NEXUS MINERALS LIMITED

ABN 96 122 074 006

NEXUSMINERALS

ANNUAL FINANCIAL REPORT 2021

Corporate Directory

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Andy Tudor	Managing Director
Mark Elliott	Non-Executive Director
Bruce Maluish	Non-Executive Director

Company Secretary
Phillip MacLeod

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Securities Exchanges
ASX Limited
Home Branch: Perth
Code: NXM

Frankfurt Stock Exchange
Code: YAK

Contents

Letter from the Board to Shareholders

Dear Shareholder

It has been a very busy year for your company Nexus Minerals Limited ("Nexus or the "Company). I am pleased to inform you of the significant advancements made during the year at the Company's gold projects in the Eastern Goldfields of Western Australia. The Wallbrook Gold Project in particular has delivered excellent exploration results throughout the year.

Wallbrook Gold Project

Nexus continued to actively explore the highly prospective Wallbrook Gold Project ("Wallbrook"). Three prospect areas, Crusader, Templar and Branches, were successfully drilled during the year with very positive exploration results being achieved.

<u>Crusader</u>

Nexus drilling in the December 2020 quarter tested the Crusader Prospect from 100 to 150m below surface, with every RC drill hole drilled intersecting mineralisation and encouragingly the gold mineralisation tenor and width both increasing with depth.

- Best intersections from Nexus December 2020 quarter RC drilling include:
  - 9m @ 6.68g/t Au (within 22m @2.97g/t Au from 96m)
  - 8m @ 5.27g/t Au (within 17m @ 2.57g/t au from 46m)
  - 6m @ 6.74g/t Au (within 12m @3.61g/t Au from 138m to EOH)
  - 5m @ 5.01g/t (within 11m @ 3.44g/t au from 141m)
  - 4m @ 7.17g/t (within 15m @ 2.11g/t Au from 135m to EOH)

A 1,045m two-hole diamond drilling program completed during the June 2021 quarter at the Crusader Gold Prospect was to test beneath the broad high-grade mineralized zone intersected in the Company's 2020 RC drill program. Results were:

- DDH21-1 - Depth 240m intersected multiple mineralised zones including:
  - 3m @ 11.54g/t Au (within 9m @ 4.49g/t Au) from 159m
  - 4m @ 2.59g/t Au (within 7m @1.63g/t Au) from 138m
  - 2.7m @5.70 g/t Au from 53.4m
- DDH21-2 was drilled to a depth of 808m to intersect Crusader mineralised porphyry including:
  - 2.42m @4.28g/t Au from 550.53m
  - 0.25m @7.94g/t Au from 560.05m (within 9.77m @1.35g/t Au).

<u>Templar</u>

First pass shallow drilling at the Templar Prospect confirmed broad and high-grade mineralisation extends over 700m and remains open in all directions.

Intersections included:

- 12m @ 5.04g/t Au from 39m
  - Incl. 1m @ 57.10g/t Au

Letter from the Board to Shareholders

- 5m @ 5.88g/t Au from 58m
    - Incl. 3m @ 9.28g/t Au
- 26m @ 1.67g/t Au from 100m to EOH
    - Incl. 6m @ 3.50g/t Au (EOH)
- 24m @ 1.42g/t Au from 60m
    - Incl. 6m @ 4.22g/t Au
    - Incl. 1m @ 11.53g/t Au
- 37m @ 1.03g/t Au from 60m (most northerly hole drilled)
    - Incl. 7m @ 2.09g/t Au
    - and 6m @ 2.08g/t Au.

Branches

The Branches Prospect RC drilling delineated a mineralised corridor extending over 400m of strike which remains open in all directions. Every RC drill hole intersected mineralisation, with the prospect now open in all directions and at depth. The deepest hole drilled was 125m, and this was also the most northerly hole drilled. There is an increase is both mineralised widths and gold grade tenor to the north of the area drill tested.

First pass intersections included:

- Hole 133 - 25m @ 2.86g/t Au (from 43m)
    - Incl. 8m @ 7.59g/t Au incl.1m @ 47.45g/t Au
- Hole 140 - 13m @1.64g/t Au (from 35m)
    - Incl. 1m @ 9.35g/t Au and 2m @ 4.02g/t Au incl. 1m @ 5.15g/t Au
- Hole 141 - 14m @ 1.26g/t Au (from 106m)
    - Incl. 3m @ 2.81, incl. 1m @ 5.29g/t Au and 2m @ 2.88g/t Au.

All three prospect areas, within the broader Wallbrook Gold Project are subject to ongoing exploration programs by the Company.

The Company continues to maintain a strong financial cash position and held $8,996,975 as at 30 June 2021.

Finally, on behalf of the Board, I would like to thank all staff and contractors for their valuable contribution during the year and thank Nexus shareholders for their ongoing support during the past twelve months. I am pleased with the progress made to date and excited by what the Company aims to achieve in the next twelve months.

Paul Boyatzis

Chairman

For and on behalf of the Board

Review of Operations

Exploration

Nexus Minerals Ltd ("Nexus" or "the Company") provides this Review of Operations report.

Nexus' strategy has been, and continues to be, to invest and actively explore gold and copper exploration and development assets. In line with the Company's strategy, Nexus has acquired and taken an option in evaluating three significant landholding projects in the Eastern Goldfields of Western Australia and Bethanga of Victoria.

The Wallbrook Gold Project ("Wallbrook") was acquired from multiple entities in 2018 and consists of a contiguous package of some 250km^2 in Western Australia. The Wallbrook tenement package is considered highly prospective for the discovery of significant gold mineralisation. The Wallbrook tenement package has been the primary focus for Nexus in 2021.

Nexus signed an option to acquire post due diligence the Bethanga porphyry copper-gold project in May 2021. The Bethanga Porphyry Copper Gold Project area is 194km^2 and located in Victoria. Nexus is targeting large-scale porphyry copper-gold systems.

Nexus previously entered into a Farm-In and Joint Venture Agreement with successful ASX- listed gold producer Northern Star Limited, (formerly Saracen Gold Mines Pty Ltd), over Pinnacles JV Gold Project ("Pinnacles JV") in September 2015. Nexus currently holds a 90% interest in the tenement JV (Northern Star Limited 10%). The Company also holds Pinnacles Gold Project ("PGP"), with tenements that cover approximately 125km^2 in Western Australia and encapsulate the Pinnacles JV Project.

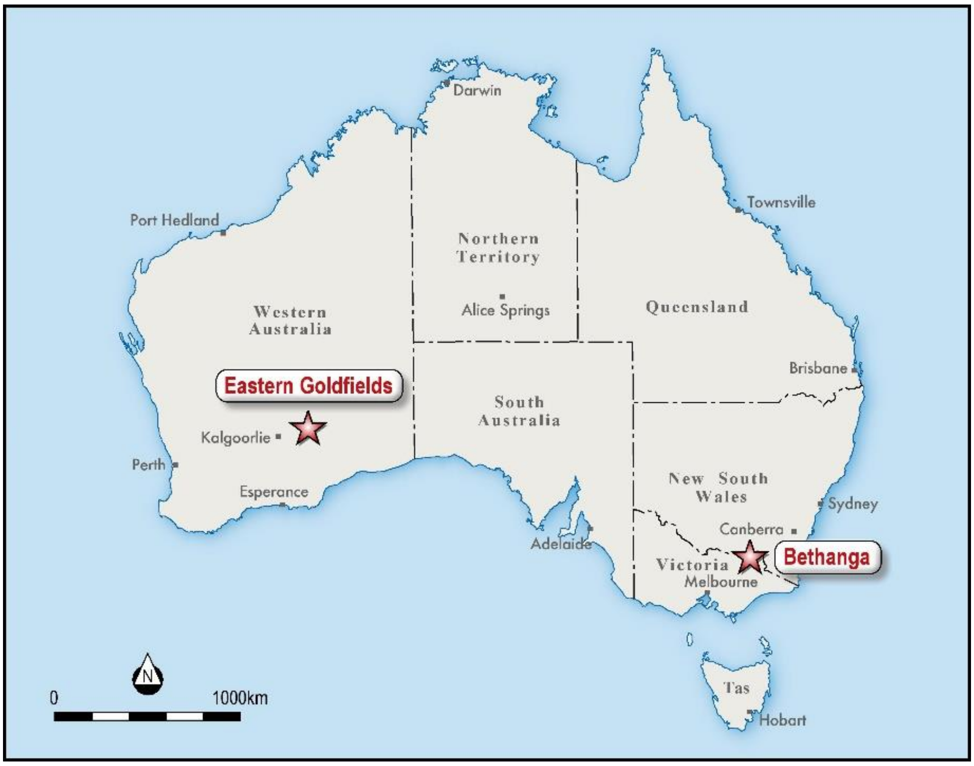

Figure 1: Nexus Western Australian and Victorian projects

Review of Operations

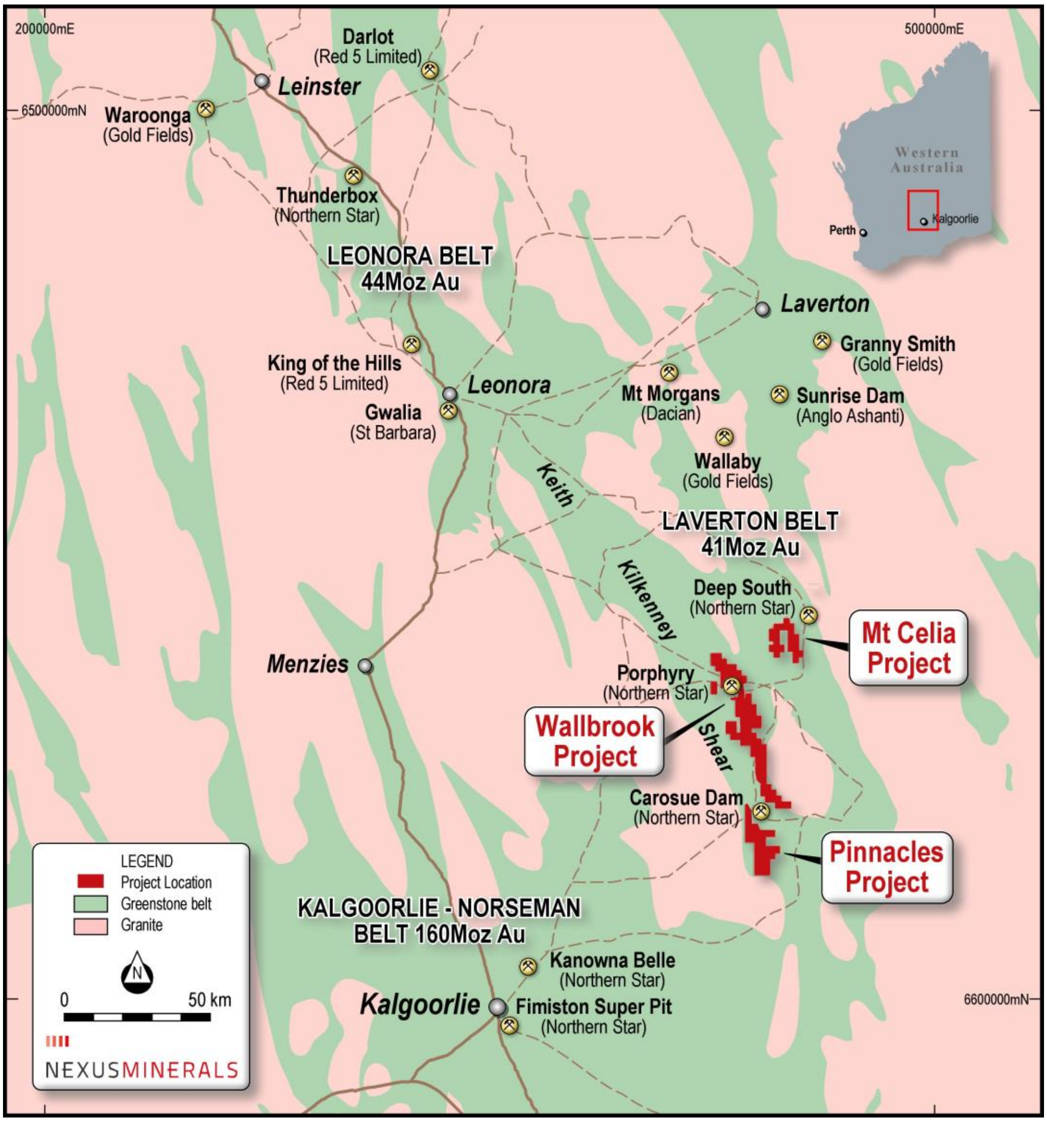

Figure 2. Project locations, Eastern Goldfields Western Australia.

Wallbrook Gold Project

Regional Geology

The Wallbrook Project occurs within the Leonora - Laverton Archaean Greenstone belt in the Eastern Goldfields province of the Yilgarn Craton (Fig 2). The Project is located within the Edjudina Region in the Laverton Tectonic Zone, centrally between Kalgoorlie and Laverton, and 35km north of Northern Star's 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 Edjudina 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).

Review of Operations

Wallbrook Gold Project (continued)

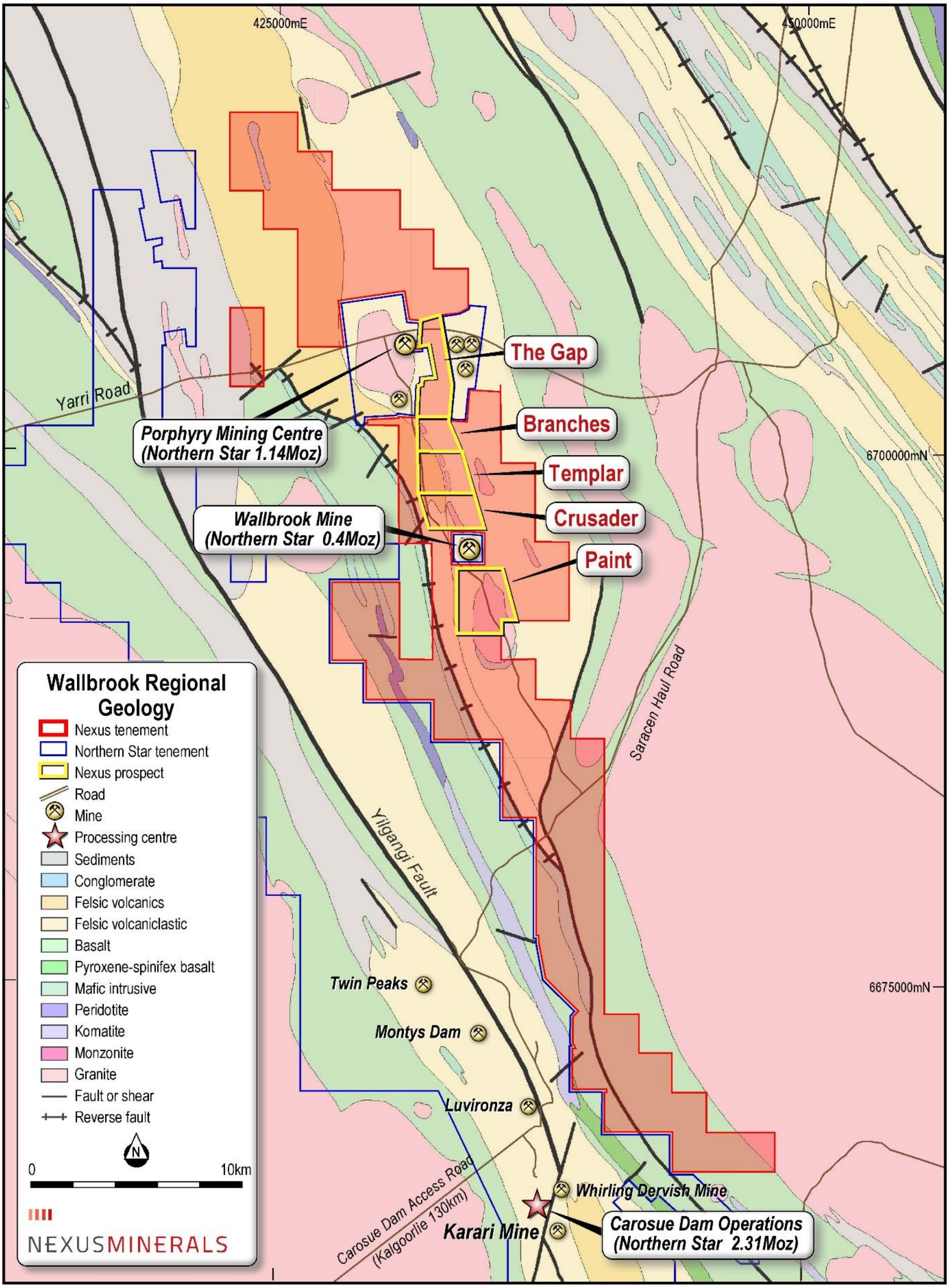

Figure 3. Wallbrook Project Regional Geology

Review of Operations

Wallbrook Gold Project (continued)

Local Geology and Mineralisation

The Wallbrook Project area is located between two major converging tectonic features, the Laverton and Keith-Kilkenny tectonic zones (Fig 2). 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 (2.31 Moz).

