



NEXUSMINERALS

NEXUS MINERALS LIMITED

ABN: 96 122 074 006

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2019

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## NEXUS MINERALS LIMITED

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**NEXUS MINERALS LIMITED**

**CORPORATE INFORMATION**

**Directors**

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

**Auditors**

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

**Company secretary**

Phillip MacLeod

**Solicitors**

Fairweather Corporate Lawyers  
595 Stirling Highway  
Cottesloe WA 6011  
Australia

**Registered office**

9/88 Forrest Street  
Cottesloe WA 6011  
Australia

**Share register**

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009  
Australia

**Principal place of business**

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West Perth WA 6005  
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## 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 2019. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

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

|                 |                        |
|-----------------|------------------------|
| Mr. P. Boyatzis | Non-Executive Chairman |
| Mr A. Tudor     | Managing Director      |
| Dr. M. Elliott  | Non-Executive Director |
| Mr B. Maluish   | Non-Executive Director |

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

### REVIEW OF OPERATIONS

#### (a) Overview

Nexus Minerals is a well-funded resource company with a portfolio of gold projects in Western Australia and a well-credentialed Board, assisted by an experienced management team.

Nexus is actively exploring for gold deposits on its highly prospective tenement package in the Eastern Goldfields of Western Australia.

The consolidation of the highly prospective Wallbrook Gold Project (250km<sup>2</sup>) by the amalgamation of existing Nexus tenements with those acquired from both Saracen Mineral Holdings and Newmont Exploration, will further advance these gold exploration efforts.

Nexus Minerals' tenement package at the Pinnacles Gold Project is largely underexplored and commences less than 5km to the south of, and along strike from, Saracen's >5Moz Carosue Dam mining operations, and current operating Karari underground gold mine. Nexus holds a significant land package (125km<sup>2</sup>) of highly prospective geological terrane within a major regional structural corridor and is exploring for gold deposits.

Nexus is actively investing in new exploration techniques to refine the targeting approach for their current and future tenements, including the use of spectral data.

#### (b) Review of Operations

The Group incurred an after-tax loss for the half-year ended 31 December 2019 of \$473,465 (2018: after-tax loss \$278,390).

REVIEW OF OPERATIONS (CONT'D)

Company projects

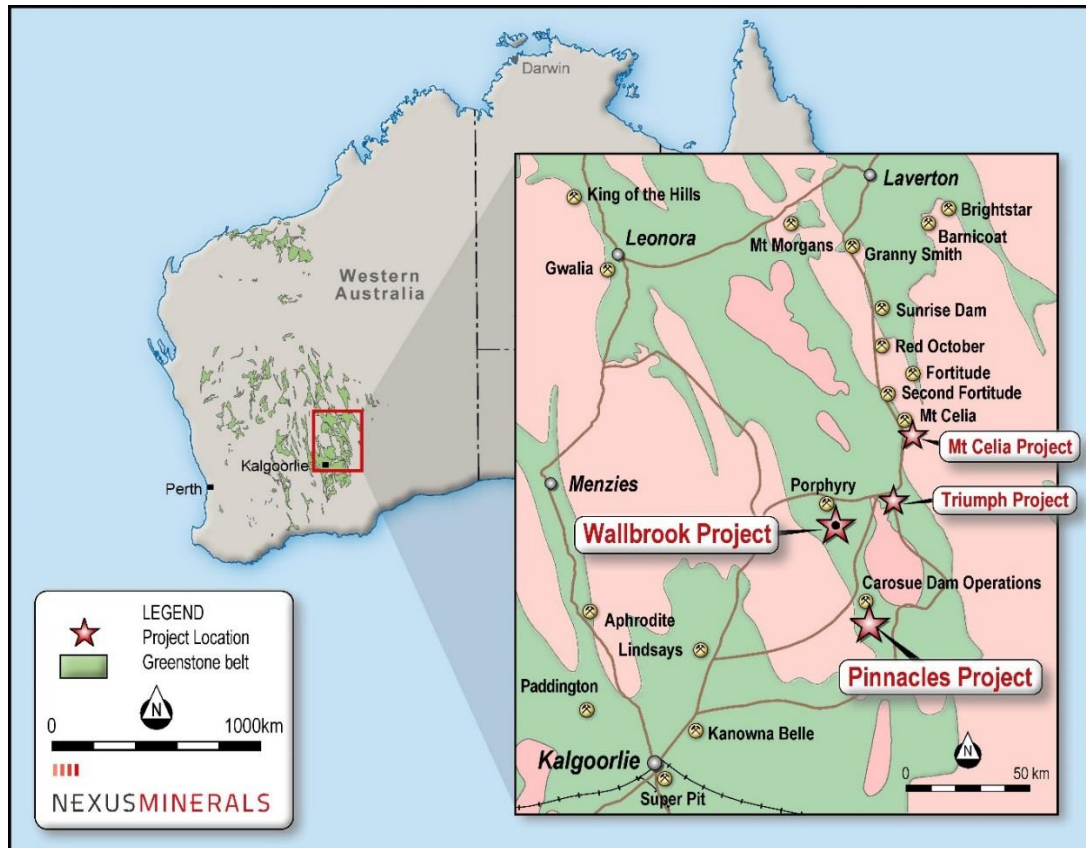


Figure 1. Project locations, Western Australia.

**Wallbrook Gold Project**

Regional Geology

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

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

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## NEXUS MINERALS LIMITED

### REVIEW OF OPERATIONS (CONT'D)

#### Wallbrook Gold Project (cont'd)

##### Local Geology and Mineralisation

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

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

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

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

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

Nexus owns 100% of the highly prospective Wallbrook project in the Eastern Goldfields of Western Australia. The 250km<sup>2</sup> highly prospective gold tenement package was the focus of exploration activity during the period with the Company undertaking successful field campaigns including geological mapping and an ongoing high resolution ground magnetometer survey. In addition to these activities the Company undertook a successful aircore drill program of 4,375m / 91 holes in the Crusader – Templar corridor.

