



NEXUS MINERALS

NEXUS MINERALS LIMITED

ABN: 96 122 074 006

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2023

Corporate Directory

Directors

Paul Boyatzis Non-Executive Chairman
Andy Tudor Managing 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

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Letter from the Board to Shareholders

Dear Shareholder

Nexus Minerals Limited (“Nexus” or the “Company”) is an active exploration company with a portfolio of highly prospective projects. Nexus has gold projects located in the eastern goldfields of Western Australia, a porphyry copper-gold project strategically located in northeastern Victoria, an option over the Merrimac LCT Project (lithium-caesium-tantalum) located in Victoria and a new green fields critical minerals project with a landholding of 15,000km² in New South Wales.

Wallbrook Gold Project

During the year Nexus continued to actively explore the highly prospective Wallbrook Gold Project (“Wallbrook”). The Company announced its Exploration Target and Mineral Resource Estimate (MRE) over the Crusader-Templar project at Wallbrook in April 2023 (see ASX announcement 26th April 2023).

Exploration Target

A JORC 2012 Exploration Target was completed for the Crusader-Templar gold deposit in April 2023. The Crusader-Templar Exploration Target is inclusive of the JORC 2012 Crusader-Templar Open Pit combined Mineral Resource Estimate (MRE).

Tonnes Low	Tonnes High	Grade (g/t Au) Low	Grade (g/t Au) High	Contained Gold Ounces Low	Contained Gold Ounces High
10,000,000	14,000,000	1.50	1.75	480,000	790,000

Note: The potential quantity and grade of the Exploration Target is conceptual in nature and as such there has been insufficient exploration drilling conducted to estimate a mineral resource. At this stage it is uncertain if further exploration drilling will result in the estimation of a mineral resource. The Exploration Target has been prepared in accordance with the JORC Code (2012).

Mineral Resource Estimate

The Crusader-Templar JORC 2012 Open Pit combined Mineral Resource Estimate (MRE) of:

- **2.57 Mt @ 2.12g/t Au for 175,000 ounces contained gold (1g/t cut-off), including:**
- **Indicated: 1.02 Mt @ 2.5g/t Au for 81,000 ounces contained gold**
- **Inferred: 1.55 Mt @ 1.9g/t Au for 94,000 ounces contained gold**

Deposit	Category	Tonnes	Grade (g/t Au)	Au (oz)
Crusader	Indicated	850,000	2.5	68,000
	Inferred	503,000	1.7	27,000
Templar	Indicated	170,000	2.4	13,000
	Inferred	1,048,000	2.0	67,000
TOTAL	Indicated	1,021,000	2.5	81,000
	Inferred	1,551,000	1.9	94,000
GRAND TOTAL		2,572,000	2.1	175,000

The MRE focused on mine constrained open pit potential only and includes a significant component of indicated material comprising 46% of the overall mineral resource. The MRE, with reasonable prospect of eventual economic extraction factors applied, is only a small component of the larger Exploration Target delineated by the extensive drilling undertaken.

The preliminary mine studies focused on potential for a low-risk, high margin open pit operation. The MRE is within the larger Crusader/Templar deposit that remains open to north and south strike, down plunge of higher-grade shoots, and has potential for parallel lodes to the east.

Wallbrook Regional Exploration – Branches and MC4.1 Prospects

Reverse circulation (RC) drilling programs were completed at both the Branches and MC4.1 Prospects, located within the Wallbrook project, and successfully intersected mineralisation associated with sheared and hematite altered mineralised quartz porphyry units. The results of systematic regional exploration success from both prospects illustrates the ongoing exploration opportunity at the Wallbrook Gold Project and the emerging “Gold Camp” prospectivity.