The lithologies at Wallbrook are dominated by intermediate (andesitic) volcanics, intrusive felsic porphyries and granite (Figures 3, 6 and 7). 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^2 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 multiple drill campaigns at Wallbrook.

Crusader Prospect

Nexus drilling in the December 2020 quarter tested the zone from 100 to 150m below surface, with every RC drill hole drilled intersecting mineralisation and encouragingly the gold mineralisation tenor and width both increasing with depth. The drill programs in 2021 at Crusader are testing for depth and strike extensions to the mineralisation which has been drilled to a maximum 200m depth (remains open at depth), constrained only by the extent of drilling completed by Nexus to date. For Crusader results released after the 20/21 reporting period refer to the ASX website.

- Best intersections from Nexus December 2020 quarter RC drilling include:
  - 9m @ 6.68g/t Au (within 22m @2.97g/t Au from 96m)
  - 8m @ 5.27g/t Au (within 17m @ 2.57g/t au from 46m)
  - 6m @ 6.74g/t Au (within 12m @3.61g/t Au from 138m to EOH)
  - 5m @ 5.01g/t (within 11m @ 3.44g/t au from 141m)
  - 4m @ 7.17g/t (within 15m @ 2.11g/t Au from 135m to EOH)

Review of Operations

Crusader Prospect (continued)

A 1,045m two-hole diamond drilling program completed during the June 2021 quarter at the Crusader Gold Prospect was to test beneath the broad high-grade mineralized zone intersected in the Company's 2020 RC drill program. (see ASX announcement 7 December 2020). The following results were received from the diamond drill program (see ASX announcement 28 April 2021):

- First diamond hole (DDH21-1. Depth 240m) drilled at Crusader intersects multiple mineralised zones including:
  - 3m @ 11.54g/t Au (within 9m @ 4.49g/t Au) from 159m
  - 4m @ 2.59g/t Au (within 7m @1.63g/t Au) from 138m
  - 2.7m @5.70 g/t Au from 53.4m
- DDH21-1 drilling tested for depth extension to Nexus December 2020 quarter RC holes that had returned broad high-grade mineralisation including:
  - 6m @6.74g/t Au (within 12m @3.61g/t Au from 138m to EOH)
  - 5m @5.01g/t Au (within 11m @3.44g/t Au from 141m)
  - 4m @ 7.17g/t Au (within 15m @2.11g/t Au from 135m to EOH)
- DDH21-2 was drilled to a depth of 808m to intersect Crusader mineralised porphyry including:
  - 2.42m @4.28g/t Au from 550.53m
  - 0.25m @7.94g/t Au from 560.05m (within 9.77m @1.35g/t Au.

The main mineralised zone 3m @11.54g/t Au – within 9m @4.49g/t Au and 2.42m @4.28g/t Au intersected below surface with zone continuing to depth of >500m. The mineralisation is hosted in silicified quartz porphyry unit with extensive alteration and stockwork veining. Gold mineralisation at the Crusader Prospect is closely associated with a quartz-goethite supergene stockwork in the oxide regolith profile. The stockwork intensity correlates closely with higher gold grades. In the fresh rock, high-grade mineralisation occurs within a series of steeply dipping structures defined by quartz sulphide veining within a potassic altered volcaniclastic host rock.

Photo 1: Diamond drill rig at Crusader Gold Prospect

Review of Operations

Crusader Prospect (continued)

- ❖ Deeper drilling beneath existing Crusader resource intersected broad mineralised zone with high grade core that now continuously extends to depths greater than 150m and remains open over 700m strike (Figs 4,5 and 6) (Table 1).
- ❖ All 11 RC holes drilled intersected significant mineralization
- ❖ New intersections include:
  - ➢ 9m @ 6.68g/t Au - Incl. 1m @ 42.59g/t Au
    (within 22m @ 2.97g/t Au from 96m)
  - ➢ 8m @ 5.27g/t Au – Incl. 1m @ 28.6g/t Au
    (within 17m @ 2.57g/t Au from 46m)
  - ➢ 6m @ 3.48g/t Au - Incl. 2m @ 6.82g/t Au
    (within 14m @ 1.62g/t Au from 138m)
  - ➢ 6m @ 6.74g/t Au - Incl. 2m @ 16.41g/t Au
    (within 12m @ 3.61g/t Au from 138m to EOH)
  - ➢ 5m @ 5.01g/t Au - Incl. 1m @ 15.43g/t Au
    (within 11m @ 3.44g/t Au from 141m)
  - ➢ 4m @ 7.17g/t Au - Incl. 1m @ 14.80g/t Au
    (within 15m @ 2.11g/t Au from 135m)
  - ➢ 8m @ 2.97g/t Au - Incl. 1m @ 8.81g/t Au
    (within 15m @ 1.99g/t Au from 138m).
- ❖ Drill program successfully tested zone from 100m to 150m depth with mineralisation remaining open at depth and along strike

Refer to ASX Announcement 7 December 2020: Spectacular High Grade Gold Intersected in Crusader Drilling

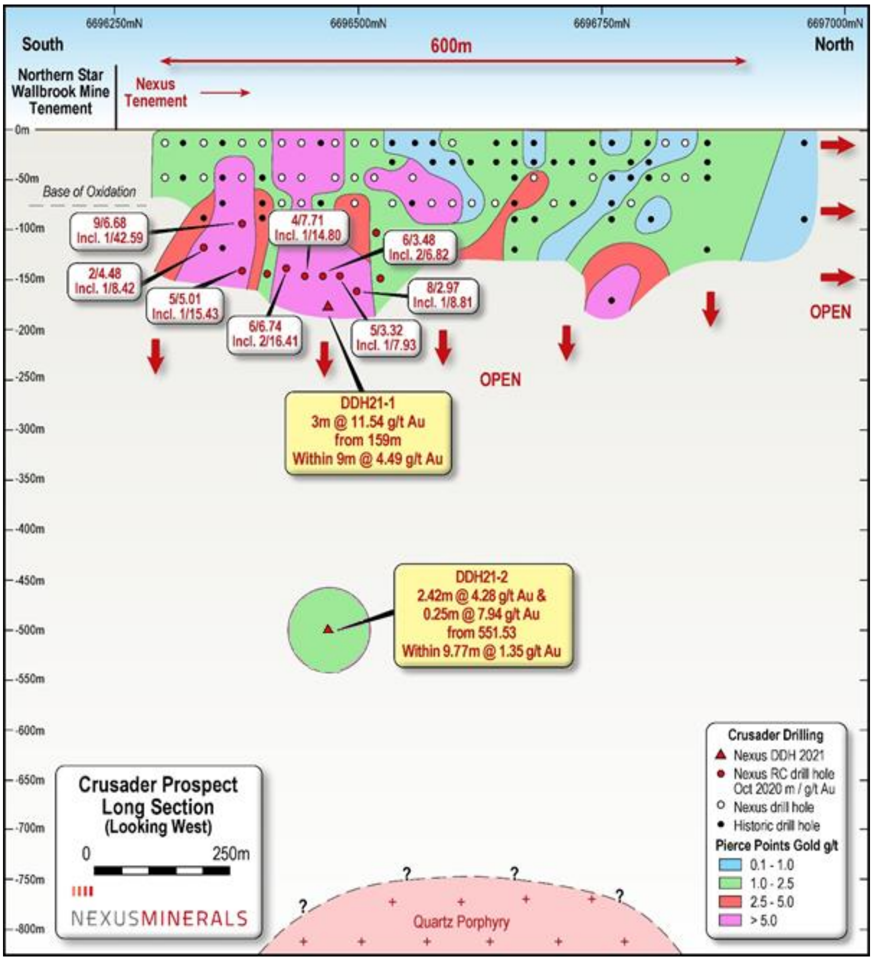

Figure 4. Crusader Prospect Long Section

Review of Operations

Crusader Prospect (continued)

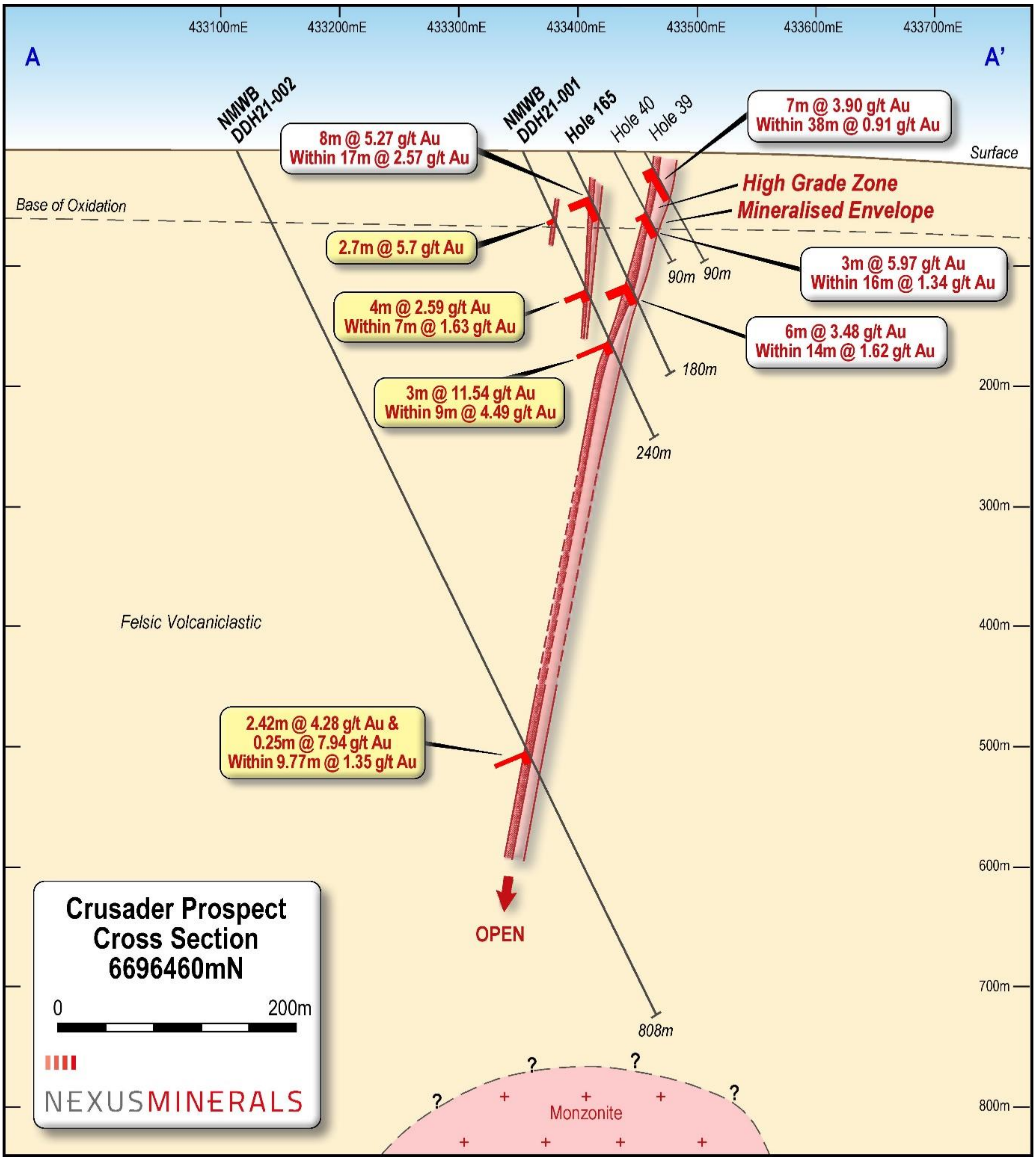

Figure 5: Crusader Prospect Cross Section with deep diamond hole results

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Crusader Prospect (continued)

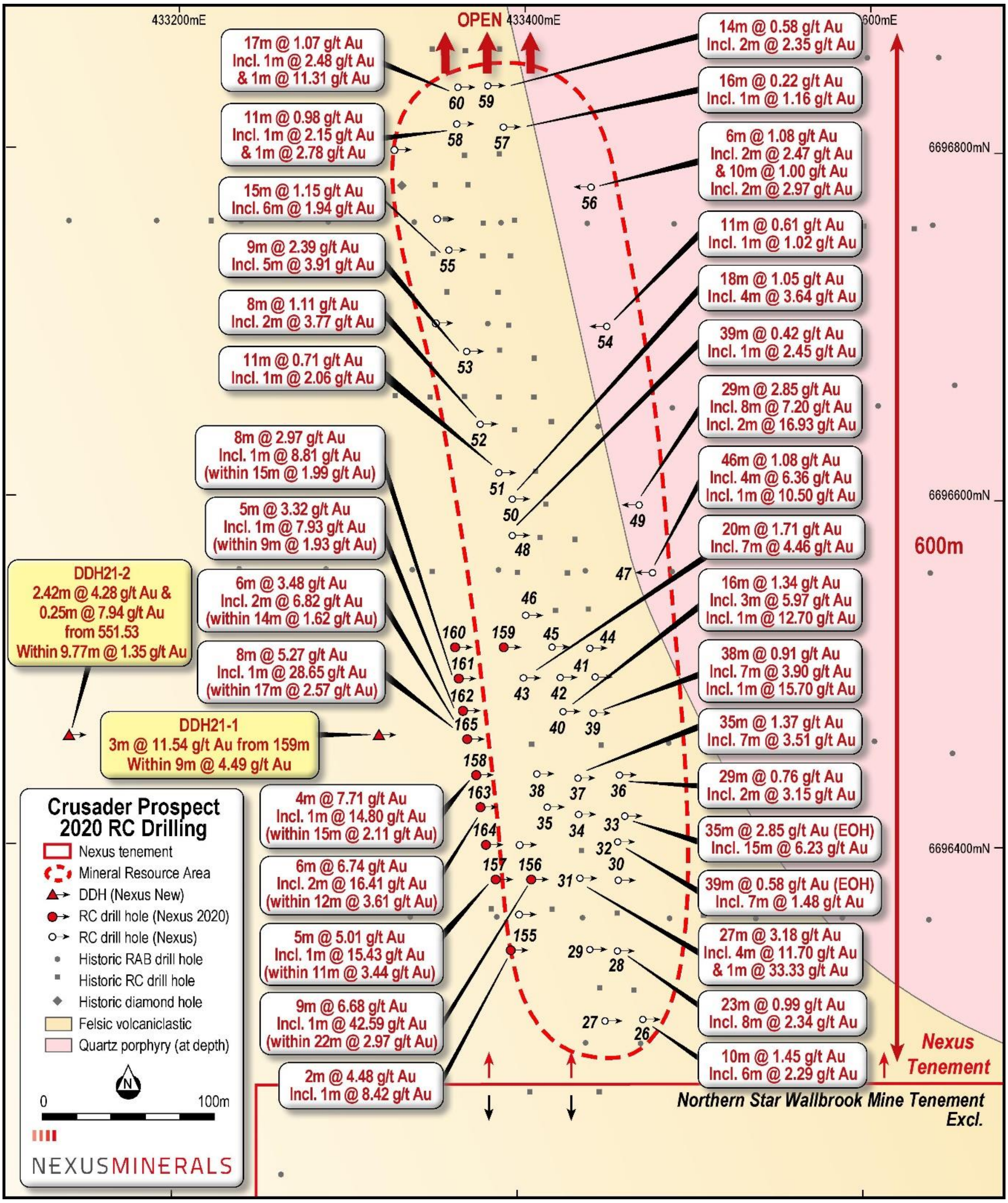

Figure 6: Crusader Prospect with RC Drill Results (over geology)