REVIEW OF OPERATIONS (CONT'D)

Wallbrook Gold Project (cont'd)

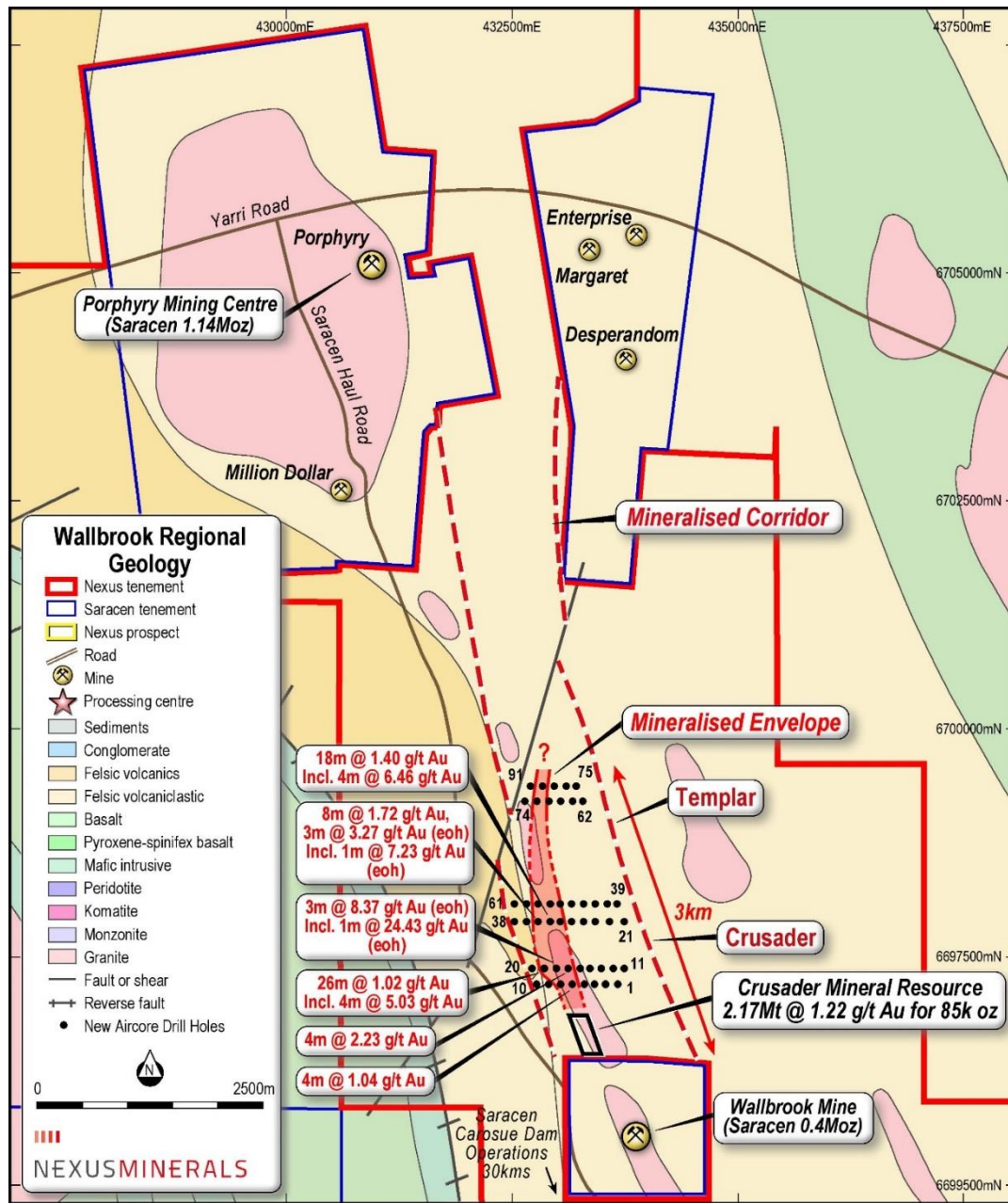


Figure 2: Crusader and Templar Prospects with Aircore Lines (over geology)  
(Mineralised Envelope >0.1g/t Au)

**NEXUS MINERALS LIMITED**

**REVIEW OF OPERATIONS (CONT'D)**

**Wallbrook Gold Project (cont'd)**

| Hole ID      | Prospect | Easting | Northing | Elevation | Azimuth | Dip | Depth (m) | From (m) | To (m)   | Interval (m) | Au (g/t) |
|--------------|----------|---------|----------|-----------|---------|-----|-----------|----------|----------|--------------|----------|
| NMWBAC19-006 | Crusader | 433340  | 6697227  | 374       | 90      | -60 | 65        | 32       | 40       | 8            | 0.58     |
|              |          |         |          |           |         |     | incl      | 32       | 36       | 4            | 1.04     |
| NMWBAC19-007 | Crusader | 433320  | 6697228  | 373       | 90      | -60 | 60        | 24       | 36       | 12           | 0.26     |
|              |          |         |          |           |         |     |           | 48       | 60 (EOH) | 12           | 0.33     |
|              |          |         |          |           |         |     | incl      | 59       | 60 (EOH) | 1            | 1.53     |
| NMWBAC19-014 | Crusader | 433360  | 6697329  | 373       | 90      | -60 | 60        | 32       | 36       | 4            | 2.23     |
| NMWBAC19-017 | Crusader | 433301  | 6697329  | 373       | 90      | -60 | 71        | 44       | 70       | 26           | 1.02     |
|              |          |         |          |           |         |     | incl      | 44       | 48       | 4            | 5.03     |
| NMWBAC19-018 | Crusader | 433278  | 6697329  | 373       | 90      | -60 | 60        | 28       | 36       | 8            | 0.93     |
|              |          |         |          |           |         |     | incl      | 32       | 36       | 4            | 1.76     |
|              |          |         |          |           |         |     |           | 44       | 48       | 4            | 0.76     |
| NMWBAC19-019 | Crusader | 433260  | 6697329  | 373       | 90      | -60 | 63        | 24       | 28       | 4            | 0.25     |
|              |          |         |          |           |         |     |           | 36       | 40       | 4            | 0.14     |
|              |          |         |          |           |         |     |           | 60       | 63       | 3            | 8.37     |
|              |          |         |          |           |         |     | incl      | 62       | 63 (EOH) | 1            | 24.43    |
| NMWBAC19-035 | Templar  | 433329  | 6697723  | 372       | 90      | -60 | 65        | 32       | 36       | 4            | 0.46     |
|              |          |         |          |           |         |     |           | 44       | 62       | 18           | 1.40     |
|              |          |         |          |           |         |     | incl      | 44       | 48       | 4            | 6.46     |
| NMWBAC19-036 | Templar  | 433293  | 6697725  | 371       | 90      | -60 | 51        | 16       | 51 (EOH) | 35           | 0.84     |
|              |          |         |          |           |         |     | incl      | 24       | 32       | 8            | 1.72     |
|              |          |         |          |           |         |     |           | 48       | 51 (EOH) | 3            | 3.27     |
|              |          |         |          |           |         |     | incl      | 50       | 51 (EOH) | 1            | 7.23     |
| NMWBAC19-037 | Templar  | 433260  | 6697722  | 371       | 90      | -60 | 72        | 0        | 4        | 4            | 0.15     |
|              |          |         |          |           |         |     |           | 48       | 64       | 16           | 0.64     |
|              |          |         |          |           |         |     | incl      | 48       | 52       | 4            | 1.19     |