Recent RC drill results include:

Branches Prospect

- 4m @ 6.37 g/t Au & 7m @ 4.34 g/t Au (within 36m @ 2.40 g/t Au from 18m)
- 4m @ 3.40 g/t Au & 7m @ 2.71 g/t Au (within 30m @ 1.31 g/t Au from 25m)
- 8m @ 2.64 g/t Au & 2m @ 3.19 g/t Au (within 34m @ 1.02 g/t Au from 20m)
- 1m @ 16.35 g/t Au (within 6m @ 3.10 g/t Au from 120m)

MC4.1 Prospect

- 23m @ 2.52 g/t Au inc. 8m @ 5.41 g/t Au (within 34m @ 1.73 g/t Au from 5m)
- 6m @ 4.28 g/t Au (within 11m @ 2.60 g/t Au from 76m)
- 7m @ 3.56 g/t Au (within 25m @ 1.17 g/t Au from 28m)
- 2m @ 8.75 g/t Au (within 7m @ 3.03 g/t Au from 96m)

Bethanga Copper-Gold Project

During the year the Company has continued to advance its porphyry copper-gold project at Bethanga, located in northeastern Victoria. Nexus has completed a fertility study that returned positive outcomes, with the project considered prospective for hosting a porphyry copper-gold system.

NSW Critical Minerals & Merrimac LCT Project

The Company has progressed its evaluation of the Merrimac LCT Project located in Victoria with results to date of anomalous and high-grade lithium assays up to 2.85% Li₂O.

During the year Nexus applied for and was granted over 15,000km² of tenure in NSW, to explore for critical minerals. The Company is excited to have commenced preliminary exploration – exploring for lithium, caesium, tantalum, tin and copper.

Corporate

The Company continues to maintain a strong financial cash position and held \$4.4 million as at 30 June 2023.

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.



Paul Boyatzis
Chairman

Review of Operations

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

Nexus’ strategy is to invest and actively explore for gold and copper within its portfolio of Australian assets. The Company’s significant landholdings are located in the Eastern Goldfields of Western Australia, and the Wagga-Omeo Zone in southern New South Wales and Victoria.

The Wallbrook Gold Project (“Wallbrook”) was acquired from multiple entities in 2018 and consists of a contiguous package of some 250km² in Western Australia. The Wallbrook tenement package is considered highly prospective for the discovery of significant gold mineralisation.

Nexus acquired 100% of the Bethanga porphyry copper-gold project in January 2022. The Bethanga porphyry copper-gold project area is 141km² and located in Victoria. Nexus is targeting large-scale porphyry copper-gold systems and completed the project fertility assessment during the year.

Nexus secured an extensive landholding of critical minerals tenure in 2023. Covering an impressive expanse of 15,000 square kilometers, this exploration tenure stands as the largest package within New South Wales, with its reach extending into Victoria as well. The tenure is highly prospective for critical minerals, including lithium, caesium, tantalum, tin, and copper. As part of the critical minerals footprint the company also secured an option to acquire the Merrimac Tenement which is prospective for lithium-caesium-tantalum (LCT) pegmatites.

Nexus had previously entered into a Farm-In and Joint Venture Agreement with Northern Star (Carouse Dam) Pty Ltd, a subsidiary of successful ASX- listed gold producer Northern Star Limited (“NST” or “Northern Star”), over the Pinnacles Gold Project (“Pinnacles JV”) in September 2015. Nexus currently holds a 90% interest in the Pinnacles JV (Northern Star 10%). The Company also holds the Pinnacles Gold Project (“PGP”), with tenements that cover approximately 125km² in Western Australia and encapsulate the Pinnacles JV Project.

