286,036 Shares
	Funds raised	\$372,009	\$744,018	\$1,488,036
100% increase in current Variable A 177,147,150 Shares	10% Voting Dilution	17,714,715 Shares	17,714,715 Shares	17,714,715 Shares
	Funds raised	\$496,012	\$992,024	\$1,984,048

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No Options are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is 5.6 cents, being the closing price of the Shares on ASX on 2 October 2018.

The Company's ability to issue securities under ASX Listing Rule 7.1A is in addition to its ability to issue securities under ASX Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 9 November 2018 (the date of this Meeting) and expires on the earlier of:

- 9 November 2019, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new mineral exploration and/or mining assets or investments (including the expenses associated such acquisitions), continued expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of new mineral exploration and/or mining assets and investments (including expenses associated with such acquisitions) or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- The purpose of the issue;
- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

On 30 November 2017, the Company received Shareholder approval for the Additional Placement Capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 9 November 2017) is 14,190,000 (5,290,000 Shares and 8,900,000 Options). The total number of Equity Securities on issue as at 9 November 2017 was 84,983,575 (83,283,575 Shares and 1,700,000 Options). The total number of Equity Securities issued in the 12 months since 9 November 2017 is 16.7% of the total number of Equity Securities on issue at 9 November 2017.
- The details for each separate issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:

Date of issue:	20 December 2017
Number of Equity Securities:	7,000,000
Class of Equity Security and summary of terms:	Unlisted Options exercisable at 11.1 cents each expiring 30 November 2020. The Options vest immediately from the date of issue.
Name of recipients or basis on which recipients were determined:	On 30 November 2017, Shareholders approved the issue of a total of 7,000,000 options to Directors. The options were issued to: A Tudor; P Boyatzis; Elliott Nominees Pty Ltd; and B Maluish.
Price:	The Options were issued for nil consideration.
Discount to market price:	Not applicable
Total cash consideration received:	Options issued for no cash consideration.
Value of non-cash consideration:	Using the Black-Scholes method the Company has valued the Options on the date of issue at 2.72 cents each for a total value of \$190,429 and as at 28 September 2018 at 1.44 cents each for a total value of \$100,486.
Date of issue:	5 April 2018
Number of Equity Securities:	3,800,000 Shares and 1,900,000 Options
Class of Equity Security and summary of terms:	Fully paid ordinary shares and unlisted Options exercisable at 16.8 cents each expiring 5 April 2020. The Options vest immediately from the date of issue.
Name of allottees:	Saracen Mineral Holdings Limited who is not a related party of the Company.
Price:	8.4 cents per Share. The Options were issued for free attaching to the Shares on the basis of 1 Option for every 2 Shares issued.
Discount to market price on the date of issue:	The Shares were issued at a 0.4 cent premium to the market price of 8 cents.
Total cash consideration received:	\$319,200 from the issue of Shares. No funds were raised from the issue of the Options.
Amount of cash consideration spent:	Nil
Use of cash consideration:	The funds raised from the issue of the Shares are to be used for the exploration of the Wallbrook Gold Project and working capital.
Value of non-cash consideration:	Using the Black-Scholes method the Company has valued the Options on the date of issue at 1.79 cents each for a total value of \$34,073 and as at 28 September 2018 at 0.55 cents each for a total value of \$10,370.
Date of issue:	5 April 2018
Number of Equity Securities:	1,490,000
Class of Equity Security and summary of terms:	Fully paid ordinary shares.
Name of allottees:	Saracen Mineral Holdings Limited who is not a related party of the Company.
Price:	The Shares were issued as consideration for the acquisition of the Wallbrook Gold Project. The deemed price is 8 cents per Share being the market price on the date of issue.
Discount to market price on the date of issue:	The Shares were issued for no discount to the market price as the deemed price was the market price on the date of issue.
Non cash consideration:	The Shares were issued as consideration for the acquisition of the Wallbrook Gold Project.
Value of non-cash consideration:	\$119,200 at the date of issue based on a Share price of 8 cents on the date of issue. \$83,440 at 28 September 2018 based on a Share price of 5.6 cents.

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7. ENQUIRIES

Shareholders may contact Phil MacLeod on (+ 61 8) 9481 1749 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"Additional Placement Capacity" means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

"Annual General Meeting" and **"Meeting"** means the meeting convened by this Notice.

"ASIC" means the Australian Securities and Investment Commission.

"ASX" means the ASX Limited (ABN 98 008 624 691).

"ASX Listing Rules" or **"Listing Rules"** means the Listing Rules of the ASX.

"Board" means the Board of Directors of the Company.

"Business Day" has the same meaning as in the Listing Rules.

"Chair" or **"Chairman"** means the chairman of the Company.

"Closely Related Party" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

"Company" or **"Nexus Minerals"** means Nexus Minerals Limited (ACN 122 074 006).

"Constitution" means the constitution of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Directors" mean the directors of the Company from time to time.

"Equity Securities" has the same meaning as in the Listing Rules.

"Explanatory Statement" means this Explanatory Statement.

"Key Management Personnel" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"Notice" means the notice of meeting that accompanies this Explanatory Statement.

"Option" means an option to acquire a Share.

"Optionholder" means a holder of an Option.

"Placement Period" means the period during which Shareholder approval under Listing Rule 7.1A is valid.

"Proxy Form" means the proxy form attached to the Notice.

"Resolution" means a resolution referred to in the Notice.

"Section" means a section contained in this Explanatory Statement.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a registered holder of shares in the Company.

"Wallbrook Gold Project" means the mining leases M31/231; M31/188; M31/191; M31/157; M31/190; and M31/251 located in Western Australia.

"WST" or **"Western Standard Time"** means Western Standard Time, Perth, Western Australia.

"\$" means Australian dollars unless otherwise stated.

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS TO SARACEN MINERAL HOLDINGS LIMITED (RESOLUTION 4)

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.168 (16.8 cents) (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5.00pm (WST) on 5 April 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (iv) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) No Quotation of the Options

The Company will not apply for quotation of the Options on ASX.

(j) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Transferability

The Options are only transferable with the consent of the Board of the Company.

NEXUS MINERALS LIMITED

ACN 122 074 006

PROXY FORM

I/We

of

being a shareholder of Nexus Minerals Limited and entitled to attend and vote hereby appoint:

the Chair of the
Meeting

OR

(Mark box
with an X)

(Insert the name of the person (or body corporate) you are appointing if this person **is someone other than** the Chair of the Meeting. Do not insert your own name.)

or failing attendance at the Meeting of the person named, or if no person is named, the Chair of the Meeting as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the directions on this proxy form or, if no directions have been given and to the extent permitted by law, as the proxy sees fit at the Meeting of Nexus Minerals Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 9 November 2018 at 9:00am (WST) and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIRS VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair of the Meeting intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares to Acquire the Wallbrook Gold Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Please return this proxy form to the Company Secretary, Nexus Minerals Limited, in accordance with the accompanying instructions.

Signed this _____ day of _____ 2018.

Signature of Member(s):

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

NEXUS MINERALS LIMITED
ACN 122 074 006

Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 108 Forrest Street, Cottesloe, Western Australia, 6011

Fax Number: +61 (8) 9481 1756

Email Address: pmacleod@gapcs.com.au

Postal Address: PO Box 2803, West Perth, Western Australia, 6872

by no later than 48 hours prior to the time of commencement of the Meeting.