No more than 4 meters (1 sample) <1g/t Au included in significant intercepts

**Table 1 – Significant Intercepts Drill Results - >1g/t Au  
(For table of all results see ASX release 8 October 2019)**

The high-resolution ground magnetics survey effectively maps the zone of hydrothermal alteration (seen as magnetic highs in red on image below) of the host rocks and potential associated gold mineralisation. It also shows areas of mag lows whereby an overprint event has been magnetite destructive and therefore identifies as an anomalous low within an anomalous high. These areas are also prospective for gold mineralisation. The survey is now moving north through the gap to the north of Saracen Mineral Holdings (ASX:SAR) Porphyry Mining Centre.

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REVIEW OF OPERATIONS (CONT'D)

Wallbrook Gold Project (cont'd)

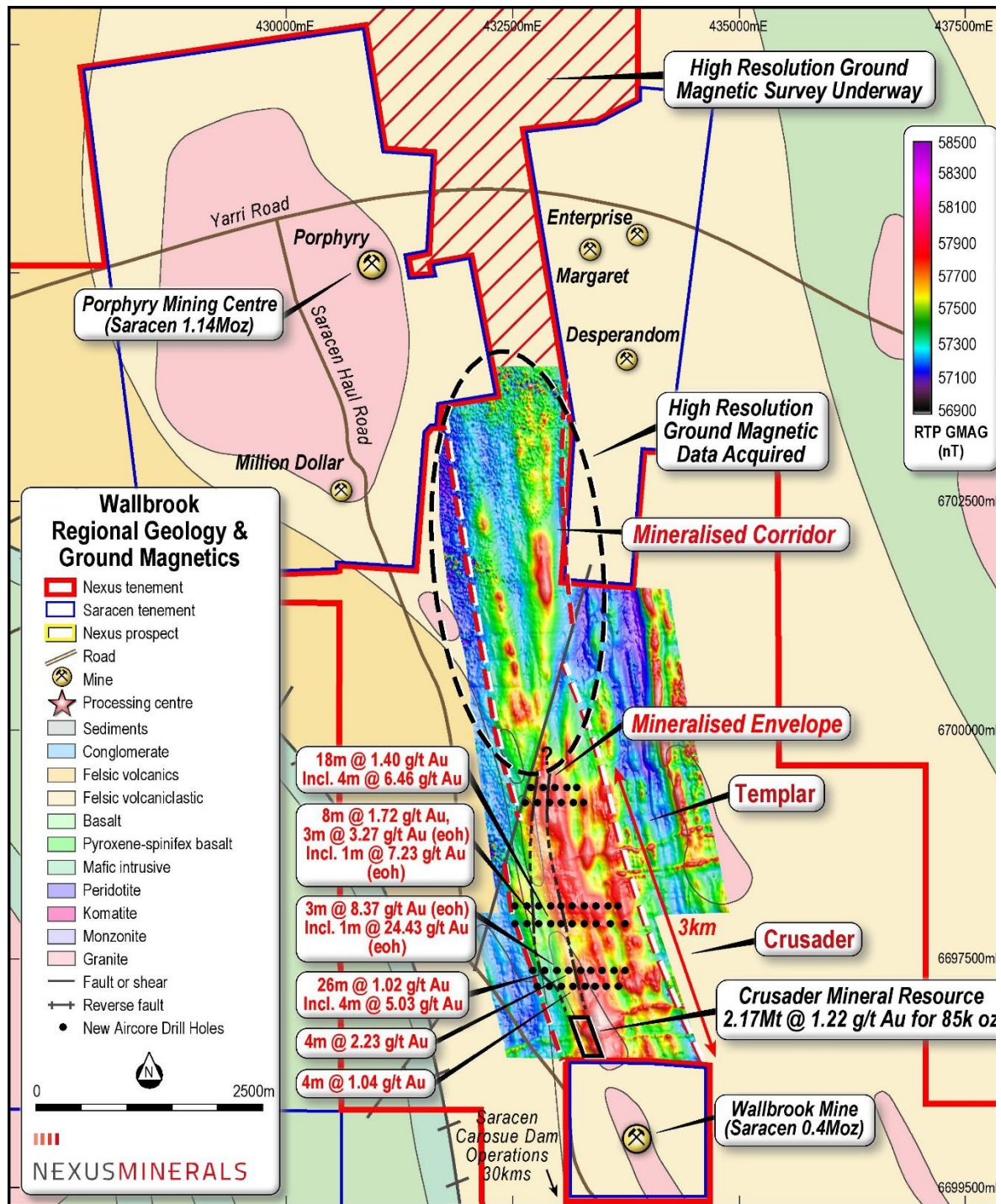


Figure 3: Crusader and Templar Prospects with Aircore Lines (over ground magnetics)

REVIEW OF OPERATIONS (CONT'D)

Wallbrook Gold Project (cont'd)

The Crusader mineralised corridor lies directly above a gravity low, providing an indication of underlying felsic intrusives at depth. The key to exploration along this corridor will be to determine the zones of best developed felsic intrusives, or substantial volcanic domes (being more brittle host rocks), and their intersection with cross-cutting structures. A distinct regional northwest-southeast structural corridor can be seen on the image below, with numerous cross-cutting northeast-southwest structures evident. Detailed gravity surveys will be planned following interpretation of the high-resolution ground magnetics results through the mineralised corridor to the north.