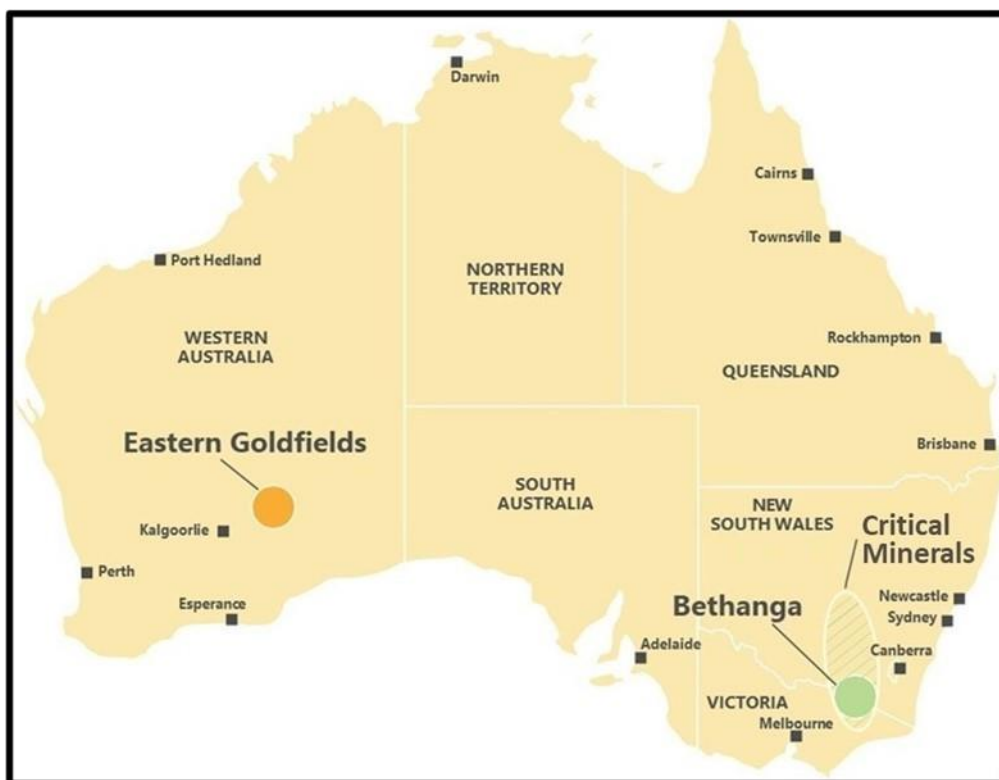


Figure 1: Nexus Western Australian and Victorian projects

EASTERN GOLDFIELDS (GOLD)