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Crusader Prospect (continued)

Hole ID	Easting	Northing	mRL	Depth (m)	Azimuth	Dip	From (m)	Length (m)	g/t Au
NMWBRC20-155	433398	6696338	378	180	87	-60	108	2	4.48
						inc	108	1	8.42
NMWBRC20-156	433415	6696381	378	162	88	-61	96	22	2.97
						inc	96	9	6.68
						inc	97	1	42.59
NMWBRC20-157	433392	6696374	378	186	88	-60	141	11	3.44
						inc	141	5	5.01
						inc	145	1	15.43
						and	150	1	5.92
							167	7	1.38
						inc	168	1	4.72
						and	172	2	1.54
NMWBRC20-158	433389	6696440	378	200	88	-60	55	11	1.53
						inc	57	2	6.21
							135	15	2.11
						inc	141	4	7.17
						inc	142	1	14.80
						and	144	1	6.10
NMWBRC20-161	433357	6696491	377	200	85	-60	34	16	1.05
						inc	43	6	2.63
						inc	45	1	10.22
							138	15	1.99
						inc	139	8	2.97
						inc	146	1	8.81
						and	150	2	2.00
NMWBRC20-162	433377	6696480	377	170	86	-60	23	25	1.00
						inc	34	2	4.29
						inc	35	1	6.94
						and	39	1	2.06
						and	43	5	1.65
							145	9	1.93
						inc	148	5	3.32
						inc	148	1	7.93
NMWBRC20-163	433397	6696415	378	150	86	-60	138	12 (EOH)	3.61
						inc	138	6	6.74
						inc	141	2	16.41
NMWBRC20-165	433384	6696458	378	180	90	-60	46	17	2.57
						inc	47	8	5.27
						inc	54	1	28.65
							138	14	1.62
						inc	145	6	3.48
						inc	145	2	6.82

Table 1 – Crusader Prospect RC Drill Holes Selected Significant Intercepts

Review of Operations

Templar Prospect

- First pass shallow drilling confirmed broad and high-grade mineralisation extends over 700m and remains open in all directions (Fig 7 and Table 2).
- Intersections included:
  - 12m @ 5.04g/t Au from 39m
    - Incl. 1m @ 57.10g/t Au
  - 5m @ 5.88g/t Au from 58m
    - Incl. 3m @ 9.28g/t Au
  - 26m @ 1.67g/t Au from 100m to EOH
    - Incl. 6m @ 3.50g/t Au (EOH)
  - 24m @ 1.42g/t Au from 60m
    - Incl. 6m @ 4.22g/t Au
    - Incl. 1m @ 11.53g/t Au
  - 37m @ 1.03g/t Au from 60m (most northerly hole drilled)
    - Incl. 7m @ 2.09g/t Au
    - and 6m @ 2.08g/t Au.
- Results from the ASX release 23 November 2020 were added to the previous high-grade assay results released to ASX on 5 October 2020
- 38 of the 40 RC holes drilled at Templar intersected mineralization.
- Drill program tested shallow depth only (~100m) with significant potential remaining at depth.

Photo 2 Hole NMWBRC20-097 100m-126m. 26m @ 1.67g/t Au, incl. 6m @ 3.5g/t Au (120m-126m EOH)

Mineralisation associated with intensely sheared and altered volcaniclastic unit with extensive hematite alteration (red) and quartz vein

Photo 3 Hole NMWBRC20-101. 45m-50m. 5m @ 5.88g/t Au, incl. 3m @ 9.28g/t Au (45m-48m)

Mineralisation associated with quartz / limonite / goethite alteration

Review of Operations

Templar Prospect (continued)

Hole ID	Easting	Northing	mRL	depth (m)	Azimuth	Dip	from (m)	Length (m)	g/t Au
NMWBRC20-090	433239	6697476	372	100	90	-60	**39**	**12**	**5.04**
						including	**41**	**1**	**57.1**
NMWBRC20-092	433313	6697576	372	100	90	-60	**50**	**15**	**0.93**
							58	**4**	**3.02**
						including	**61**	**1**	**5.27**
NMWBRC20-097	433278	6697678	371	126	90	-60	**100 (to EOH)**	**26**	**1.67**
						including	**102**	**8**	**1.76**
						and	**114**	**3**	**1.76**
						and	**120 (to EOH)**	**6**	**3.50**
						including	**120**	**1**	**14.00**
NMWBRC20-100	433312	6697725	371	108	90	-60	**60**	**24**	**1.42**
						including	**63**	**4**	**1.49**
						and	**72**	**6**	**4.22**
						including	**75**	**1**	**11.53**
NMWBRC20-101	433277	6697729	371	114	90	-60	**45**	**5**	**5.88**
						including	**45**	**3**	**9.28**
							90	**7**	**1.03**
						including	**92**	**1**	**4.24**
NMWBRC20-105	433265	6697776	371	108	90	-60	**60**	**37**	**1.03**
						including	**60**	**7**	**2.09**
						and	**85**	**6**	**2.08**

Table 2: Templar Prospect RC Drill Holes Selected Significant Intercepts

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Templar Prospect (continued)

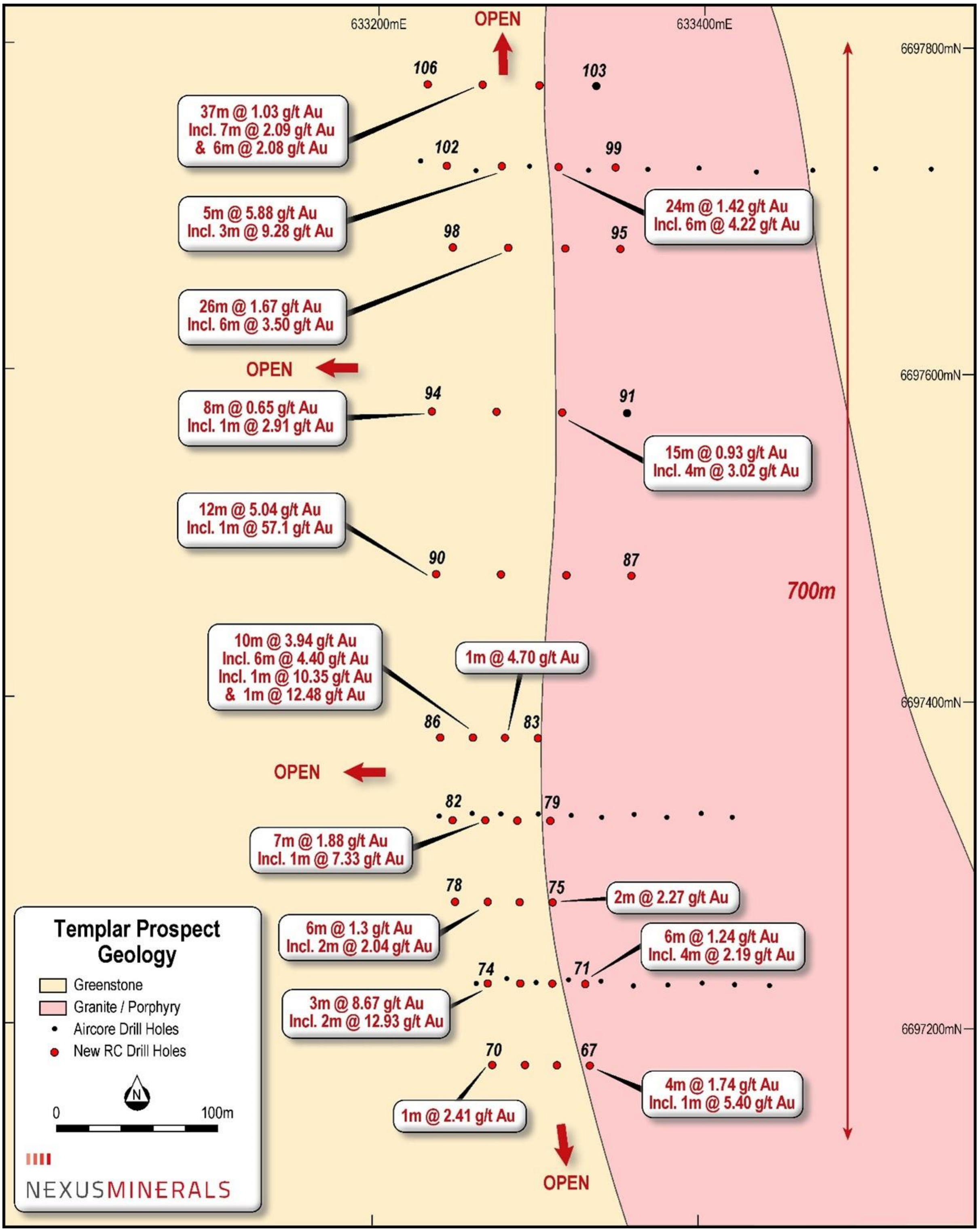

Figure 7: Templar Prospect RC Drill Results over Geology

Review of Operations

Branches Prospect

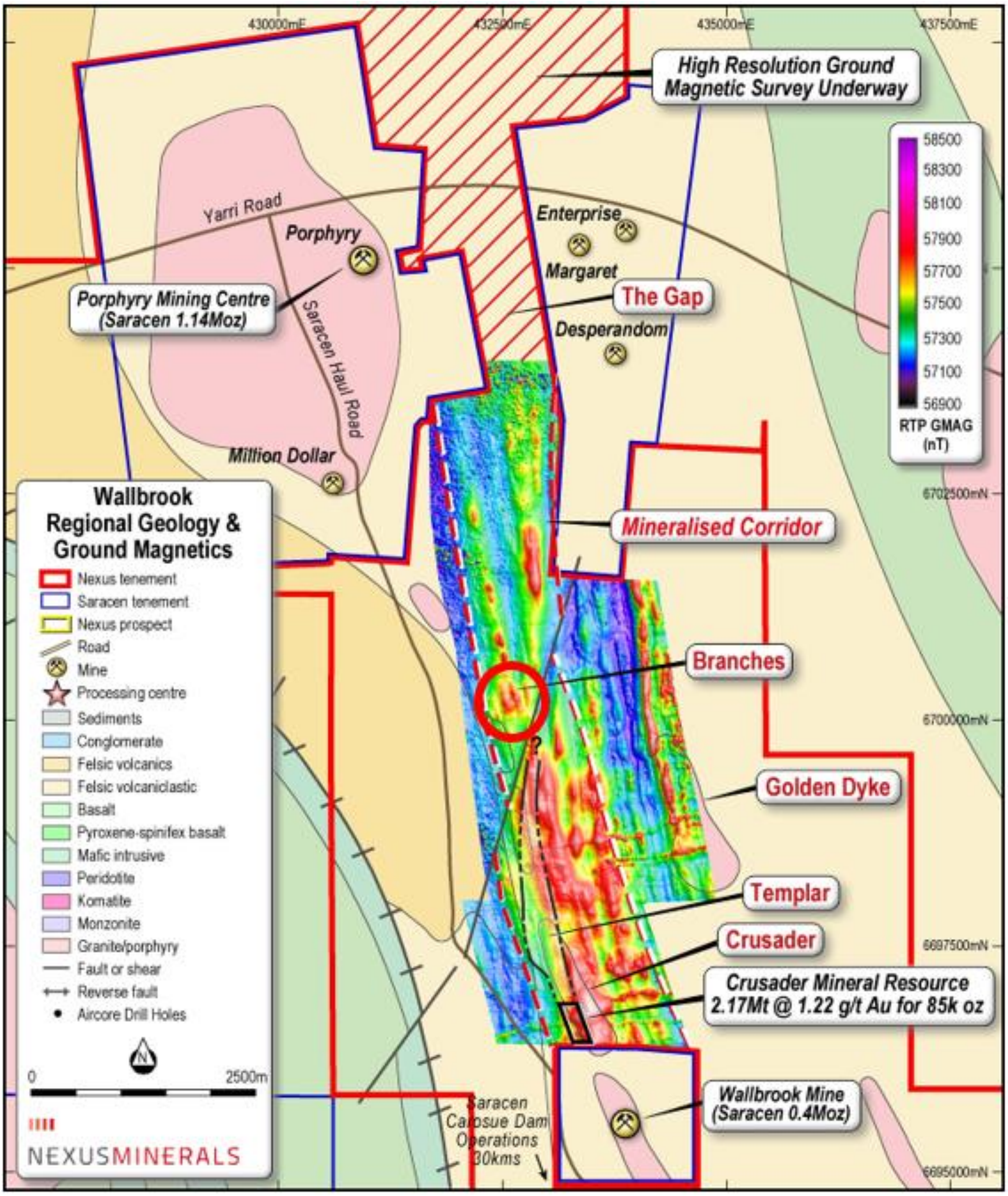

Figure 8: Branches Prospect Location (Red Circle) over Ground Magnetics

Review of Operations

Branches Prospect (continued)

The drill program and ground magnetic survey (Fig 8) at Branches delineated a mineralised corridor extending over 400m of strike which remains open in all directions. The mineralisation is associated with a highly sheared and altered quartz porphyry unit that has intruded into the broader volcaniclastic unit. The high-grade gold grades coincide with intense zones of albite-hematite-pyrite-quartz alteration, within and adjacent to the contact of the quartz porphyry unit and are given in Table 3 and Figure 9.

Every RC drill hole intersected mineralisation, with the prospect now open in all directions and at depth. The deepest hole drilled was 125m, and this was also the most northerly hole drilled. There is an increase is both mineralised widths and gold grade tenor to the north of the area drill tested.

New intersections included:

- Hole 133 - 25m @ 2.86g/t Au (from 43m)
  - Incl. 8m @ 7.59g/t Au incl.1m @ 47.45g/t Au
- Hole 140 - 13m @1.64g/t Au (from 35m)
  - Incl. 1m @ 9.35g/t Au and 2m @ 4.02g/t Au incl. 1m @ 5.15g/t Au
- Hole 141 - 14m @ 1.26g/t Au (from 106m)
  - Incl. 3m @ 2.81, incl. 1m @ 5.29g/t Au and 2m @ 2.88g/t Au.