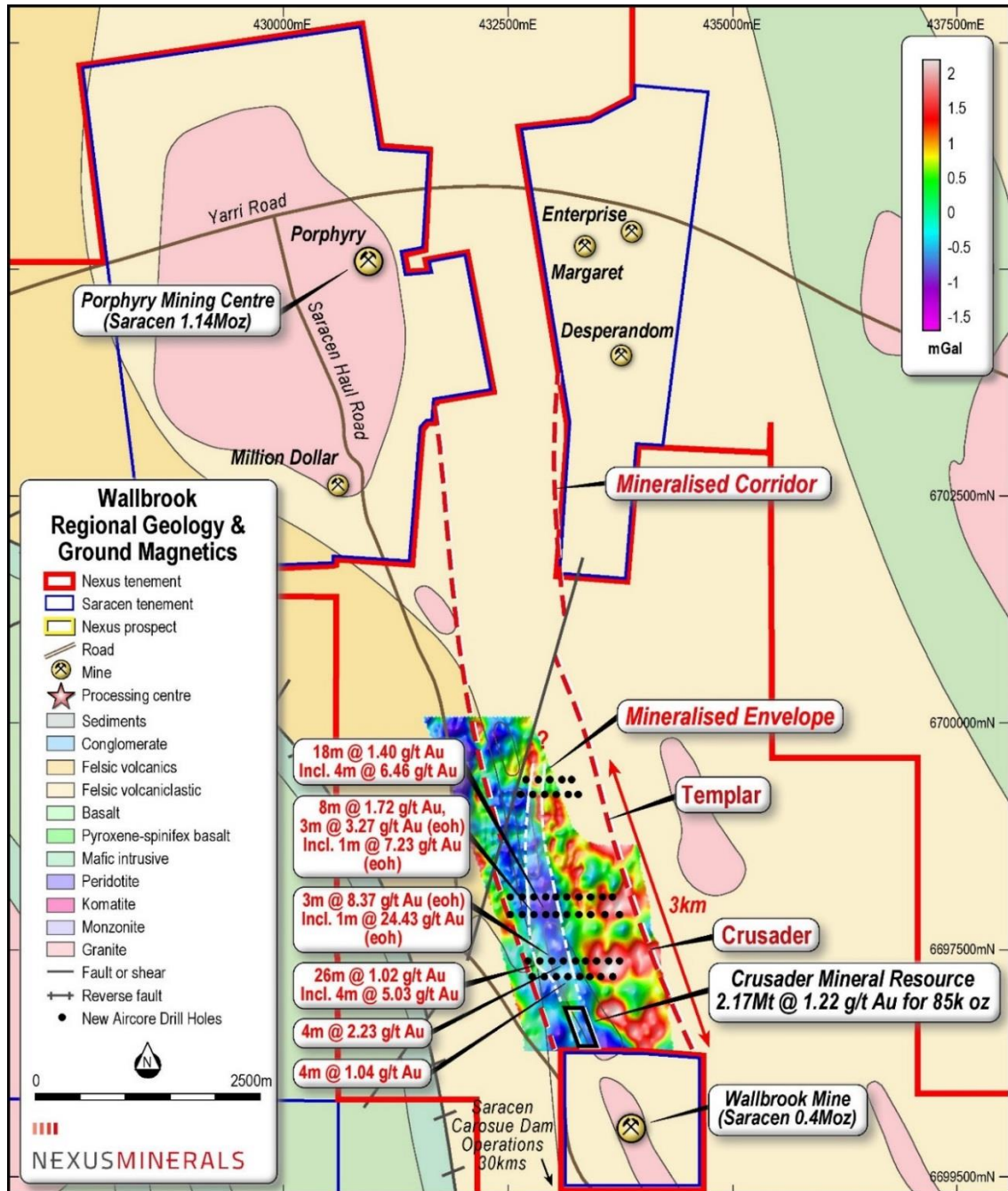


Figure 4: Crusader and Templar Prospects with Aircore Lines (over gravity)

## NEXUS MINERALS LIMITED

### REVIEW OF OPERATIONS (CONT'D)

#### Wallbrook Gold Project (cont'd)

Nexus is also continuing mine studies at the Crusader mineral resource area, currently containing 85,000 ounces gold (refer announcement 8 July 2019), with the aim of determining the potential for a stage 1 starter pit, and subsequent staged open cut pit development options.

#### Pinnacles Gold Project

The Pinnacles Project tenements cover approximately 125km<sup>2</sup>. The tenement area is immediately to the south of Saracen's Carosue Dam mining operation, which includes the Karari underground gold mine, currently in operation. The Carosue Dam district exhibits a large scale mineralised hydrothermal gold system having produced multi-million ounces of gold to date, and still today contains >4Moz gold in regional resources.

The geological setting provides for a location between two large granite batholiths, where the basal sequence of basalt and dolerite is overlain by a volcanoclastic sedimentary sequence. Structurally, the Project is within a major regional shear zone, with the Yilgangi 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.

During the latter part of the period, due to the increasing gold price, a review of the Pinnacles project was undertaken, and the decision made to update the mineral resource estimate with an additional 22 drill holes not included in the current resource. This will commence in the March 2020 quarter. Refer to "Events after the balance date" on page 13 for further details.