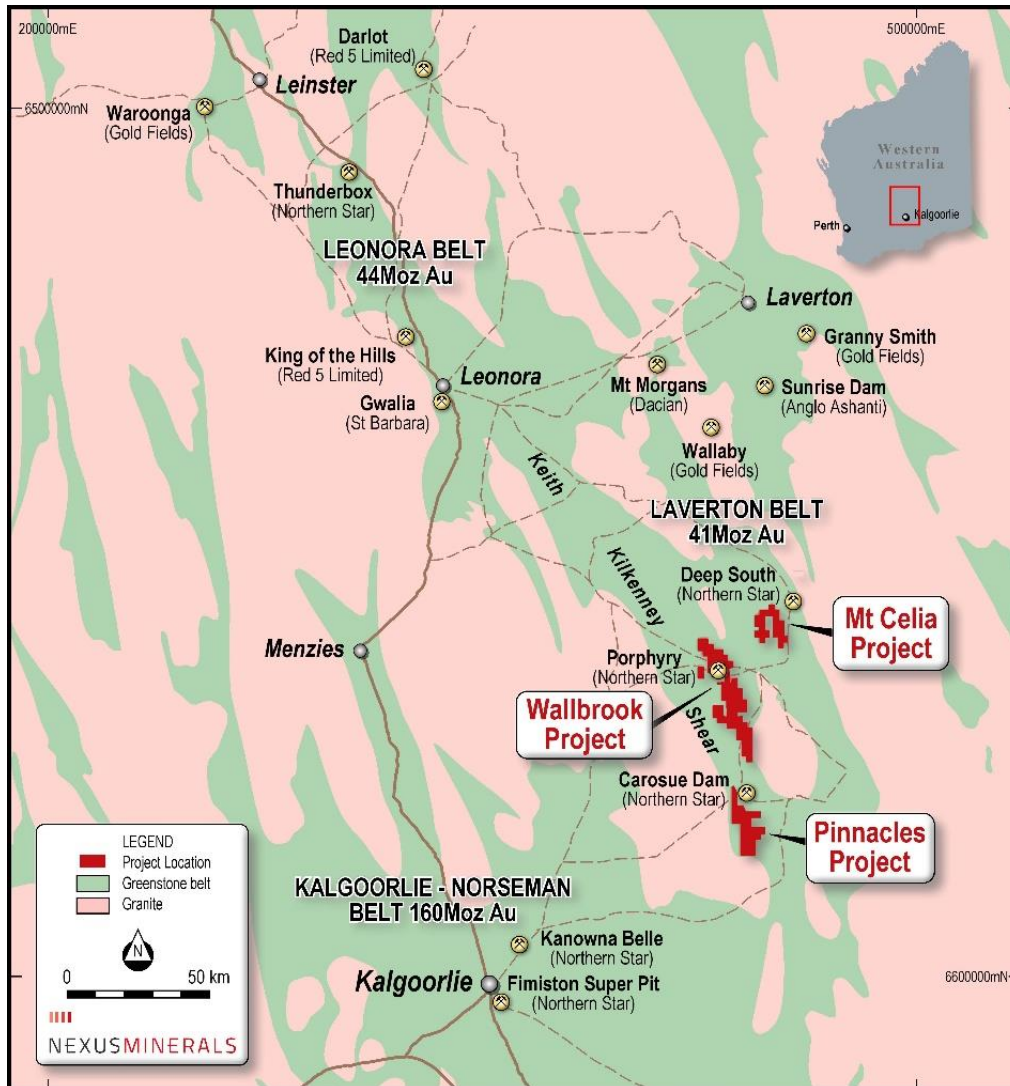


Figure 2. Project locations, Eastern Goldfields Western Australia.

Wallbrook Gold Project

Regional Geology

The Wallbrook Project occurs within the Norseman - Wiluna Archaean Greenstone belt in the Eastern Goldfields province of the Yilgarn Craton. The Project is located within the Edjudina Region in the Laverton Tectonic Zone, centrally between Kalgoorlie and Laverton, and 35km north of Northern Star Limited’s Carosue Dam Gold Mining 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).