Hole ID	Easting	Northing	mRL	depth (m)	Azimuth	Dip	from (m)	Length (m)	g/t Au
NMWBRC20-112	432961	6700492	369	75	267	-61	29	14	0.90
						inc	30	2	4.30
						inc	30	1	6.61
NMWBRC20-117	432946	6700570	369	66	274	-60	15	12	1.22
						inc	17	9	1.52
NMWBRC20-119	432984	6700570	370	100	267	-60	64	17	1.06
						inc	64	2	1.84
						and	76	4	2.30
						inc	76	1	6.49
NMWBRC20-120	432942	6700611	369	60	272	-59	16	16	0.92
						inc	22	9	1.46
NMWBRC20-128	432960	6700670	370	85	272	-60	45	20	1.00
						inc	55	3	4.96
						inc	55	1	9.58
NMWBRC20-130	432955	6700690	370	80	271	-61	20	17	1.05
						inc	21	7	1.83
NMWBRC20-132	432938	6700710	370	80	270	-60	17	21	0.71
						inc	22	8	1.21
						and	34	1	2.93
NMWBRC20-133	432958	6700710	370	100	272	-59	43	25	2.86
						and	58	8	7.59
						inc	58	1	47.45
						and	64	1	7.66
NMWBRC20-135	432940	6700730	370	80	270	-59	26	14	1.54
						inc	26	1	5.38
NMWBRC20-138	432938	6700750	370	80	271	-60	29	14	1.03
						inc	38	4	2.79
NMWBRC20-140	432938	6700770	370	80	274	-59	35	13	1.64
						inc	39	1	9.35
						and	46	2	4.02
						inc	47	1	5.15
NMWBRC20-141	432969	6700769	370	125	270	-60	106	14	1.26
						inc	111	3	2.81
						inc	111	1	5.29
						and	117	2	2.88
Selected significant intercepts									

Table 3: Branches Prospect RC Drill Holes Selected Significant Intercepts

Review of Operations

Branches Prospect (continued)

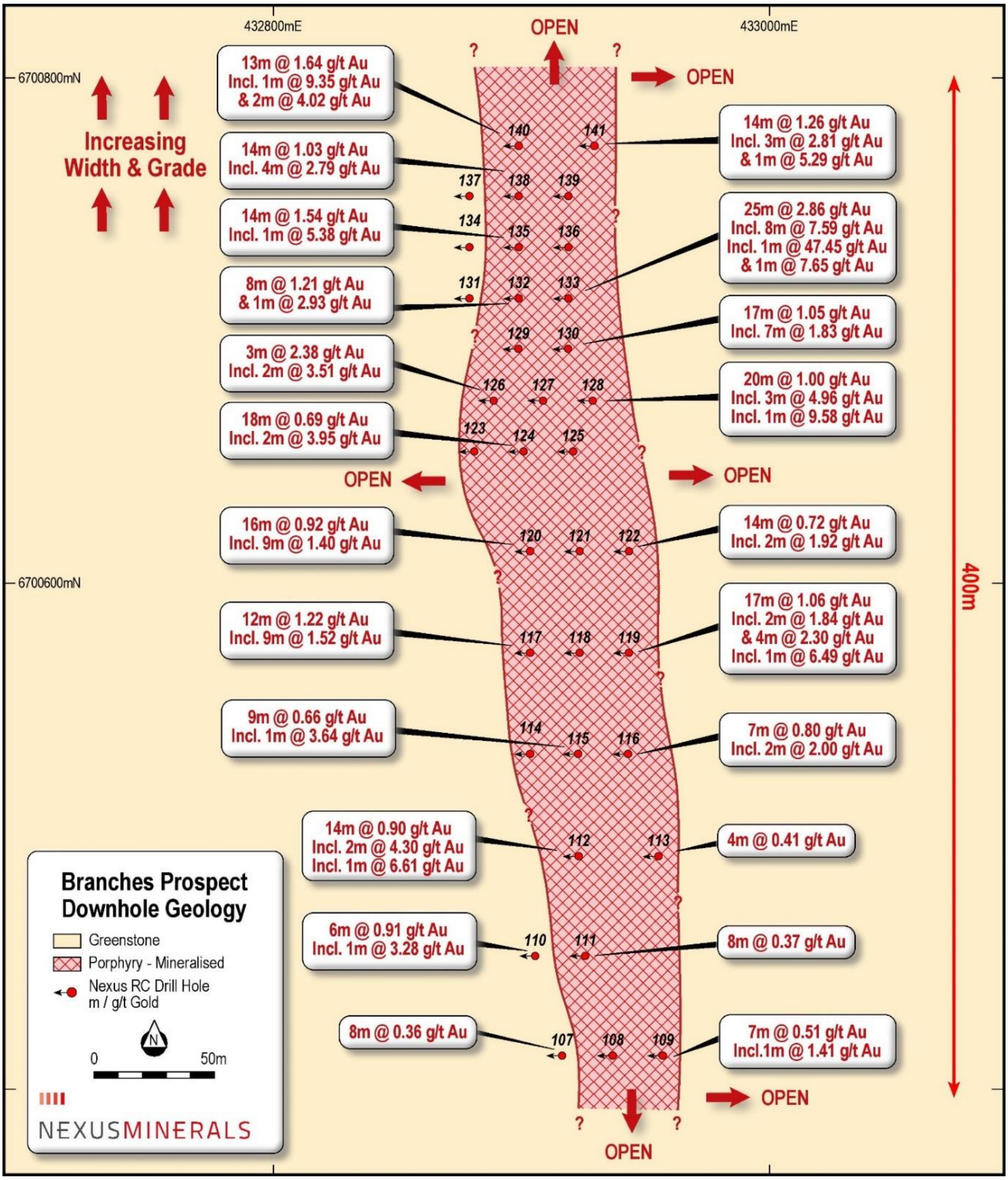

Figure 9: Branches Prospect Selected RC Drill Results over Geology

Review of Operations

Golden Dyke Prospect

Nexus completed a 13 hole (1,325m) RC program at the Golden Dyke prospect. This drilling program was designed to follow up Nexus' RC hole completed in 2018 which intersected 3m @ 19.36g/t Au (see ASX release 6/9/2018).

Results were positive in shallow holes where significant mineralisation was encountered (Table 4); however, mineralisation was not intersected in the deeper holes therefore limiting large scale mineral system potential.

Significant results included 17m @ 2.65g/t Au (from 22m) and 8m @ 4.7g/t Au (from 61m).

Hole ID	Easting	Northing	mRL	Depth (m)	Azimuth	Dip	From (m)	Length (m)	g/t Au
NMWBRC20-142	435120	6699301	387	66	93	-59	0	5	0.18
							8	4	0.41
						inc	**9**	**1**	**1.12**
							15	3	0.62
						inc	**15**	**1**	**1.09**
							22	**17**	**2.65**
						inc	**29**	**4**	**10.04**
						inc	**29**	**1**	**30.26**
NMWBRC20-143	435084	6699301	388	100	87	-60	2	10	0.59
						inc	**6**	**2**	**1.95**
							18	1	0.22
							78	**1**	**1.02**
NMWBRC20-144	435060	6699300	388	135	89	-60	9	2	0.19
							16	3	0.1
							114	1	0.16
NMWBRC20-145	435106	6699319	387	70	89	-60	46	11	0.26
							61	**8**	**4.7**
						inc	**62**	**4**	**9.08**
						inc	**62**	**2**	**16.54**
NMWBRC20-146	435086	6699319	388	110	88	-62	6	1	0.13
							69	1	0.88
							102	2	0.38
NMWBRC20-147	435115	6699338	387	70	87	-63	11	20	0.69
						inc	**19**	**6**	**1.6**
							35	**15**	**0.86**
						inc	**42**	**1**	**1.06**
						and	**47**	**2**	**4.55**
						inc	**47**	**1**	**6.51**
							62	2	0.29
NMWBRC20-148	435090	6699340	388	110	88	-61	97	1	0.15
NMWBRC20-149	435095	6699358	387	108	88	-61	46	1	0.61
							91	1	0.15
							97	1	0.25
NMWBRC20-150	435069	6699359	388	150	88	-61	2	1	0.11
							9	2	0.47
							132	3	0.14
NMWBRC20-151	435089	6699380	387	90	86	-60	9	1	0.26
NMWBRC20-152	435073	6699379	388	132	87	-61	29	1	0.48
							35	1	0.13
NMWBRC20-153	435107	6699400	387	72	89	-61	19	1	0.11
							22	1	0.16
NMWBRC20-154	435086	6699400	387	102	89	-61	100	2	0.68
						inc	**100**	**1**	**1.24**
Significant intercepts greater than 0.1g/t Au and with no more than 2 metres internal waste. Greater than 1.0 g/t Au and 5.0 g/t Au reported									

Table 4: Golden Dyke Prospect All Significant Intercepts RC Drill Holes

Review of Operations

Bethanga Porphyry Copper-Gold Project

Nexus announced in April 2021 that it had executed an option to purchase the Bethanga Porphyry Copper-Gold Project in North East Victoria. Land holding covers 194km^2 across two granted exploration licenses located in Australia's premier Porphyry Copper-Gold geological terrain. The Bethanga Project is located in the same geological host as the world class Cadia-Ridgeway and Northparkes Porphyry Copper-Gold projects further north in New South Wales (Figure 10). The project area is recognised by Geological Survey of Victoria as a region prospective for Porphyry Copper-Gold and volcanic hosted massive sulphide (VHMS) mineralisation (Figure 11). Bethanga has historically been mined for copper and gold at the turn of the century (118kOz Au at 39g/t and 618t Cu) and there has seen no exploration activity since 1987. Nexus commenced a Porphyry Cu-Au fertility assessment study at the Bethanga Project.

The Granya Gold Project (Fig. 11) is considered prospective for gold mineralisation. The area was subject to underground mining operations in the early 1900's. Nexus will undertake a selective soil sampling program as the first phase of project assessment.

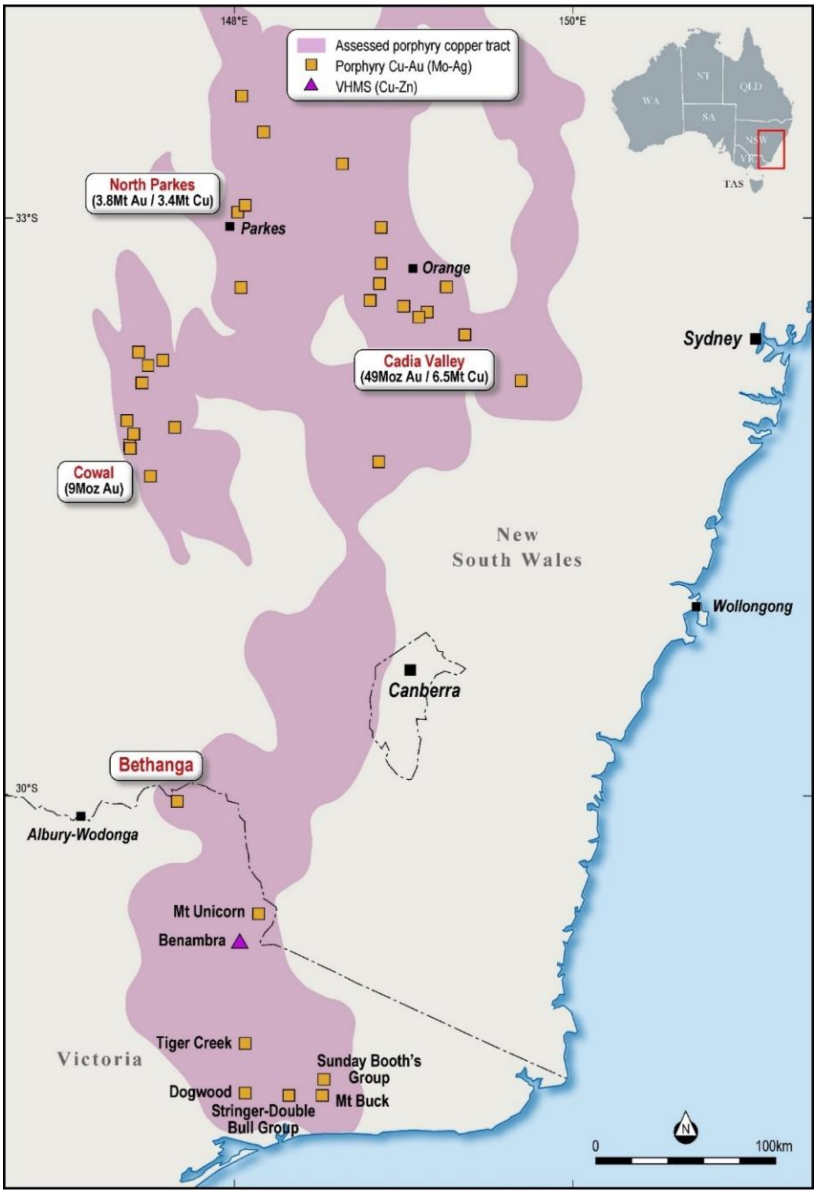

Figure 10: Bethanga Porphyry Cu-Au Project - Victoria

Review of Operations

Bethanga Porphyry Copper-Gold Project (continued)

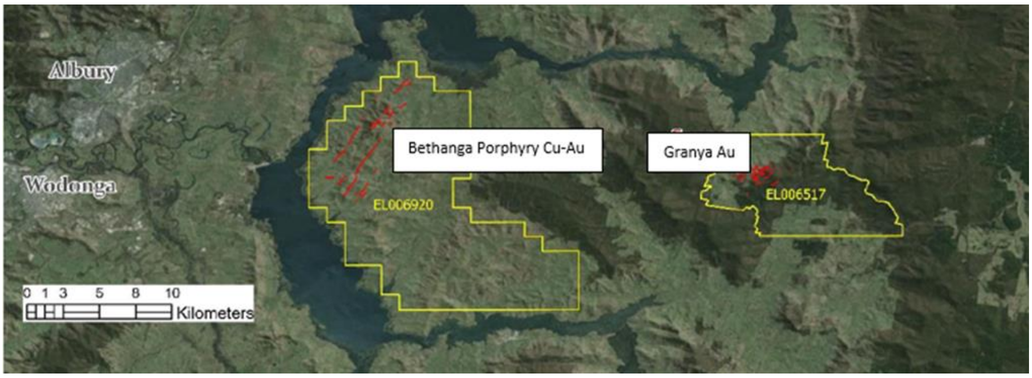

Figure 11: Bethanga Porphyry Cu-Au Project

The following terms and conditions were agreed:

- The Company paid a $5,000 non-refundable fee for a one-month due diligence period that was completed on 20 April 2021.
- The Company successfully completed an initial due diligence and paid a further $40,000 non-refundable option fee to the vendors of the project. This option fee allows Nexus to have the exclusive right for a period of 8 months to undertake reconnaissance exploration activities on the tenements.
- Once the 8 months has concluded, the Company may elect to pay the following consideration to acquire 100% of the Bethanga project:
  - $300,000 cash consideration; and
  - 2,000,000 NXM fully paid ordinary shares.

Pinnacles Gold Project

The Pinnacles Gold Project tenements cover approximately 125km^2. The tenement area is immediately to the south of Northern Star Limited's Carosue Dam mining operation, which includes the Karari underground gold mine, currently in operation (Fig 12). 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 second half of 2020, Nexus undertook as part of a pre-feasibility study, RC and diamond drill programs at the Pinnacles Gold JV Project (Fig 13).