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REVIEW OF OPERATIONS (CONT'D)

Pinnacles Gold Project (cont'd)

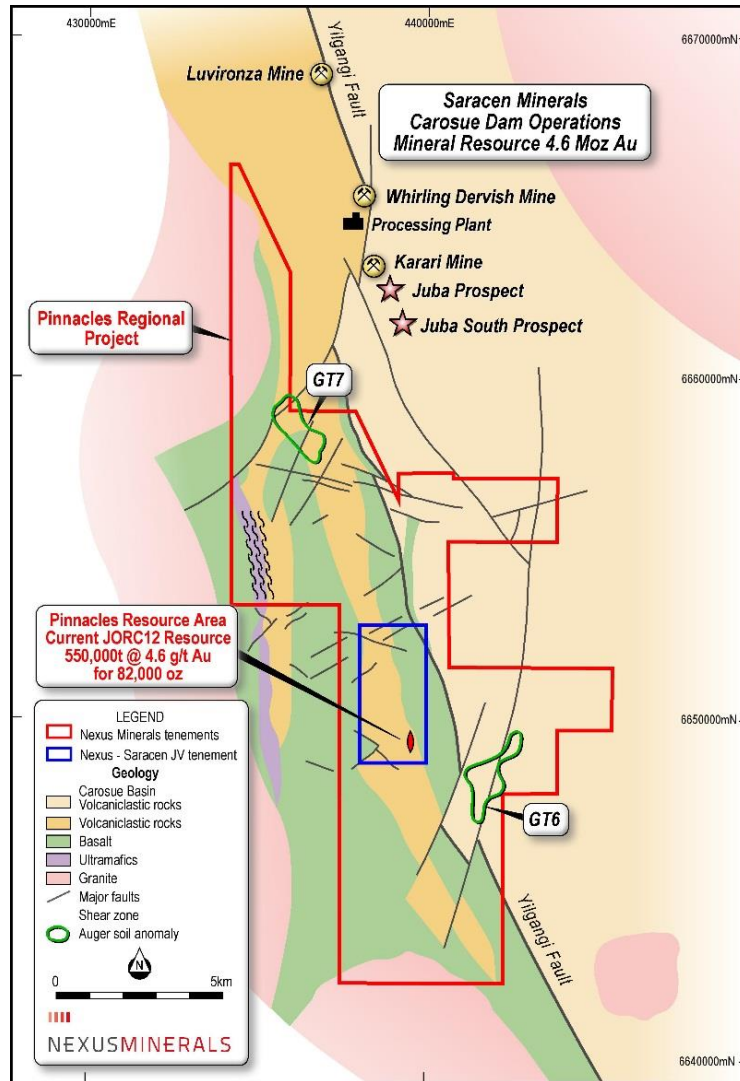


Figure 5: Pinnacles Mineral Resource Area

**Triumph Project**

Field work continued during the period on the ~140km<sup>2</sup> tenement package. Ground geological mapping and ground truthing of aeromagnetic data was undertaken.

**Mt Celia Project**

Field work continued during the period on the tenement package. Ground geological mapping and ground truthing of adjacent tenement drilling activity was undertaken.

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## NEXUS MINERALS LIMITED

### REVIEW OF OPERATIONS (CONT'D)

#### Corporate

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

At the Annual General Meeting of the Company held on 27 November 2019 shareholders approved the issue of 7,000,000 unlisted options to Directors and an officer of the Company. The options have an exercise price of 6.5 cents and an expiry date of 15 November 2022. Full details of the valuation of the options are included in Note 5: Share-based payments in the notes to the condensed consolidated financial statements.

#### Resources

*As at 31 December 2019, Nexus Minerals Limited combined Mineral Resource Estimate at Wallbrook is 2.17Mt @ 1.22g/t Au for 85,000 ounces (refer Table 1) and at Pinnacles is 551,200 tonnes at 4.6gpt Au for 82,000 ounces. The Company's Mineral Resource has changed from 2018 to include the Wallbrook mineral resource in 2019.*

#### Mineral Resource and Ore Reserve Governance and Internal Controls

*Nexus Minerals ensures that the Mineral Resource estimate quoted is subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of Mineral Resource estimation procedures and results are carried out through a technical review team which is comprised of highly competent and qualified professionals. These reviews have not identified any material issues. The Company has finalised its governance framework in relation to the Mineral Resource estimate in line with its business structure. Nexus Minerals reports its Mineral Resource on an annual basis in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. Competent Persons named by Nexus Minerals are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.*

#### Competent Person's Statement

*The information in this report that relates to Exploration Results is based on information compiled or reviewed by Andy Tudor, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tudor is a full-time employee of Nexus Minerals Limited. Mr Tudor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australia Code for Reporting and Exploration Results, Mineral Resources and Ore Reserves". The exploration results are available to viewed on the Company website [www.nexus-minerals.com](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 announcements, and in the case of Mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements. Mr Tudor consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.*

## NEXUS MINERALS LIMITED

### EVENTS AFTER THE BALANCE DATE

Subsequent to the balance date the Company announced the successful completion of a mineral resource upgrade on the Pinnacles East gold resource area, within the Pinnacles JV gold project, located in the Eastern Goldfields, 120km north east of Kalgoorlie.

The updated JORC 2012 combined mineral resource of 609,000t @4.0g/t Au for 78,000 ounces is in line with the Company's previous estimate of 550,000t @ 4.6g/t for 82,000 ounces (see ASX announcement 13 October 2016). For further details refer to the ASX announcement dated 27 February 2020.

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

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Nexia Perth Audit Services Pty Ltd, to provide the Directors of the Company with an independence declaration in relation to the review of the interim financial report. This independence declaration is set out on page 14 of the directors' report for the half-year ended 31 December 2019.