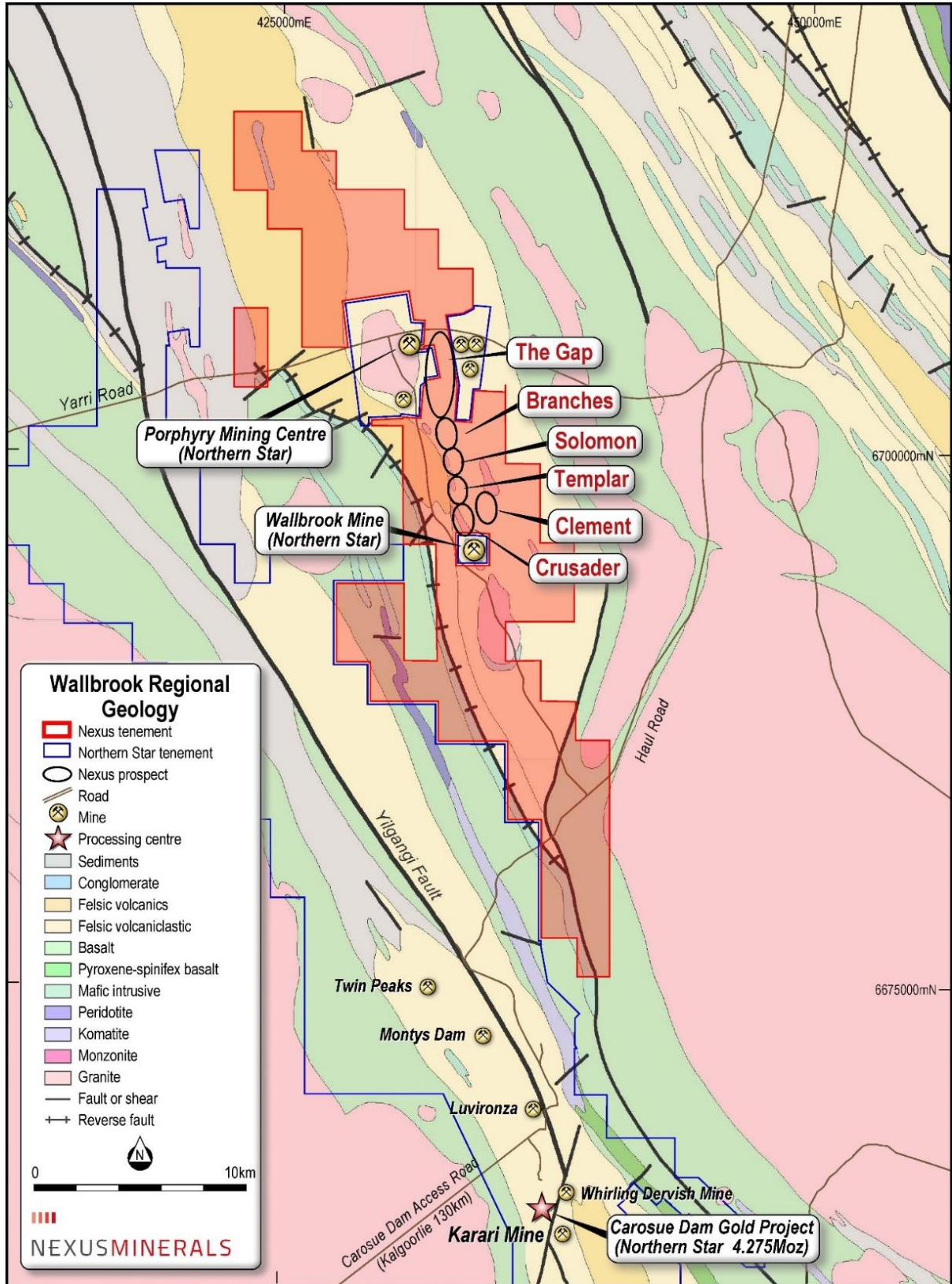


Figure 3. Wallbrook Project Regional Geology

Local Geology and Mineralisation

The Wallbrook Project area is located between two major converging tectonic features, the Laverton and Keith-Kilkenny tectonic zones. The Laverton Tectonic Zone (LTZ) forms the central portion of the Laverton Greenstone Belt, running north-south in the eastern parts of the Wallbrook Project. The LTZ is recognised as a world class gold province, with a mineral endowment (production + resources) of over 20 Moz of gold. Major deposits include Sunrise Dam (8.0 Moz), Wallaby (8.0 Moz) and Granny Smith (3.6 Moz). The Keith-Kilkenny Tectonic Zone (KKTZ) has a northwest-southeast orientation and is an important vector to mineralisation in the region between Leonora and Leinster. The southern extension of the KKTZ intersects the Carosue Dam Operation (4.275 Moz).

The lithologies at Wallbrook are dominated by intermediate (andesitic) volcanics, intrusive felsic porphyries and granite. 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 250km² highly prospective gold tenement package was the focus of exploration activity during the period with the Company undertaking significant drill campaigns at the Crusader-Templar and Branches Prospects, within the broader Wallbrook Gold Project. In addition, successful field campaigns including geological mapping and an ongoing high resolution ground magnetometer survey were also undertaken.

Crusader-Templar Prospect Mineral Resource and Exploration Target

A Mineral Resource Estimate (MRE) for the Crusader Templar deposit was completed during the 2023 financial year totaling 2.57 Mt @ 2.12g/t Au for 175,000 ounces contained gold (1g/t cut-off). This robust shallow mineral resource estimate had stringent economic considerations applied to produce favourable grades and mining widths which can reliably underpin the mine studies currently being undertaken. A further exploration target was calculated and reported for the Crusader-Templar deposit with a range of 480,000 to 790,000 ounces of contained gold.

Mineral Resource

The Crusader-Templar MRE was prepared by independent consultants BM Geological Services (BMGS) using geological modelling and technical input from Nexus geologists. BMGS has a strong background in successfully developing deposits of this nature and has introduced practical constraints on the model upon which mine studies can be reliably based. The MRE has been compiled, reported and classified in accordance with the guidelines provided in the 2012 edition of the JORC Code.

The MRE is characterised by a series of anastomosing porphyry dykes within a volcanic / volcanoclastic host sequence along a strike length of 1.6km. Highest grade mineralisation is situated at the southern and northern ends of the deposit in the Crusader component and Templar components respectively. The MRE has focused on accurately defining these highest-grade areas to ensure economic potential is maximised.

The deposit has a favourable average grade of 2.12 g/t Au, surpassing that of neighbouring open pits, and has several critical technical and financial benefits, including strategic location, clear environmental studies, granted mining tenure, and a strong metallurgical recovery rate of 98%.