Review of Operations

Pinnacles Gold Project (continued)

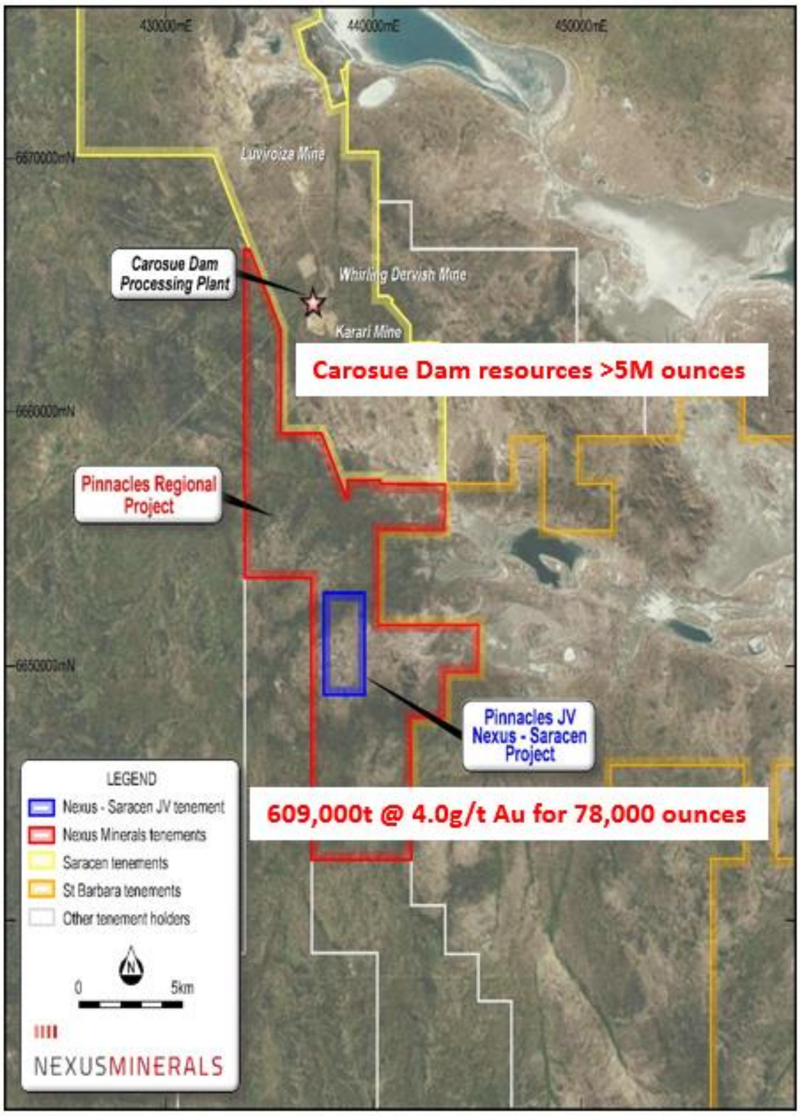

Figure 12: Pinnacles Mineral Resource Area

Review of Operations

<u>Pinnacles Gold Project (continued)</u>

This RC program tested 3 specific areas of the proposed open pit and U/G operations:

1) Shallow mineralisation from surface to 60m (top part of proposed open pit)

- 7m @ 6.25g/t Au from 54m
  - Incl. 4m @ 9.68g/t Au
- 7m @ 3.34g/t Au from 48m
  - Incl. 1m @ 11.61g/t Au
- 7m @ 3.68g/t Au from 36m
  - Incl. 1m @ 5.44g/t Au
- 7m @ 2.78g/t Au from 2m
  - Incl. 1m @ 5.38g/t Au
- 5m @ 2.97g/t Au from 24m
  - Incl. 1m @ 6.89g/t Au
- 6m @ 3.00g/t Au from 36m
  - Incl. 1m @ 8.55g/t Au.

2) Deeper high-grade mineralisation from 60 - 90m (base of proposed open pit)

- 9m @ 9.51g/t Au from 70m
  - Incl. 4m @ 20.13g/t Au
- 4m @ 4.45g/t Au from 77m
  - Incl. 1m @ 8.26g/t Au
- 3m @ 9.40g/t Au from 93m
  - Incl. 2m @ 12.73g/t Au

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3) High-grade mineralisation at ~200m below surface (initial proposed U/G mine levels)

- 5m @ 6.86g/t Au from 99m
  - Incl. 2m @ 13.60g/t Au
- 8m @ 6.40g/t Au from 186m
  - Incl. 1m @ 40.36g/t Au
- 3m @ 8.72g/t Au from 160m EOH (hole abandoned).

Refer to ASX Announcement: 2 November 2020 – Pinnacles RC Drilling confirms High-Grade Mineralisation in Proposed Open-Pit, and ASX announcement 15 December 2020 – Pinnacles Feasibility Study Update.

Cut Off Grade (g/t Au)	Category		Tonnage (kt)	Grade (g/t Au)	Metal (kOz)
0.5	O/P	Indicated	140	2.6	11
		Inferred	19	1.6	1
		Sub-total	**159**	**2.4**	**12**
1.0	U/G	Indicated	170	5.6	30
		Inferred	280	4.0	36
		Sub-total	**450**	**4.6**	**66**
		Combined Total	**609**	**4.0**	**78**

Table 5: Pinnacles JORC 2012 Combined Mineral Resource Estimate

Review of Operations

Pinnacles Gold Project (continued)

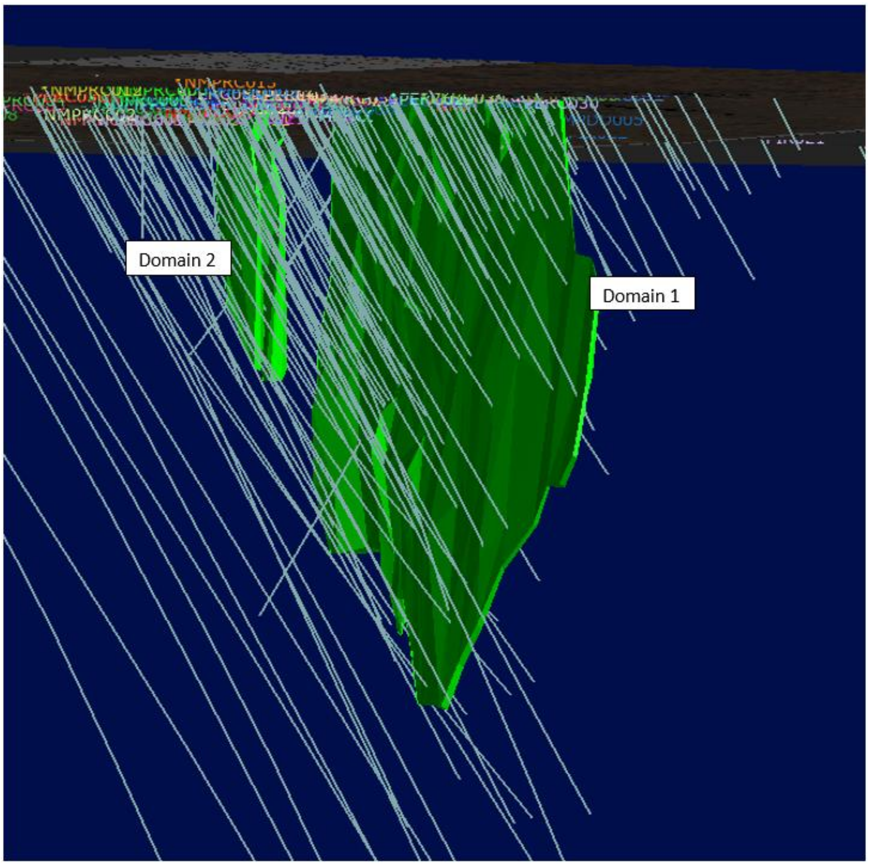

Figure 13: Pinnacles Mineral Resource Model

(Open Cut 0.5g/t Au Cut-off / Underground Cut-off 1.0g/t Au Cut-off)

Review of Operations

Pinnacles Gold Project (continued)

Hole ID	Easting	Northing	mRL	depth (m)	Azimuth	Dip	From (m)	Length (m)	g/t Au
NMPRC20-128	439644	6649304	366	45	106	-63	24	5	2.97
						including	28	1	6.89
NMPRC20-129	439636	6649307	365	55	105.4	-61.28	36	7	3.68
						including	38	1	5.44
NMPRC20-130	439627	6649309	364	70	107.08	-60.37	48	7	3.34
						including	52	1	11.61
NMPRC20-132	439651	6649292	366	25	106.04	-66.74	2	7	2.78
						including	8	1	5.38
NMPRC20-133	439633	6649298	365	55	106.64	-61.55	36	6	3.00
						including	41	1	8.55
NMPRC20-135	439649	6649284	365	25	103	-63	8	7	1.66
						including	9	1	7.46
NMPRC20-138	439621	6649291	363	75	103.72	-60.67	54	7	6.25
						including	55	4	9.68
NMPRC20-139	439608	6649295	363	90	105.03	-60.25	77	4	4.45
						including	77	1	8.26
NMPRC20-144	439609	6649283	362	90	104.81	-59.86	70	9	9.51
						including	71	4	20.13
NMPRC20-145	439634	6649266	363	45	105.69	-60.5	27	3	6.23
						including	27	2	8.51
NMPRC20-149	439597	6649309	363	120	108.46	-61.11	99	5	6.86
						including	100	2	13.60
NMPRC20-150	439588	6649269	361	126	103.98	-57.41	93	3	9.40
						including	94	2	12.73
NMPRC20-151	439584	6649250	360	132	103.17	-57.54	96	4	2.27
						including	99	1	6.08
NMPRC20-153	439550	6649303	362	210	106.56	-61.02	186	8	6.40
						including	186	1	40.36
NMPRC20-155	439565	6649343	362	168	108.19	-60.44	160	3	8.72
							Hole abandoned prior to target		
Significant intercepts greater than 0.5g/t Au and with no more than 2 metres internal waste. Greater than 5.0 g/t Au reported seperately									

Table 6: Pinnacles JV RC Drill Holes Selected Significant Intercepts

Hole ID	Easting	Northing	mRL	Depth (m)	Azimuth	Dip	From (m)	Length (m)	g/t Au
NMPDD20-009	439577	6649153	359	179.8	34.4	-51.8	140.62	4.93	3.31
						inc	144.94	0.61	19.11
NMPDD20-010	439585	6649360	362	174.9	143.6	-43.9	133.55	0.91	1.07
NMPDD20-011	439606	6649275	362	90.0	106.0	-58.7	64.15	5.34	4.46
						inc	67.46	1.09	7.49
NMPDD20-012	439645	6649265	363	30.0	107.5	-58.2	5.00	5.68	2.41
						inc	8.50	0.88	5.77
NMPDD20-013	439615	6649305	363	87.7	107.1	-59.8	64.52	3.38	1.67
NMPDD20-014	439643	6649295	365	37.8	104.4	-61.0	21.80	4.00	0.71
NMPDD20-015	439567	6649277	361	154.8	107.0	-58.7	131.00	2.00	7.36
Significant intercepts greater than 0.5g/t Au and with no more than 2 metres internal waste. Greater than 5.0 g/t Au reported seperately									

Table 7: Pinnacles JV Diamond Drill Holes Selected Significant Intercepts

Review of Operations

Pinnacles Gold JV Project (continued)

In the first quarter of 2021, Nexus had been in the process of undertaking a pre-feasibility study of a range of options for the project to be developed into a mining operation.

Three options were assessed in the study:

1) Shallow open pit (<30m) with decline below to underground operation.
2) Deep open pit (~90m) with portal to underground operation.
3) Box cut outside of mineralised zone in fresh rock with decline directly to underground operation. (Stand-alone underground / No open pit operation).

The work to date indicated option 3 to be the preferred option. Any future prefeasibility work will focus on option 3 and the work required to assess this option being a stand-alone underground mining operation.

In light of the significant exploration potential and activities planned for the Company's Wallbrook Gold Project in 2021, the Nexus board made the decision to direct management and personal efforts predominantly to the Wallbrook Gold Project, rather than expand the prefeasibility study.

Triumph Gold Project

The sale of the Triumph Gold Project to Gibb River Diamonds (ASX: GIB) was completed in December 2020 (ASX announcement 2 December 2020). Nexus received (for its 90% share of E31/1179) a total of $400,000 +GST, 5,000,000 GIB Shares and 5,000,000 GIB Options consisting of;

- Option payment of $100,000 +GST (non-refundable, see ASX release 16/7/2020) that granted Gibb River Diamonds (GIB) a 6-month Option to Purchase the Triumph Gold Project - Tenement E39/1179.
- Tenement sale with GIB paying Nexus a further $300,000 +GST, issuing 5,000,000 GIB Shares and 5,000,000 GIB Options.
- The 5,000,000 GIB Shares have a deemed price of 4 cents, and are escrowed for 12 months from date of issue.
- The 5,000,000 GIB Options terms are 9 cent strike with an expiry on 28 November 2022.
- Nexus retains the right to remove historic tailings from the tenement for a period up to 2 years.

Mt Celia Gold Project

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

Review of Operations

Resources

As at 30 June 2021, Nexus Minerals Limited Combined Mineral Resource Estimate at Wallbrook is 2.17Mt @ 1.22g/t Au for 85,000 ounces. It remains unchanged from 2020.

As at 30 June 2021, Nexus Minerals Limited Mineral Combined Resource Estimate at Pinnacles is 609,000 tonnes at 4.0g/t for 78,000 ounces. It remains unchanged from 2020.

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, Mineral Resources or Ore Reserves is based on, and fairly represents, information and supporting documentation, prepared, compiled or reviewed by Mr Andy Tudor, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Tudor is the Managing Director and full-time employee of Nexus Minerals Limited. Mr Tudor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tudor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The results are available to be viewed on the Company website www.nexus-minerals.com. 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.

The information in this report that relates to the Nexus Minerals Limited Wallbrook Mineral Resource is based upon information from the Company's announcement dated 8 July 2019 and is available to view on the Company's website at www.nexus-minerals.com. The information was compiled by Mr Adam James, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr James is a consultant to Nexus Minerals Limited. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent

Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.

Review of Operations

The information in this report that relates to the Nexus Minerals Limited Pinnacles JV Mineral Resource is based upon information from the Company's announcement dated 27 February 2020 and is available to view on the Company's website at www.nexus-minerals.com. The information was compiled by Mr Mark Drabble, a Competent Person who is a member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Drabble is a full-time employee of Optiro Pty Ltd, consultants to Nexus Minerals Limited. Mr Drabble has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.

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

Corporate

During the year ended 30 June 2021, Nexus completed a share placement to sophisticated and professional investors raising $3.38 million before issue costs. 75,111,110 shares were issued in 2 tranches at an issue price of 4.5 cents per share. Funds raised were used for the Pinnacles feasibility study and the RC drilling program at the Wallbrook Gold Project.

Nexus also completed a placement of 44,000,000 shares at an issue price of 15 cents to sophisticated and professional investors raising $6,600,000 before issue costs. Euroz Hartleys Limited and Shaw & Partners acted as Joint Lead Managers to the Placement. The funds will be used to complete the pre-feasibility study at the Pinnacles Gold JV Project and RC drilling programs and other exploration activities at the Wallbrook Gold Project.

On 27 November 2020 Directors exercised 6,800,000 options at an exercise price of 11.1 cents raising $754,800.

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

Nexus attended the RIU Explorers Conference at the Hyatt during September 2020. Andy Tudor's presentation was well received during the conference.

Managing Director Andy Tudor, and Chairman Paul Boyatzis, conducted a site visit to the Pinnacles and Wallbrook project areas. They also visited the Carosue Dam Operations (CDO) owned by Northern Star Limited and undertook a tour of the newly upgraded CDO mill.

The Company held its Annual General Meeting on 30 November 2020. All resolutions were passed by a poll.

4,000,000 unlisted options were issued to Shaw and Partners during the year as consideration for marketing and promotional services provided. The options have an exercise price of 10 cents and an expiry date of 26 August 2022.

During the year the Company received a rebate of $267,847 under the R&D tax incentive (2020: $487,574).

Directors' Report

The directors present their report together with the financial report of the Group consisting of Nexus Minerals Limited ("the Company") and the entities it controlled for the financial year ended 30 June 2021 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Paul Boyatzis – Chairman, Non-Executive Director, appointed 6 October 2006
B.Bus, ASA, MSDIA

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

During the past three years Mr Boyatzis has served as a director of VRX Silica Limited (24th September 2010 – present) and Aruma Resources Limited (5th January 2010 – present).