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

On behalf of the Directors



A Tudor

Managing Director

Perth, 12th March 2020

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

To the directors of Nexus Minerals Limited,

I declare that, to the best of my knowledge and belief, in relation to the review for the half- year ended 31 December 2019 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



**Nexia Perth Audit Services Pty Ltd**



**PTC Klopper**  
*Director*

Perth  
12 March 2020

**NEXUS MINERALS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

|  | <b>CONSOLIDATED</b>     | <b>CONSOLIDATED</b>     |
|--|-------------------------|-------------------------|
|  | <b>Half-year ended</b>  | <b>Half-year ended</b>  |
|  | <b>31 December 2019</b> | <b>31 December 2018</b> |
|  | <b>\$</b>               | <b>\$</b>               |
| Revenue from continuing operations                             | 487,574                 | 588,739                 |
| Exploration and evaluation expenditure expensed as incurred    | (565,493)               | (557,050)               |
| Employee benefits  | (4,906)                 | (5,436)                 |
| ASX and regulatory expenses                                    | (34,272)                | (25,225)                |
| Depreciation and amortisation expenses                         | (18,288)                | (5,183)                 |
| Directors' fees  | (67,140)                | (67,140)                |
| Insurance expenses   | (9,238)                 | (14,839)                |
| Legal and professional fees                                    | (74,991)                | (96,486)                |
| Occupancy expenses   | (14,446)                | (46,852)                |
| Marketing expenses   | (32,674)                | (43,689)                |
| Share-based compensation                                       | 5 (113,160)             | -                       |
| Other expenses   | (46,872)                | (33,737)                |
| <b>Loss from operating activities</b>                          | <b>(493,906)</b>        | <b>(306,898)</b>        |
| Financial income   | 24,483                  | 28,508                  |
| Financial expenses   | (4,042)                 | -                       |
| <b>Net financing income</b>                                    | <b>20,441</b>           | <b>28,508</b>           |
| <b>Loss before income tax</b>                                  | <b>(473,465)</b>        | <b>(278,390)</b>        |
| Income tax benefit/(expense)                                   | -                       | -                       |
| <b>Loss for the period</b>                                     | <b>(473,465)</b>        | <b>(278,390)</b>        |
| <b>Other comprehensive loss</b>                                |                         |                         |
| Items that may be reclassified subsequently to profit or loss: |                         |                         |
| Net change in fair value of financial assets                   | -                       | (75,000)                |
| Other comprehensive loss for the period                        | -                       | (75,000)                |
| <b>Total comprehensive loss for the period</b>                 | <b>(473,465)</b>        | <b>(353,390)</b>        |
| <b>Loss per share</b>  |                         |                         |
| Basic and diluted loss per share (cents per share)             | (0.40) cents            | (0.31) cents            |

The accompanying notes form part of these financial statements.



**NEXUS MINERALS LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

|                                      |             | <b>CONSOLIDATED</b>     | <b>CONSOLIDATED</b> |
|--------------------------------------|-------------|-------------------------|---------------------|
|                                      |             | <b>31 December 2019</b> | <b>30 June 2019</b> |
|                                      | <b>Note</b> | <b>\$</b>               | <b>\$</b>           |
| <b>Current assets</b>                |             |                         |                     |
| Cash and cash equivalents            |             | 3,006,129               | 3,290,557           |
| Trade and other receivables          |             | 43,168                  | 54,881              |
| Other financial assets               |             | 57,879                  | 57,879              |
| Other assets                         |             | 14,276                  | 16,981              |
| <b>Total current assets</b>          |             | <b>3,121,452</b>        | <b>3,420,298</b>    |
| <b>Non-current assets</b>            |             |                         |                     |
| Financial assets                     |             | 35,625                  | 35,625              |
| Exploration assets                   |             | 125,160                 | 125,160             |
| Right-of-use assets                  | 6a          | 84,613                  | -                   |
| Buildings, plant and equipment       |             | 15,278                  | 20,204              |
| <b>Total non-current assets</b>      |             | <b>260,676</b>          | <b>180,989</b>      |
| <b>Total assets</b>                  |             | <b>3,382,128</b>        | <b>3,601,287</b>    |
| <b>Current liabilities</b>           |             |                         |                     |
| Trade and other payables             |             | 119,992                 | 82,875              |
| Borrowings                           |             | 22,367                  | -                   |
| Lease liabilities                    | 6b          | 24,294                  | -                   |
| Provisions                           |             | 19,511                  | 24,686              |
| <b>Total current liabilities</b>     |             | <b>186,164</b>          | <b>107,561</b>      |
| <b>Non-current liabilities</b>       |             |                         |                     |
| Lease liabilities                    | 6b          | 62,543                  | -                   |
| <b>Total non-current liabilities</b> |             | <b>62,543</b>           | <b>-</b>            |
| <b>Total liabilities</b>             |             | <b>248,707</b>          | <b>107,561</b>      |
| <b>Net assets</b>                    |             | <b>3,133,421</b>        | <b>3,493,726</b>    |
| <b>Equity</b>                        |             |                         |                     |
| Issued capital                       | 3           | 21,461,911              | 21,461,911          |
| Reserves                             | 4           | 270,507                 | 157,347             |
| Accumulated losses                   |             | (18,598,997)            | (18,125,532)        |
| <b>Total equity</b>                  |             | <b>3,133,421</b>        | <b>3,493,726</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 2019**

|  | <b>CONSOLIDATED</b>     | <b>CONSOLIDATED</b>     |
|--|-------------------------|-------------------------|
|  | <b>Half-year ended</b>  | <b>Half-year ended</b>  |
|  | <b>31 December 2019</b> | <b>31 December 2018</b> |
| <b>Note</b>  | <b>\$</b>               | <b>\$</b>               |
| <b>Cash flows from operating activities</b>              |                         |                         |
| Cash receipts from customers                             | 487,574                 | 588,739                 |
| Interest received  | 25,623                  | 35,200                  |
| Interest paid  | (4,042)                 | -                       |
| Exploration expenditure                                  | (369,226)               | (812,426)               |
| Payments to suppliers and employees                      | (435,586)               | (539,790)               |
| Net cash used in operating activities                    | <u>(295,657)</u>        | <u>(728,277)</u>        |
| <b>Cash flows from investing activities</b>              |                         |                         |
| Payments for purchases of plant and equipment            | -                       | (7,500)                 |
| Net cash used in investing activities                    | <u>-</u>                | <u>(7,500)</u>          |
| <b>Cash flows from financing activities</b>              |                         |                         |
| Repayment of lease                                       | 6b (11,138)             | -                       |
| Net cash used in financing activities                    | <u>(11,138)</u>         | <u>-</u>                |
| Net decrease in cash and cash equivalents                | (306,795)               | (735,777)               |
| Cash and cash equivalents at the beginning of the period | <u>3,290,557</u>        | <u>3,914,154</u>        |
| Cash and cash equivalents at the end of the period       | <u>2,983,762</u>        | <u>3,178,377</u>        |
| Cash and cash equivalents                                | 3,006,129               | 3,178,377               |
| Borrowings   | (22,367)                | -                       |
| Net cash and cash equivalents                            | <u>2,983,762</u>        | <u>3,178,377</u>        |