The MRE only considers material above 200 meters vertical depth with a 0.5 g/t Au lower cut off used for delineating mineralisation during modelling, and a greater than 1g/t Au cut off for reporting. Whilst the MRE and mine studies will focus on the open pitable potential of deposit this does not preclude the possibility of underground mining in the future, which would further increase the resource base of the project.

A plan, long section, and cross sections for the MRE are provided in Figures 4-7.

Deposit	Category	Tonnes	Grade (g/t Au)	Au (oz)
Crusader	Indicated	850,000	2.5	68,000
	Inferred	503,000	1.7	27,000
Templar	Indicated	170,000	2.4	13,000
	Inferred	1,048,000	2.0	67,000
TOTAL	Indicated	1,021,000	2.5	81,000
	Inferred	1,551,000	1.9	94,000
GRAND TOTAL		2,572,000	2.1	175,000

Table 1: Crusader-Templar Mineral Resource Estimate (1g/t cut-off) (rounding errors may occur)

Exploration Target

The potential quantity and grade of the Exploration Target is conceptual in nature and as such there has been insufficient exploration drilling conducted to estimate a mineral resource. At this stage it is uncertain if further exploration drilling will result in the estimation of a mineral resource. The Exploration Target has been prepared in accordance with the JORC Code (2012).

The Exploration Target has been modelled assuming continuity of the anastomosing porphyry dykes and associated structure down-dip to approximately 400 metres below surface and south along strike of the Templar Main Lode where the company has had recent exploration success.

Drilling, logging and interpretation work undertaken at Crusader-Templar to date, shows no indication that the identified lodes could be structurally affected or interrupted at this stage. The volume of the projected Crusader-Templar system has been modelled as controlled by the anastomosing porphyry dykes and associated structures, which has been subject to detailed interpretation work and external review in the last 6 months. The upside is in part reflective of the non-reportable 'unclassified material' which include down-dip and well constrained strike extensions confirmed by drilling and reasonable extensions. The Exploration Target does not place an upper limit on the Crusader-Templar system with further exploration retaining significant potential for further discovery of ounces.

The gold grade range applied assumes a lower cut off threshold compared to the reported MRE, which is supported by existing drill hole intercepts, and is considered conservative in nature. The overall Exploration Target is well supported by numerous drill intercepts throughout the deposit. Further drilling will be considered upon conclusion of the mine studies, which will see focus on resolving and de-risking highest value ounces.

Tonnes Low	Tonnes High	Grade (g/t Au) Low	Grade (g/t Au) High	Contained Gold Ounces Low	Contained Gold Ounces High
10,000,000	14,000,000	1.50	1.75	480,000	790,000

Table 2: Crusader-Templar Exploration Target (rounding errors may occur)

Note: The potential quantity and grade of the Exploration Target is conceptual in nature and as such there has been insufficient exploration drilling conducted to estimate a mineral resource. At this stage it is uncertain if further exploration drilling will result in the estimation of a mineral resource. The Exploration Target has been prepared in accordance with the JORC Code (2012).