Andy Tudor – Managing Director, appointed 6 July 2016
BAppSc(Geol) MAusIMM MAIG

Mr Tudor has over 36 years' experience encompassing roles from Managing Director/CEO of ASX listed companies to General Manager, Country Manager and Exploration Manager roles as well as Exploration and Mine Geology functions.

In addition to his extensive management experience Mr Tudor has also held the position of General Manager & Principal Consultant of a global mineral consulting firm where his role concentrated on project assessment, due diligence and evaluation studies, in conjunction with geological and resource assessments.

Mr Tudor is a non-executive director of OzArum Resources Limited (5th August 2020 – present). During the last three years Mr Tudor has not served as a director of any other listed company.

Dr Mark Elliott – Non-Executive Director, appointed 6 October 2006
Dip App Geol, PhD, FAICD, FAusIMM (CPGeo), FAIG

Dr Elliott is a Chartered Practising Geologist with over 40 years of expertise in multiple mineral commodities and energy sectors. Dr Elliott has a proven track record in corporate management and growing successful businesses in the resource sector.

During the last three years Dr Elliott has been a non-executive director of Aruma Resources Limited (1 July 2017 – present); Astron Corporation Limited (18th January 2021 – present); Mako Gold Limited (14 March 2017 – 2 October 2020); and Chairman of AuKing Mining Limited (5 June 2021 – present).

Bruce Maluish – Non-Executive Director appointed 1 July 2015
BSc (Surv), Dip Met Min

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

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

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

Directors' Report

Phillip MacLeod – Company Secretary appointed 6 October 2006

B.Bus, ASA, FGIA, MAICD

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

2. Directors' meetings

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

Director	Meetings Held	Meetings Attended
Paul Boyatzis	4	4
Andy Tudor	4	4
Mark Elliott	4	4
Bruce Maluish	4	4

The Company does not have any committees. Matters usually considered by an audit, remuneration or nomination committee were dealt with by the directors during regular Board meetings.

3. Directors' and executives' interests

The relevant interest of each director and executive in the shares and options of the Company and its subsidiaries as notified by the directors to the Australian Securities Exchange in accordance with Section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Fully Paid Ordinary Shares	Share Options
Directors	Number	Number
Paul Boyatzis	7,448,566	2,000,000
Andy Tudor	1,800,000	2,500,000
Mark Elliott	3,102,487	1,000,000
Bruce Maluish	1,540,000	1,000,000

Directors' Report

4. Share options

Unissued shares under option

There are 11,000,000 options over unissued shares in Nexus Minerals Limited (2020: 14,000,000).

Number of Shares Under Option	**Exercise Price of Options** (cents)	**Expiry Date of Options**
4,000,000	10.0	26 August 2022
7,000,000	6.5	15 November 2022

Share options expired

During the year no options were cancelled (2020: nil) and 200,000 options expired (2020: 1,900,000).

Shares issued on exercise of options

6,800,000 ordinary shares were issued as a result of the exercise of options during the year (2020: nil).

Share options granted to directors and key management personnel

During the year no share options were granted to key management personnel of the Company and the entities it controlled as part of their remuneration (2020: 6,500,000).

5. Principal activity

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

6. Review of operations

The Group made a loss after tax for the year of $2,167,367 (2020: $1,001,962). The Group had cash and cash equivalent balances at 30 June 2021 of $8,996,975 (30 June 2020: $2,439,976), an increase of $6,556,999 on the prior year.

Information on the operations of the Group and its business strategies are set out on pages 3 to 28 of the Annual Financial Report.

7. Dividends

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

Directors' Report

8. Events subsequent to reporting date

Subsequent to the reporting date the Company released high grade assay results from its Templar prospect pointing to a significant new discovery (refer ASX announcement 8 September 2021). These results follow on from high grade assay results from its Crusader prospect, also within the Wallbrook Gold Project (refer ASX announcement 2 September 2021).

Subsequent to the reporting date the Company has also commenced ground-based activities at the Bethanga Porphyry Copper-Gold Project in north-east Victoria (refer ASX announcement 28 July 2021).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Group to 30 June 2021, it is not practicable to estimate the potential impact , positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the Group's state of affairs in future financial years.

9. Likely developments

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

10. Environmental regulations

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

11. Indemnification of officers and auditors

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

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

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

Directors' Report

12. Remuneration report (audited)

12.1 Principles of compensation

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Nexus Minerals Limited for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Remuneration is referred to as compensation throughout this report.

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company and other executives. Key management personnel comprise the directors of the Company and other executives.

Key Management Personnel

The directors and other key management personnel of the Group during or since the end of the financial year were:

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

The named persons held their current positions for the whole of the financial year and since the financial year.

Remuneration levels for key management personnel and other staff of the Company are competitively set to attract and retain appropriately qualified and experienced directors and executives and take account of factors such as length of service, particular experience and expertise. The directors obtain independent advice on the appropriateness of compensation packages of the Company given trends in comparative local companies and the objectives of the Company's compensation strategy. Non-executive directors receive a fixed fee of up to $36,000 plus statutory superannuation, if applicable. The Chairman receives a fixed fee of $96,000 per annum plus statutory superannuation, if applicable. Currently key management personnel remuneration is not dependent on the satisfaction of any performance condition.

12.2 Directors' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company are shown in the table on page 34.

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

During the year ended 30 June 2021 no share options over unissued shares were granted to directors (2020: 6,500,000).

12.4 Service agreements

On 6 July 2016 the Company appointed Mr Andy Tudor to the position of Managing Director (previously appointed 7 July 2014 as Chief Executive Officer). Mr Tudor receives a basic salary of $251,142 ($272,727 from 1 July 2021) plus superannuation of 9.50% (10% from 1 July 2021).

The service agreement is open ended and may be terminated by either party with one month's notice.

Directors' Report

12. Remuneration report (audited)

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

Nexus Minerals Limited		Short-term				Post Employment	Other long-term		Share-based Payments		Proportion of remuneration performance related	Value of options as proportion of remuneration
Directors	**Year**	**Salaries & fees $**	**Cash Bonus $**	**Non-monetary benefits $**	**Total $**	**Superannuation benefits $**	**$**	**Termination benefit $**	**Options & rights $**	**Total $**	**%**	**%**
Mr P Boyatzis	2021	96,000	-	-	96,000	7,600	-	-	-	103,600	-	-
	2020	84,000	-	-	84,000	-	-	-	32,331	116,331	-	27.79
Mr A Tudor	2021	251,142	-	-	251,142	23,858	-	-	-	275,000	-	-
	2020	251,142	-	-	251,142	23,858	-	-	40,414	315,414	-	12.81
Dr M Elliott (1)	2021	34,000	-	-	34,000	-	-	-	-	34,000	-	-
	2020	40,000	-	-	40,000	-	-	-	16,166	56,166	-	28.78
Mr B Maluish	2021	29,000	-	-	29,000	2,755	-	-	-	31,755	-	-
	2020	24,000	-	-	24,000	2,280	-	-	16,166	42,446	-	38.09
Directors total	**2021**	**410,142**	**-**	**-**	**410,142**	**34,213**	**-**	**-**	**-**	**444,355**	-	-
	2020	399,142	-	-	399,142	26,138	-	-	105,077	530,357	-	19.81

1 Includes fees of $nil for geological consulting services (2020: $16,000)

Directors' Report

12. Remuneration report (audited)

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

There were no options over ordinary shares granted as compensation to key management personnel during the current financial year (2020: 6,500,000).

6,800,000 options that were previously granted to key management personnel as part of their compensation were exercised during the year by key management personnel (2020: nil). 200,000 lapsed unexercised during the year (2020: $nil).

12.6 Key management personnel equity holdings

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

2021	Held at 1 July 2020	Granted as compensation	Received on exercise of options	Other changes*	Held at 30 June 2021
Directors					
Mr P Boyatzis	6,948,566	-	2,000,000	(1,500,000)	7,448,566
Mr A Tudor	759,112	-	1,800,000	(759,112)	1,800,000
Dr M Elliott	1,602,487	-	1,500,000	-	3,102,487
Mr B Maluish	40,000	-	1,500,000	-	1,540,000

*444,444 shares were acquired through a share placement, 130,000 shares were purchased on market, 1,333,556 and 1,500,000 shares were sold off market as part of a share placement to finance the exercise of 1,800,000 and 2,000,000 options respectively.

2020	Held at 1 July 2019	Granted as compensation	Received on exercise of options	Other changes*	Held at 30 June 2020
Directors					
Mr P Boyatzis	9,448,566	-	-	(2,500,000)	6,948,566
Mr A Tudor	759,112	-	-	-	759,112
Dr M Elliott	1,602,487	-	-	-	1,602,487
Mr B Maluish	40,000	-	-	-	40,000

Directors' Report

12. Remuneration report (audited)

12.6 Key management personnel equity holdings

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

2021	Held at 1 July 2020	Granted as compensation	Options exercised	Options expired	Held at 30 June 2021	Vested during the year	Vested and exercisable at 30 June 2021
Directors							
Mr P Boyatzis	4,000,000	-	(2,000,000)	-	2,000,000	-	2,000,000
Mr A Tudor	4,500,000	-	(1,800,000)	(200,000)	2,500,000	-	2,500,000
Dr M Elliott	2,500,000	-	(1,500,000)	-	1,000,000	-	1,000,000
Mr B Maluish	2,500,000	-	(1,500,000)	-	1,000,000	-	1,000,000

2020	Held at 1 July 2019	Granted as compensation	Options exercised	Options expired	Held at 30 June 2020	Vested during the year	Vested and exercisable at 30 June 2020
Directors							
Mr P Boyatzis	2,000,000	2,000,000	-	-	4,000,000	2,000,000	4,000,000
Mr A Tudor	2,000,000	2,500,000	-	-	4,500,000	2,500,000	4,500,000
Dr M Elliott	1,500,000	1,000,000	-	-	2,500,000	1,000,000	2,500,000
Mr B Maluish	1,500,000	1,000,000	-	-	2,500,000	1,000,000	2,500,000

End of remuneration report (audited)

Directors' Report

13. Non-audit services

During the year Nexia Perth Audit Services Pty Ltd, the Group's auditor, performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditors and has resolved that it is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Corporations Act 2001*. The non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES110 (*Code of Ethics for Professional Accountants (including Independence Standards)*), as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to Nexia Perth Audit Services Pty Ltd and their related practices for audit and non-audit services provided during the year are set out below:

	2021 $	2020 $
Audit and review services:		
Nexia Perth Audit Services Pty Ltd	33,514	32,200
	33,514	32,200
Non-audit services:		
Nexia Perth Pty Ltd – Taxation Services	5,000	5,200
	5,000	5,200

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

The auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 38.

15. Significant changes in state of affairs

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

Signed in accordance with a resolution of the directors:

P Boyatzis

Chairman

Perth, Western Australia

Dated 24th September 2021

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

To the directors of Nexus Minerals Limited.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Muranda Janse Van Nieuwenhuizen
Director

Perth, Western Australia

24 September 2021

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Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue from continuing operations	3	377,345	586,760
Other income	3	1,725,500	-
Exploration expenditure expensed as incurred		(3,411,398)	(937,888)
Employee benefits		(16,884)	(9,897)
ASX and regulatory expenses		(102,604)	(70,660)
Depreciation	4	(40,392)	(36,703)
Directors' fees		(168,355)	(134,280)
Insurance		(19,115)	(18,533)
Legal and professional fees		(142,063)	(137,954)
Marketing and promotion		(163,500)	(56,280)
Travel expenses		(3,272)	(10,830)
Occupancy expenses		(45,190)	(35,053)
Share-based compensation	25	(75,105)	(113,160)
Other expenses		(95,337)	(60,286)
Loss for the year before financial income		(2,180,370)	(1,034,764)
Financial income		17,808	40,379
Financial expenses		(4,805)	(7,577)
Net financial income	5	13,003	32,802
Loss from continuing operations before tax		(2,167,367)	(1,001,962)
Income tax expense	8	-	-
Loss for the year		(2,167,367)	(1,001,962)
Other comprehensive income			
Items that may not be reclassified to profit and loss			
Net change in the fair value of financial assets	14	(870,000)	23,750
Other comprehensive income for the year net of tax		(870,000)	23,750
Total comprehensive loss for the year		(3,037,367)	(978,212)
Earnings/(loss) per share			
Basic and diluted loss per share	7	(1.00) cent	(0.85) cent

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Current assets			
Cash and cash equivalents	10	8,996,975	2,439,976
Trade and other receivables	11	102,415	89,035
Other financial assets	12	57,879	57,879
Other assets	13	20,772	17,411
Total current assets		**9,178,041**	**2,604,301**
Non-current assets			
Financial assets	14	514,875	59,375
Exploration assets	15	125,160	125,160
Right-of-use asset	16	133,725	71,251
Plant and equipment	17	71,007	15,618
Total non-current assets		**844,767**	**271,404**
Total assets		**10,022,808**	**2,875,705**
Current liabilities			
Trade and other payables	18	152,974	175,569
Cash held on trust		-	49,217
Lease liabilities	19a	33,984	21,111
Provisions	20	45,063	28,185
Total current liabilities		**232,021**	**274,082**
Non-current liabilities			
Lease liabilities	19b	99,114	49,329
Total non-current liabilities		**99,114**	**49,329**
Total liabilities		**331,135**	**323,411**
Net assets		**9,691,673**	**2,552,294**
Equity			
Issued capital	21	31,683,130	21,385,531
Reserves	22	(702,360)	294,257
Accumulated losses	23	(21,289,097)	(19,127,494)
Total equity		**9,691,673**	**2,552,294**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cashflows

For the Year Ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from exploration and related activities		109,498	-
Receipts from government grants		325,739	528,868
Interest received		17,883	40,388
Interest paid		(4,805)	(7,577)
Exploration expenditure		(2,874,206)	(590,623)
Payments to suppliers and employees		(1,373,937)	(838,241)
Net cash used in operating activities	**28(b)**	**(3,799,828)**	**(867,185)**
Cash flows from investing activities			
Payments for purchase of plant and equipment		(65,809)	(5,078)
Proceeds from sale of exploration interests		400,000	-
Net cash provided by/(used in) investing activities		**334,191**	**(5,078)**
Cash flows from financing activities			
Proceeds from issue of shares		9,930,783	-
Proceeds from exercise of options		754,800	-
Proceeds pending issue of shares		-	49,217
Share issue expenses		(633,159)	-
Repayment of lease liabilities		(29,788)	(27,535)
Net cash provided by financing activities		**10,022,636**	**21,682**
Net increase/(decrease) in cash and cash equivalents		6,556,999	(850,581)
Cash and cash equivalents at 1 July		2,439,976	3,290,557
Cash and cash equivalents at 30 June	**28(a)**	**8,996,975**	**2,439,976**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

30 June 2021	Issued Capital $	Accumulated Losses $	Share-based Payment Reserve $	Fair value Reserve $	Total Equity $
Balance at 1 July 2020	21,385,531	(19,127,494)	314,882	(20,625)	2,552,294
Total comprehensive loss for the year					
Loss for the year	-	(2,167,367)	-	-	(2,167,367)
Other comprehensive income					
Change in the fair value of financial assets	-	-	-	(870,000)	(870,000)
Total comprehensive loss for the year	-	(2,167,367)	-	(870,000)	(3,037,367)
Transactions with owners of the Company recognised directly in equity					
Issue of options to broker	-	-	75,105	-	75,105
Shares issued on conversion of options	950,758	-	(195,958)	-	754,800
Options lapsed during the year	-	5,764	(5,764)	-	-
Issue of shares for cash	9,980,000	-	-	-	9,980,000
Share issue costs	(633,159)	-	-	-	(633,159)
Total transactions with owners of the Company	10,297,599	5,764	(126,617)	-	10,176,746
Balance at 30 June 2021	**31,683,130**	**(21,289,097)**	**188,265**	**(890,625)**	**9,691,673**

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

30 June 2020	Issued Capital $	Accumulated Losses $	Share-based Payment Reserve $	Fair value Reserve $	Total Equity $
Balance at 1 July 2019	21,461,911	(18,125,532)	201,722	(44,375)	3,493,726
Total comprehensive loss for the year					
Loss for the year	-	(1,001,962)	-	-	(1,001,962)
Other comprehensive income					
Change in the fair value of financial assets	-	-	-	23,750	23,750
Total comprehensive loss for the year	-	(1,001,962)	-	23,750	(978,212)
Transactions with owners of the Company recognised directly in equity					
Share-based payment transaction	-	-	113,160	-	113,160
Share issue costs	(76,380)	-	-	-	(76,380)
Total transactions with owners of the Company	(76,380)	-	113,160	-	36,780
Balance at 30 June 2020	**21,385,531**	**(19,127,494)**	**314,882**	**(20,625)**	**2,552,294**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant Accounting Policies

Nexus Minerals Limited (the "Company") is a company domiciled in Australia. The financial report of the Company and its subsidiaries is for the year ended 30 June 2021.