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 2019**

|  | Issued capital | Share based<br>payment<br>reserve | Fair value<br>reserve | Accumulated<br>losses | Total     |
|--|----------------|-----------------------------------|-----------------------|-----------------------|-----------|
|  | \$             | \$                                | \$                    | \$                    | \$        |
| <b>Balance at 1 July 2018</b>                  | 19,868,951     | 265,182                           | 56,875                | (16,487,318)          | 3,703,690 |
| <i>Total comprehensive loss for the period</i> |                |                                   |                       |                       |           |
| Loss for the period                            | -              | -                                 | -                     | (278,390)             | (278,390) |
| <i>Other comprehensive loss</i>                |                |                                   |                       |                       |           |
| Change in the fair value of financial assets   | -              | -                                 | (75,000)              | -                     | (75,000)  |
| <i>Total comprehensive loss for the period</i> | -              | -                                 | (75,000)              | (278,390)             | (353,390) |
| Expiry of options                              | -              | (63,460)                          | -                     | 63,460                | -         |
| <b>Balance at 31 December 2018</b>             | 19,868,951     | 201,722                           | (18,125)              | (16,702,248)          | 3,350,300 |
| <b>Balance at 1 July 2019</b>                  | 21,461,911     | 201,722                           | (44,375)              | (18,125,532)          | 3,493,726 |
| <i>Total comprehensive loss for the period</i> |                |                                   |                       |                       |           |
| Loss for the period                            | -              | -                                 | -                     | (473,465)             | (473,465) |
| <i>Other comprehensive loss</i>                |                |                                   |                       |                       |           |
| Change in the fair value of financial assets   | -              | -                                 | -                     | -                     | -         |
| <i>Total comprehensive loss for the period</i> | -              | -                                 | -                     | (473,465)             | (473,465) |
| Share-based payment                            | -              | 113,160                           | -                     | -                     | 113,160   |
| <b>Balance at 31 December 2019</b>             | 21,461,911     | 314,882                           | (44,375)              | (18,598,997)          | 3,133,421 |

The accompanying notes form part of these financial statements.

## NEXUS MINERALS LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies

##### Statement of compliance

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

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

##### Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2019. For the purpose of preparing the report the half-year has been treated as a discrete reporting period.

##### Amendments to AASBs and new Interpretations which are mandatorily effective for the current reporting period

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

The Group has applied AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information.

##### New Accounting Standards and Interpretations not yet mandatory or early adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

**NEXUS MINERALS LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**Significant Accounting Judgements and Key Estimates**

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

In preparing this interim financial report the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019, except for those in relation to leases. See note 10 for further details.

**Research & development tax concession**

The Company lodged a claim for a refund under the R&D tax concession scheme for 2019 and received \$487,574 during the half-year.

**2. Segment Information**

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

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

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

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

NEXUS MINERALS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Issued capital

|  | 31 December<br>2019<br>\$                   | 30 June<br>2019<br>\$             |
|--|---|-----------------------------------|
| <i>Issued and paid up capital</i>              |   |                                   |
| Fully paid ordinary shares                     | 21,461,911                                  | 21,461,911                        |
|  | Six months to<br>31 December 2019<br>Number | Year to<br>30 June 2019<br>Number |
| <i>Movements in fully paid shares on issue</i> |   |                                   |
| At beginning of period                         | 118,240,561                                 | 88,573,575                        |
| Shares issued for cash                         | -   | 29,666,986                        |
| Balance at end of period                       | 118,240,561                                 | 118,240,561                       |
|  | Six months to<br>31 December 2019<br>Number | Year to<br>30 June 2019<br>Number |
| <i>Movements in options on issue</i>           |   |                                   |
| At beginning of period                         | 8,900,000                                   | 10,600,000                        |
| Options issued during the period               | 7,000,000                                   | -                                 |
| Options expired during the period              | -   | (1,700,000)                       |
| Balance at end of period                       | 15,900,000                                  | 8,900,000                         |

4. Reserves

|   | Six months to<br>31 December 2019<br>\$ | Year to<br>30 June 2019<br>\$ |
|---|---|-------------------------------|
| <i>Movements in share-based payment reserve</i> |   |                               |
| Balance at beginning of period                  | 201,722                                 | 265,182                       |
| Options expired during the period               | -                                       | (63,460)                      |
| Share-based payments                            | 113,160                                 | -                             |
| Balance at end of period                        | 314,882                                 | 201,722                       |
| <i>Movements in fair value reserve</i>          |   |                               |
| Balance at beginning of period                  | (44,375)                                | 56,875                        |
| Decrease in fair value recognised in reserve    | -                                       | (101,250)                     |
| Balance at end of period                        | (44,375)                                | (44,375)                      |
| <b>Total reserves</b>                           | <b>270,507</b>                          | <b>157,347</b>                |

**NEXUS MINERALS LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**5. Share-based payments**

During the period 7,000,000 unlisted options were granted to Directors and an officer of the Company. The options have an exercise price of 6.5 cents and an expiry date of 15 November 2022. The expense recognised during the period is \$113,160 (31 December 2018: \$nil).

The inputs to the valuation of options granted during the period were:

|                                  | <u>Series no.10</u> |
|----------------------------------|---------------------|
| Dividend yield (%)               | nil                 |
| Expected volatility (%)          | 72                  |
| Risk-free interest rate (%)      | 0.65                |
| Expected life of option (years)  | 3                   |
| Exercise price (dollars)         | 0.065               |
| Grant date share price (dollars) | 0.044               |

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

No options were exercised during the period (31 December 2018: none). No options expired during the period (31 December 2018: 1,700,000).