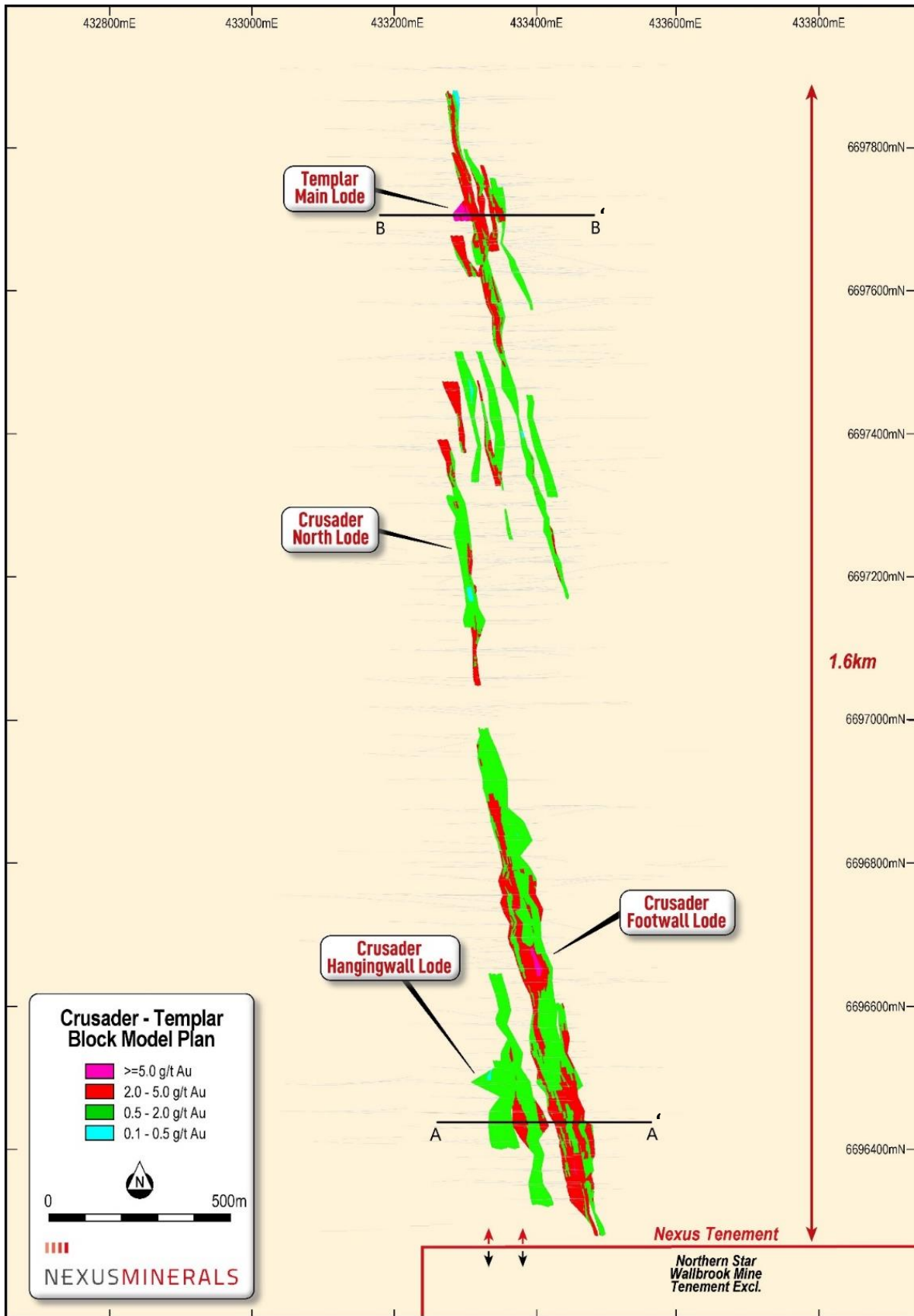


Figure 4: Plan View of Block Model

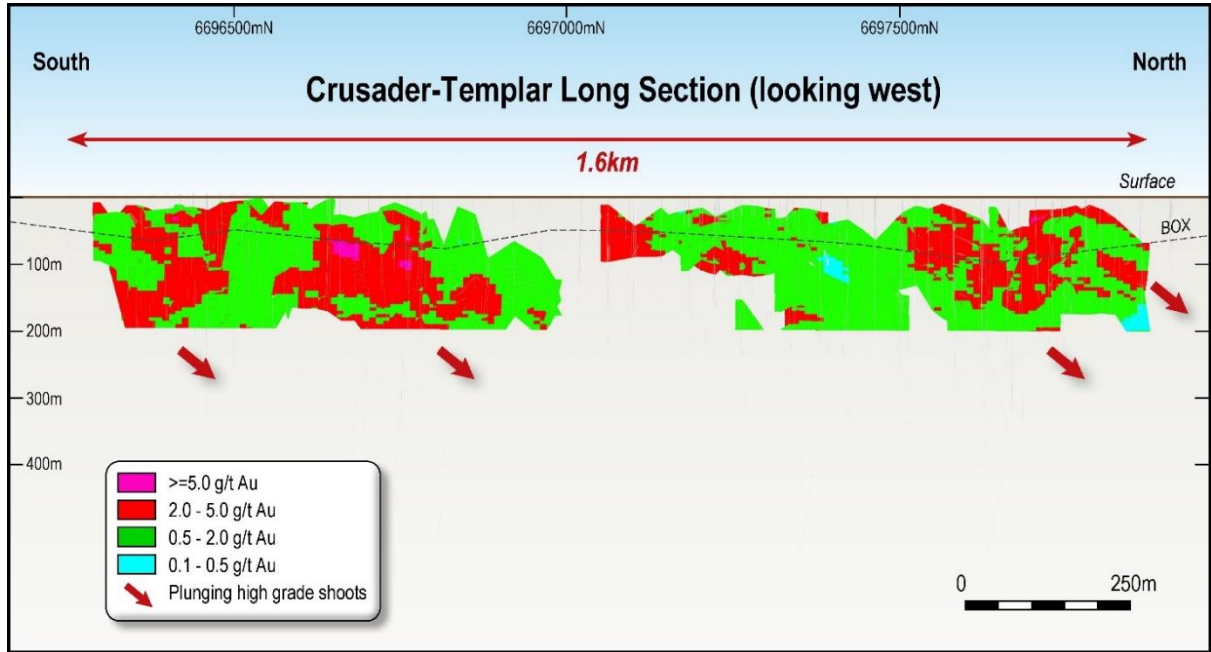