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards issued by the Australian Accounting Standards Board and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group.

The consolidated financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the directors on 24 September 2021.

b) Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, the Company's functional currency, unless otherwise noted.

c) Adoption of New and Revised Accounting Standards

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 year ended 30 June 2021. 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant Accounting Policies (continued)

d) Basis of Consolidation

The financial statements comprise the consolidated financial statements of Nexus Minerals Limited (“Company” or “Parent”) and its subsidiaries as at 30 June each year (the “Group”). Control is achieved where the Company has exposure to variable returns from the entity and the power to affect those returns.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group’s interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit and loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Nexus Minerals Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant Accounting Policies (continued)

e) Revenue Recognition

1. Interest Revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. Revenue from the Sale of Options

Revenue from the sale of options over interests in tenements is recognised when it is probable that consideration will be received for the options and the Group has no further obligations in respect of the options.

3. Research & Development

Research and development tax incentive ("R&D") claims are recognised when the Company is notified that its R&D claim has been accepted.

4. Grant funding

Cash Flow Boost and Exploration Incentive Scheme grants are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received.

f) Plant and Equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

(i)	Office furniture and equipment	4 to 7 years
(ii)	Computer software	2.5 years
(iii)	Computer hardware	4 years
(iv)	Exploration equipment	7 years
(v)	Leasehold improvements	6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

g) Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant Accounting Policies (continued)

h) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Issued Capital

Ordinary shares

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

j) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

k) Income Tax

Income tax on the consolidated statement of profit or loss and other comprehensive income for the periods presented comprises current payable and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting, nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

l) Provisions

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

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

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investment or financing activities that is payable to, or recoverable from, the taxation authority is classified within operating cash flows.

n) Exploration and evaluation

Exploration and evaluation costs, excluding the costs of acquiring licences, are expensed as incurred. Acquisition costs will be assessed on a case by case basis and, if appropriate, they will be capitalised as exploration assets. These acquisition costs are only carried forward if the rights to tenure of the area of interest are current and either:

- They are expected to be recouped through successful development and exploitation of the area of interest; or
- The activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

o) Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Nexus Minerals Limited.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

q) Financial Instruments

Initial recognition and measurement

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

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

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

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

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

On the basis of the two primary criteria:

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

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

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

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

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

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

Financial liabilities

Financial liabilities are subsequently measured at:

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

q) Financial Instruments (continued)

Classification and subsequent measurement (continued)

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

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

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

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

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

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

Derecognition

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

Derecognition of financial liabilities

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

q) Financial Instruments (continued)

Derecognition (continued)

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

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

Derecognition of financial assets

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

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

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

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

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

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

r) Impairment

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

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

Loss allowance is not recognised for:

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

r) Impairment (continued)

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

Simplified approach

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

This approach is applicable to:
— trade receivables.

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

Recognition of expected credit losses in financial statements

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

s) Share-based payment transactions

(i) Equity settled transactions:

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

The cost of these equity-settled transactions with directors and executives is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option valuation, further details of which are given in note 25.

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

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

t) Trade and Other Payables

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

1. Significant accounting policies (continued)

u) Leases

At inception of a contract, the consolidated entity assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the consolidated entity the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the consolidated entity recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the consolidated entity's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the consolidated entity is reasonably certain to exercise and incorporate the consolidated entity's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets ($5,000 or less) are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise computers and items of IT equipment. The consolidated entity has no short term leases nor leases of low value assets.

v) Financial position

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

The Group has reported a net loss for the year of $2,167,367 (2020: $1,001,962) and a cash outflow from operating activities of $3,799,828 (2020: $867,185).

At year end, the Group had $8,996,975 (2020: $2,439,976) in cash and cash equivalents and a working capital surplus of $8,946,020 (2020: $2,330,219). The directors manage discretionary expenditure in line with the Group's cash flow and are confident that there are sufficient funds to meet the Group's working capital and funding requirements for a minimum of 12 months from the date of this report.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

2. Critical accounting judgements and key sources of estimation of uncertainty

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

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

Share-based Payment Transactions

The Group measures the cost of equity-settled transactions with directors and executives by reference to the fair value of the equity instruments at the date at which they are granted. The fair value was determined using a Black-Scholes model, using the assumptions detailed in note 25.

Coronavirus (Covid-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. The consideration extends to the nature of activities and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Exploration and evaluation assets carried forward

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
3.(a) Revenue		
J-V contribution	109,498	-
R & D tax incentive	267,847	487,574
Government cashflow boost	-	99,186
	377,345	586,760
3. (b) Other income		
Sale of exploration interest[(1)]	1,725,500	-
	1,725,500	-

[(1)] As detailed in the review of operations Nexus completed the sale of the Triumph Gold Project to Gibb River Diamonds Limited ("Gibb") during the year. Consideration received comprised cash of $400,000, 5,000,000 Gibb shares at a fair value of $750,000 and 5,000,000 Gibb options at a fair value of $575,500. Details of the shares and options and how their fair value was calculated are provided in Note 14: Financial Assets and Note 9 Financial Instruments.

4. Loss before income tax		
Loss before income tax expense has been arrived at after charging the following items:		
Depreciation	40,392	36,703
5. Financing income		
Interest income	17,808	40,379
Interest expense	(4,805)	(7,577)
	13,003	32,802
6. Auditors' remuneration		
During the year the following fees were paid or payable for services provided by the auditors of the Group, its related practices and non-related audit firms:		
Audit and review services:		
Nexia Perth Audit Services Pty Ltd	33,514	32,200
	33,514	32,200
Taxation and other services:		
Nexia Perth Pty Ltd	5,000	5,200
	5,000	5,200

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021	Consolidated 2020
7. Earnings/(loss) per share		
Earnings/(loss) per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date	(1.00) cent	(0.85) cent
Loss per share – continuing operations	(1.00) cent	(0.85) cent
a) Number of ordinary shares on issue at 30 June	244,151,671	118,240,561
Weighted average number of shares used in calculation of basic loss per share	216,348,273	118,240,561
b) Loss used in calculating basic loss per share	$2,167,367	$1,001,962
c) Loss used in calculating basic loss per share in continued operations	$2,167,367	$1,001,962

Diluted loss per share has not been calculated as there were no options on issue which would be potential ordinary shares having a dilutive effect. The number of options at 30 June 2021 was 11,000,000 (2020: 14,000,000). These were not considered to be dilutive because the share price at 30 June 2021 did not exceed the share price targets attached.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
8. Income taxes		
Recognised in the statement of comprehensive income		
The major components of the tax expense/(income) are:		
Current tax expense	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary timing differences	-	-
Total income tax attributable to continuing operations	-	-
The prima facie income tax expense/(benefit) on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:		
Numerical reconciliation between aggregate income tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.		
Profit/(loss) before income tax expense from continuing operations	(2,167,367)	(1,001,962)
Income tax expense/(income) calculated at 30% (2020: 30%)	(650,210)	(300,588)
Impact from reduction/(increase) in tax rate on unrecognised tax losses		-
Prior year under-provision	186,960	336,258
Effect of expenses that are not deductible in determining taxable profit	22,532	33,948
Effect of revenues that are not assessable in determining taxable profit	(80,354)	(176,028)
Effect of temporary differences that would be recognized directly in equity	(450,948)	(22,914)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	972,020	129,324
Income tax expense/(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2020: 30%) payable by Australian corporate entities on taxable profits under Australian tax law.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
8. Income taxes (continued)		
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses – revenue	5,494,238	4,929,561
Temporary differences	483,309	75,965
	5,977,547	5,005,526
Deferred tax assets/(liabilities) not recognised in respect of the following items:		
Items capitalised for tax purposes	18,498	6,635
Trade and other payables	6,720	7,128
Employee benefits	13,519	8,456
Section 40 – 880 expenses	-	22,914
Financial assets	267,188	6,188
Right-of-use lease liability	39,812	-
Other future deductions	177,690	24,644
Right-of-use asset	(40,118)	-
Tax losses carry forward	5,494,238	4,929,561
Total deferred tax assets not recognised	5,977,547	5,005,526

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

9. Financial instruments

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. Cash and cash equivalents and term deposit investments are held with Westpac Bank, which is an Australian bank with an AA- credit rating (Standard & Poor's).

Trade and Other Receivables

As the Group operates in the mining exploration sector it does not have trade receivables and is therefore not exposed to credit risk in relation to trade receivables. Other receivables include GST credits and cashflow boost payments receivable from the Australian Taxation Office.

Presently, the Group undertakes exploration and evaluation activities in Australia. At the reporting date there were no significant concentrations of credit risk.

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	**Consolidated 2021 $**	**Consolidated 2020 $**
Cash and bank balances	10	8,996,975	2,439,976
Trade and other receivables	11	1,011	89,035
Term deposit investments	12	57,879	57,879

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

9. Financial instruments (continued)

Credit Risk

None of the Company's trade and other receivables are past due (2020: $nil). As the Group is not trading there is no management of credit risk performed through an ageing analysis.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically, the Group ensures it has sufficient cash on demand to meet expected operational expenses for a minimum period of 90 days.

	Carrying amount $	Contractual cash flows $	6 months or less $	6 months or more $
30 June 2021				
Trade and other payables	135,709	(135,709)	(135,709)	-
Lease liabilities	133,098	(133,098)	(16,899)	(116,199)
	268,807	(268,807)	(152,608)	(116,199)
30 June 2020				
Trade and other payables	224,786	(224,786)	(224,786)	-
Lease liabilities	70,440	(70,440)	(7,950)	(62,490)
	295,226	(295,226)	(232,736)	(62,490)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

9. Financial instruments (continued)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group currently undertakes no transactions denominated in foreign currencies. The Group has no hedging policy in place to manage those risks, however all foreign exchange purchases are settled promptly.

Interest rate risk

The Group is exposed to interest rate risk due to variable interest being earned on its assets held in cash and cash equivalents.

The Group has no borrowings.

Profile

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

	Consolidated 2021		Consolidated 2020	
	Carrying amount $	Interest rate %	Carrying amount $	Interest rate %
Fixed rate instruments				
Term deposit investments	57,879	0.16	57,879	0.87
Variable rate instruments				
Cash and bank balances	8,996,975	0.05	2,439,976	0.84

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2020.

	Equity		Profit and Loss	
	100bp increase	**100bp** decrease	**100bp** increase	**100bp** decrease
30 June 2021				
Variable rate instruments	89,970	(89,970)	89,970	(89,970)
30 June 2020				
Variable rate instruments	24,400	(24,400)	24,400	(24,400)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

9. Financial instruments (continued)

Fair value of financial instruments

The Group is disclosing the fair value of financial assets and financial liabilities by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2021 and 30 June 2020.

Consolidated 30 June 2021	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Financial assets	349,875	165,000	-	514,875

Consolidated 30 June 2020	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Financial assets	59,375	-	-	59,375

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

The fair value of unquoted options over ordinary shares was determined using the Cox, Ross & Rubinstein Binomial Tree Option calculator using a volatility rate of 143% and a risk free interest rate of 0.10%. Fair value was subsequently determined on the reporting date using a volatility rate of 150% and a risk free interest rate of 0.06% and the movement in fair value was taken to the fair value reserve. These instruments are included in level 2.

Capital Management

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
10. Cash and cash equivalents		
Cash at hand	1,115	110
Cash at bank	8,995,860	2,439,866
	8,996,975	2,439,976
	%	%
Weighted average interest rate	0.05	0.84

11. Trade and other receivables

Current		
Government cashflow boost receivable	-	57,892
GST/WHT receivable	101,404	30,057
Interest receivable	81	156
Other receivables	930	930
	102,415	89,035

Trade and other receivables are non-interest bearing.

12. Other financial assets

Current		
Term deposit investments	57,879	57,879
	57,879	57,879

Term deposit investments comprise term deposits with a maturity date of 3 to 12 months and attract a weighted average interest rate of 0.16% (2020: 0.87%).

13. Other assets

Current		
Prepayments	20,772	17,411
	20,772	17,411

14. Financial assets

Non-current		
Fair value at beginning of the year	59,375	35,625
Additions	1,325,500	-
Revaluation taken to reserve	(870,000)	23,750
Fair value at end of the year	514,875	59,375

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
15. Exploration assets		
Non-current		
Balance at beginning of the year	125,160	125,160
Balance at end of the year	125,160	125,160

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

	Consolidated 2021 $	Consolidated 2020 $
16. Right-of-use assets		
Non-current		
Carrying value		
Land and buildings - Cost	145,881	97,975
Less: Accumulated amortisation	(12,156)	(26,724)
	133,725	71,251

During the year the Company renewed the lease for its registered office for a term of 4 years with an option to extend for 2 years. The additional right-of-use asset of $145,881 replaced the existing right-of-use asset of $97,975.

The reconciliation of right-of-use assets is as follows:

	Consolidated 2021 $	Consolidated 2020 $
Opening carrying value	71,251	97,975
Termination of the lease agreement	(71,251)	-
Additions	145,881	-
Amortisation	(12,156)	(26,724)
Closing carrying value	133,725	71,251

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
17. Plant and equipment		
Exploration equipment at cost	10,296	10,296
Accumulated depreciation	(6,609)	(4,679)
	3,687	5,617
Leasehold improvements at cost	4,680	4,680
Accumulated amortisation	(4,680)	(4,680)
	-	-
Computer & office equipment at cost	96,476	74,694
Accumulated depreciation	(70,115)	(64,693)
	26,361	10,001
Motor vehicle at cost	44,027	-
Accumulated depreciation	(3,068)	-
	40,959	-
Total carrying value	71,007	15,618
The reconciliation of plant and equipment is as follows:		
Opening carrying value	15,618	20,204
Additions	65,809	5,078
Depreciation	(10,420)	(9,664)
Closing carrying value	71,007	15,618

18. Trade and other payables

Current		
Trade creditors and accruals	152,974	175,569

All trade creditors and accruals are non-interest bearing.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $

19. Lease liabilities

a) Current

Lease liabilities	33,984	21,111

b) Non-current

Lease liabilities	99,114	49,329

The Group leases office premises. The lease term is 4 years 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:

	Lease payments due $		
	<1 year	1-2 years	>2 years
30 June 2021			
Lease payments	36,468	38,294	63,717
Interest	(2,484)	(1,735)	(1,162)
Net present value	33,984	36,559	62,555

	Lease payments due $		
	<1 year	1-2 years	>2 years
30 June 2020			
Lease payments	25,545	31,796	21,480
Interest	(4,434)	(3,164)	(783)
Net present value	21,111	28,632	20,697

	Consolidated 2021 $	Consolidated 2020 $

20. Provisions

Current

Annual leave	45,063	28,185

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Company 2021 $	Company 2020 $
21. Share capital		
Ordinary shares		
244,151,671 (2020: 118,240,561)		
Fully paid ordinary shares	31,683,130	21,385,531

Movements during the year	2021 Number	2021 $	2020 Number	2020 $
Balance at beginning of year	118,240,561	21,385,531	118,240,561	21,461,911
Shares issued for cash	119,111,110	9,980,000	-	-
Shares issued on conversion of options	6,800,000	950,758	-	-
Transaction costs arising on share issues	-	(633,159)	-	(76,380)
Balance at end of year	244,151,671	31,683,130	118,240,561	21,385,531

Options

The movement of the unlisted options on issue during the financial year is set out below:

Exercise price $	Expiry date	Balance at beginning of year	Issued	Exercised	Lapsed	Balance at end of year
0.111	30/11/20	7,000,000	-	(6,800,000)	(200,000)	-
0.065	15/11/22	7,000,000		-	-	7,000,000
0.100	26/8/22	-	4,000,000	-	-	4,000,000
		14,000,000	4,000,000	(6,800,000)	(200,000)	11,000,000

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
22. Reserves		
Share-based payment reserve	188,265	314,882
Fair value reserve	(890,625)	(20,625)
	(702,360)	294,257
Movements:		
Share-based payment reserve		
Balance at beginning of year	314,882	201,722
Options exercised during the year	(195,958)	-
Options lapsed during the year [(1)]	(5,764)	-
Share-based payments	75,105	113,160
Balance at end of year	188,265	314,882
Assets classified as Fair value through OCI		
Balance at beginning of year	(20,625)	(44,375)
Increase/(decrease) in fair value recognised in reserve	(870,000)	23,750
Balance at end of year	(890,625)	(20,625)

(1) 200,000 options lapsed unexercised during the year (2020: 1,900,000).