**6. Leases**

|                               | <b>31 December<br/>2019<br/>\$</b> | <b>30 June<br/>2019<br/>\$</b> |
|-------------------------------|------------------------------------|--------------------------------|
|                               | <u>                    </u>        | <u>                    </u>    |
| <b>a. Right-of-use assets</b> |                                    |                                |
| <i>Carrying value</i>         |                                    |                                |
| Cost                          | 97,975                             | -                              |
| Accumulated amortisation      | (13,362)                           | -                              |
|                               | <u>84,613</u>                      | <u>-</u>                       |

**NEXUS MINERALS LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**6. Leases (continued)**

|  | <b>31 December<br/>2019<br/>\$</b> | <b>30 June<br/>2019<br/>\$</b> |
|--|------------------------------------|--------------------------------|
|  |                                    |                                |
| <b>b. Lease liabilities</b>                      |                                    |                                |
| <i>Current</i>                                   |                                    |                                |
| Lease liabilities                                | 24,294                             | -                              |
|  | 24,294                             | -                              |
| <i>Non-current</i>                               |                                    |                                |
| Lease liabilities                                | 62,543                             | -                              |
|  | 62,543                             | -                              |
|  | 86,837                             | -                              |
|  | <b>\$</b>                          |                                |
| <b>c. Reconciliation of right-of-use assets</b>  |                                    |                                |
| 31 December 2019                                 |                                    |                                |
| Recognised on 1 July 2019 on adoption of AASB 16 | 97,975                             |                                |
| Amortisation expense                             | (13,362)                           |                                |
|  | 84,613                             |                                |
|  | <b>\$</b>                          |                                |
| <b>d. Reconciliation of lease liabilities</b>    |                                    |                                |
| 31 December 2019                                 |                                    |                                |
| Recognised on 1 July 2019 on adoption of AASB 16 | 97,975                             |                                |
| Principal repayments                             | (11,138)                           |                                |
| Closing balance                                  | 86,837                             |                                |

AASB 16 has been adopted during the period, refer note 10 for details.

The Group leases office premises. The lease term is 1 year 2 months with an option to extend for a further 2 years.

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

|                         | <b>Lease payments due</b> |                  |                    |
|-------------------------|---------------------------|------------------|--------------------|
|                         | <b>&lt;1 year</b>         | <b>1-2 years</b> | <b>&gt;2 years</b> |
| <b>31 December 2019</b> |                           |                  |                    |
| Lease payments          | 30,870                    | 31,482           | 37,484             |
| Interest                | (6,576)                   | (4,365)          | (2,058)            |
| Net present values      | 24,294                    | 27,117           | 35,426             |

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**NEXUS MINERALS LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**7. Contingencies and commitments**

|  | <b>31 December<br/>2019<br/>\$</b> | <b>30 June<br/>2019<br/>\$</b> |
|--|------------------------------------|--------------------------------|
|  |                                    |                                |
| <b>Commitments</b>                           |                                    |                                |
| <i>Exploration expenditure commitments</i>   |                                    |                                |
| Minimum exploration expenditure:             |                                    |                                |
| not later than 1 year                        | 637,000                            | 637,000                        |
| Later than 1 year but not later than 5 years | 2,548,000                          | 2,548,000                      |
|  | 3,185,000                          | 3,185,000                      |

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

**8. Events after the balance date**

Subsequent to the balance date the Company announced the successful completion of a mineral resource upgrade on the Pinnacles East gold resource area, within the Pinnacles JV gold project, located in the Eastern Goldfields, 120km north east of Kalgoorlie.

The updated JORC 2012 combined mineral resource of 609,000t @4.0g/t Au for 78,000 ounces is in line with the Company's previous estimate of 550,000t @ 4.6g/t for 82,000 ounces (see ASX announcement 13 October 2016). For further details refer to the ASX announcement dated 27 February 2020.

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

**9. 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 2019 annual financial report. No other related party transactions were entered into during the half-year ended 31 December 2019.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 10. New Standards Adopted

##### AASB 16 Leases

Change in accounting policy

AASB 16 supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases, where the Group is the lessee, being recognised on the Condensed Consolidated Statement of Financial Position and removes the former distinction between “operating” and “finance” leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Consolidated Statement of Financial Position on 1 July 2019. Under this approach, there is no initial impact on retained earnings and comparatives have not been restated.

The Company leases office premises. Prior to 1 July 2019, the lease was classed as an operating lease. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (ie. commencement date). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments are included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives available;
- Variable lease payments that depend on any index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in the property lease in the Group. In determining the lease term management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

## NEXUS MINERALS LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 10. New Standards Adopted (continued)

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

#### Impact of adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 9%.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Condensed Consolidated Statement of Financial Position as at 30 June 2019.

In the Condensed Consolidated Statement of Cash Flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities and cash payments for the interest portion of the lease liability as interest paid within operating activities.

The adoption of AASB 16 resulted in the recognition of right-of-use assets of \$97,975 and lease liabilities of \$97,975 in respect of all operating leases.

The net impact on accumulated losses at 1 July 2019 was \$nil.

**NEXUS MINERALS LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**10. New Standards Adopted (continued)**

**Reconciliation of operating lease commitments previously disclosed as lease liabilities on 1 July 2019.**

Below is a reconciliation of total operating lease commitments as at 30 June 2019 as disclosed in the annual financial statements for the year ended 30 June 2019, and the lease liabilities on 1 July 2019.

| <b>Reconciliation</b>   | <b>\$</b>     |
|---|---------------|
| Operating lease commitments disclosed as at 30 June 2019                                    | 115,012       |
| Discounted using the lessee's incremental borrowing rate at the date of initial application | 9%            |
| Lease liabilities as at 1 July 2019   | <u>97,975</u> |

**NEXUS MINERALS LIMITED**  
**DIRECTORS' DECLARATION**

In the opinion of the Directors of the Company:

1. The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



A Tudor  
Managing Director  
Perth, 12th March 2020

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

### Report on the Interim Financial Report

#### Conclusion

We have reviewed the accompanying interim financial report of Nexus Minerals Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, other explanatory notes, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.


#### Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

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



**Nexia Perth Audit Services Pty Ltd**



**PTC Klopper**  
*Director*

Perth  
12 March 2020

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