Share-based payment reserve

The share-based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration. Refer to note 25 for further details of these payments.

Fair value reserve

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

	Consolidated 2021 $	Consolidated 2020 $
23. Accumulated losses		
Balance at beginning of year	19,127,494	18,125,532
Expiry of options	(5,764)	-
Loss for the year	2,167,367	1,001,962
Balance at end of year	21,289,097	19,127,494

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Consolidated 2021 $	Consolidated 2020 $
24. Commitments		
Exploration Expenditure Commitments		
Minimum exploration expenditure		
Not later than 1 year	597,500	612,000
Later than 1 year but not later than 5 years	2,390,000	2,448,000
	2,987,500	3,060,000

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

25. Share-based payments

On 20 August 2020 following shareholder approval 4,000,000 options were issued as share-based compensation to brokers involved in a capital raising undertaken by the Company during the year (2020: 7,000,000). The options were granted for $nil consideration and have a fair value of $75,105 (2020: $113,160) which is recognised in the consolidated statement of comprehensive income.

The inputs to the valuation of options granted as share-based compensation during the year were as follows:

Directors	Series No.11
Dividend yield (%)	n/a
Expected volatility (%)	67.44
Risk-free interest rate (%)	0.27
Expected life of options	2 years
Exercise price (cents)	10.0
Grant date share price (cents)	7.1

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

Nexus Minerals Limited	Number	Grant Date	Expiry Date	Exercise Price $	Fair Value at Grant Date $
Option series No.9	7,000,000	30 November 2017	30 November 2020	0.111	201,722
Option series No.10	7,000,000	27 November 2019	15 November 2022	0.065	113,160
Option series No.11	4,000,000	20 August 2020	26 August 2022	0.100	75,105

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

25. Share-based payments (continued)

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

Nexus Minerals Limited	2021 Number	2021 Weighted Average Exercise Price $	2020 Number	2020 Weighted Average Exercise Price $
Outstanding at the beginning of the year	14,000,000	0.088	7,000,000	0.111
Exercised during the year	(6,800,000)	0.111	-	-
Expired during the year	(200,000)	0.111	-	-
Granted during the year (Series No.11)	4,000,000	0.100	7,000,000	0.065
Outstanding at the end of the year	11,000,000	0.077	14,000,000	0.088
Exercisable at the end of the year	11,000,000	0.077	14,000,000	0.088

The outstanding balance as at 30 June 2021 is represented by 7,000,000 options over ordinary shares with an exercise price of $0.065 exercisable up to 15 November 2022 and 4,000,000 options over ordinary shares with an exercise price of $0.100 exercisable up to 26 August 2022.

26. Key management personnel

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

Non-executive directors

Mr P Boyatzis (Chairman)

Dr M Elliott

Mr B Maluish

Executive Director

Mr A Tudor

a) Key management personnel compensation

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

	Consolidated 2021 $	Consolidated 2020 $
Short-term employee benefits	410,142	399,142
Share-based payments	-	105,077
Post-employment benefits	34,213	26,138
	444,355	530,357

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

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

27. Related parties

Controlled Entities	Date of incorporation	Ownership interest 2021	Ownership interest 2020
Parent Entity			
Nexus Minerals Limited			
Controlled Entities			
Nexus Minerals Australia Pty Ltd	19 August 2009	100%	100%
Nexus Wallbrook Pty Ltd	18 July 2011	100%	100%
Nexus Gold Pty Ltd	18 July 2011	100%	100%
ACN: 152 163 801 Pty Ltd	18 July 2011	100%	100%
Transformation Minerals Tanzania Limited	10 August 2012	100%	100%
Nexus Minerals Uganda Limited	21 September 2012	100%	100%
Nexus Pinnacles Pty Ltd	24 October 2016	100%	100%
Nexus Mt Celia Pty Ltd	9 October 2018	100%	100%
Crescent Gold Pty Ltd	29 January 2020	100%	100%

a) Key management personnel

Disclosures relating to key management personnel are set out in note 26.

b) Trade and other payables

Mark Elliott, who is a director of the Company was due an amount of $nil at 30 June 2021 (2020: $6,874).

c) Related party transactions

(i). Transactions with Nexus Minerals Australia Pty Ltd

During the year the Company loaned the sum of $nil (2020: $267) in working capital from Nexus Minerals Australia Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $149,607 (2020: $149,607). A provision for impairment of $142,321 has been recognised by the Parent entity.

(ii). Transactions with Nexus Wallbrook Pty Ltd

During the year the Company loaned the sum of $273 (2020: $267) in working capital to Nexus Wallbrook Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $129,631 (2020: $129,358). A provision for impairment of $4,454 has been recognised by the Parent entity.

(iii). Transactions with Nexus Pinnacles Pty Ltd

During the year the Company loaned the sum of $1,179,016 (2020: $267) in working capital to Nexus Pinnacles Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $1,181,677 (2020: $2,661). A provision for impairment of $1,105,469 has been recognised by the Parent entity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

27. Related parties (continued)

c) Related party transactions (continued)

(iv). Transactions with Nexus Gold Pty Ltd

During the year the Company loaned the sum of $355 (2020: $267) in working capital to Nexus Gold Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $20,222 (2020: $19,867). A provision for impairment of $19,717 has been recognised by the Parent entity.

(v). Transactions with Nexus Mt Celia Pty Ltd

During the year the Company loaned the sum of $273 (2020: $267) in working capital to Nexus Mt Celia Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is $803 (2020: $530). A provision for impairment of $803 has been recognised by the Parent entity.

(vi). Transactions with Geoex Pty Ltd

During the year the Company paid $6,839 plus GST (2020: $54,280 plus GST) to Geoex Pty Ltd, a company related to Andy Tudor, a Director of the Company, for the supply of exploration field assistants and a motor vehicle plus $65,000 plus GST for investor relations services provided during the year (2020: $nil).

(vii). Transactions with Mining Gurus Pty Ltd

During the year the Company paid $169,484 plus GST (2020: $nil) to Mining Gurus Pty Ltd, a company related to Andy Tudor, a Director of the Company, for the supply of exploration field assistants.

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm’s length basis.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

28. Notes to statement of cash flows

	Consolidated 2021 $	Consolidated 2020 $
a) Reconciliation of cash and cash equivalents for the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at hand	1,115	110
Cash at bank	8,995,860	2,439,866
	8,996,975	2,439,976
b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:		
Loss for the year	(2,167,367)	(1,001,962)
Adjustments for:		
Depreciation	40,392	36,703
Sale of exploration interests	(1,725,500)	-
Share-based payments	75,105	113,160
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(13,380)	(34,154)
(Increase)/decrease in prepayments	(3,361)	(430)
Increase/(decrease) in trade and other payables	(22,595)	15,999
Increase/(decrease) in provisions	16,878	3,499
Net cash used in operating activities	(3,799,828)	(867,185)

c) Non-cash investing and financing activities

	Consolidated 2021 $	Consolidated 2020 $
Additions to the right-of-use assets	145,881	-
Consideration for sale of exploration assets	1,325,500	-
	1,471,381	-

29. 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 consolidated entity's operations and allocation of working capital.

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

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

30. Events subsequent to reporting date

Subsequent to the reporting date the Company released high grade assay results from its Templar prospect pointing to a significant new discovery (refer ASX announcement 8 September 2021). These results follow on from high grade assay results from its Crusader prospect, also within the Wallbrook Gold Project (refer ASX announcement 2 September 2021).

Subsequent to the reporting date the Company has also commenced ground-based activities at the Bethanga Porphyry Copper-Gold Project in North-East Victoria (refer ASX announcement 28 July 2021).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Group to 30 June 2021, it is not practicable to estimate the potential impact , positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

31. Dividends

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

32. Contingent liabilities

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

33. Parent entity information

As at, and throughout, the financial year ending 30 June 2021 the parent company of the Group was Nexus Minerals Limited.

	Company	
	2021 $	2020 $
Result of the parent entity		
Loss for the year	(2,167,367)	(1,001,962)
Other comprehensive income/(expense)	(870,000)	23,750
Total comprehensive loss for the year	(3,037,367)	(978,212)
Financial position of parent entity at year end		
Current assets		
Cash and term deposits	8,921,734	2,439,976
Trade and other receivables	93,318	81,226
Other financial assets	57,879	57,879
Other current assets	20,772	17,411
Total current assets	9,093,703	2,596,492
Non-current assets		
Financial assets	514,875	59,375
Right-of-use asset	133,725	71,251
Plant and equipment	71,007	15,618
Other non-current receivables	209,177	132,969
Total non-current assets	928,784	279,213
Total assets	10,022,487	2,875,705
Current liabilities		
Trade and other payables	152,653	175,569
Cash held on trust	-	49,217
Lease liabilities	33,984	21,111
Provisions	45,063	28,185
Current liabilities	231,700	274,082
Non-current liabilities		
Lease liabilities	99,114	49,329
Non-current liabilities	99,114	49,329
Total liabilities	330,814	323,411
Net assets	9,691,673	2,552,294
Total equity of the parent entity comprising:		
Share capital	31,683,130	21,385,531
Reserves	(702,359)	294,257
Accumulated losses	(21,289,098)	(19,127,494)
Total Equity	9,691,673	2,552,294

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

P Boyatzis
Chairman

Perth, Western Australia
Dated this 24th day of September 2021

Independent Auditor's Report to the Members of Nexus Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nexus Minerals Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key audit matter	How our audit addressed the key audit matter
Funding and Liquidity ***Refer to Note 1 (v)(Financial position)*** Nexus Minerals Limited and its subsidiaries are gold exploration companies focusing on gold opportunities in Western Australia. The exploration activities of the Group have not yet advanced to a stage where it is able to generate revenue, accordingly the Group is reliant on funding from external sources such as capital raisings, to support its operations. We focussed on whether the Group had sufficient cash resources and access to funding to allow the Group to continue as a going concern. The adequacy of funding and liquidity as well as the relevant impact on the going concern assessment is a key audit matter due to the inherent uncertainties associated with the future development of the Group's projects and the level of funding required to support that development.	We evaluated the Group's funding and liquidity position at 30 June 2021 and its ability to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. In doing so, we: ▪ obtained management's cash flow forecast for the 15 months from the commencement of the 2022 financial year; ▪ assessed the reliability and completeness of management's assumptions by comparing the forecast cash flows to those of current and previous years and as well as our understanding of future events and conditions; and ▪ considered events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

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

In preparing the consolidated financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Australian Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf.
This description forms part of our auditor’s report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors’ Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Nexus Minerals Limited for the year ended 30 June 2021, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

Nexia Perth Audit Services Pty Ltd

Muranda Janse Van Nieuwenhuizen
Director

Perth, Western Australia

24 September 2021

Shareholder information

Additional information as at 20 September 2021 required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Voting rights

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
No voting rights.

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

Restricted securities
The Company has 244,151,671 shares and 11,000,000 options on issue. No shares or options are subject to ASX or voluntary escrow.

Distribution of equity security holders

	Quoted ordinary shares	
Category	**Number of holders**	**Number of shares**
1 - 1,000	76	17,703
1,001 - 5,000	292	982,611
5,001 - 10,000	312	2,587,351
10,000 - 100,000	1,089	45,746,623
100,000 and over	417	194,817,383
	2,186	244,151,671

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

Shareholder information

Category	Unquoted options			
	Exercisable at $0.065 expiring 15 November 2022		Exercisable at $0.100 expiring 26 August 2022	
	Number of holders	Number of options	Number of holders	Number of options
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,000 -	-	-	1	100,000
100,000 and	5	7,000,000	5	3,900,000
	5	7,000,000	6	4,000,000

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held (%)
Cleland Projects Pty Ltd	7,625,000	3.12
HSBC Custody Nominees (Australia) Limited	7,615,284	3.12
Citicorp Nominees Pty Limited	7,050,053	2.89
Saracen Mineral Holdings Ltd	6,603,940	2.70
BNP Paribas Nominees Pty Ltd	4,622,923	1.89
Mr P Seat	4,000,000	1.64
Mr M Parrella	3,925,000	1.61
Precision Opportunities Fund Ltd	3,500,000	1.43
Querion Pty Ltd	3,257,895	1.33
Westedge Investments Pty Ltd	3,251,166	1.32
Tarney Holdings Pty Ltd	3,000,000	1.23
Elliott Nominees Pty Ltd	2,350,877	0.96
Lesuer Pty Ltd	2,150,000	0.88
Mr T P Jefferis	2,100,000	0.86
Puresteel Holdings Pty Ltd	2,000,000	0.82
Mr P M Boyatzis	2,000,000	0.82
Mr S A Hodgetts	1,850,000	0.76
AJTSF Pty Ltd	1,800,000	0.74
Oak Winds Super Pty Ltd	1,750,000	0.72
Pillage Investments Pty Ltd	1,000,000	0.41
KSLCorp Pty Ltd	1,000,000	0.41
	72,452,138	29.66

Shareholder information

Substantial shareholders

There are no substantial shareholders.

Unquoted securities

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

Options exercisable at 6.5 cents expiring 15 November 2022	Number of options	Percentage
AJTSF Pty Ltd	2,500,000	35.7
Lesuer Pty Ltd	2,000,000	28.6

Options exercisable at 10 cents expiring 26 August 2022	Number of options	Percentage
Shaw and Partners Limited	2,000,000	50.0

On-market buy-back

There is no current on-market buy-back.

Tenement directory

Summary of Nexus Minerals tenements

Western Australia	
Pinnacles (Gold)	
M28/243	90% Nexus Pinnacles Pty Ltd
E28/2526	90% Nexus Gold Pty Ltd
E28/2487	100% Nexus Gold Pty Ltd
Wallbrook (Gold)	
E31/1160	100% Nexus Wallbrook Pty Ltd
M31/157	
M31/188	
M31/190	
M31/191	
M31/231	
M31/251	
E31/1107	
E31/1108	
E31/1118	
Mt. Celia (Gold))	
E39/2025	100% Nexus Minerals Australia Pty Ltd
E39/2185 (under application)	