Figure 5: Long Section of Block Model

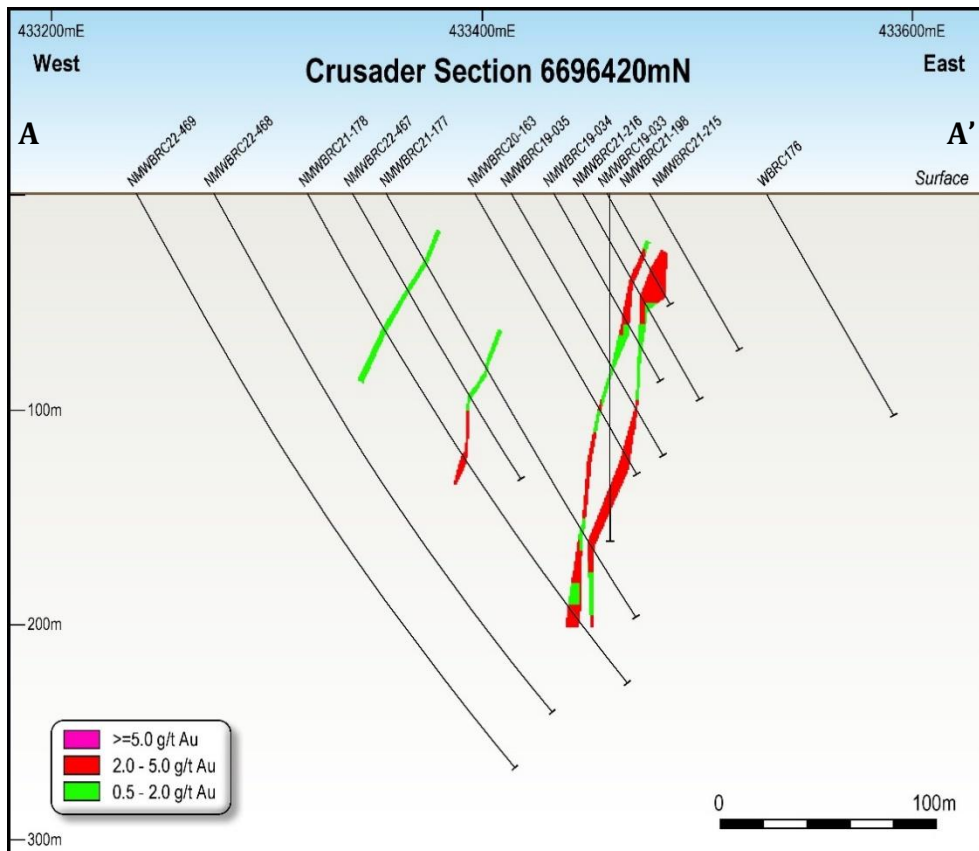


Figure 6: Crusader Cross Section of Block Model

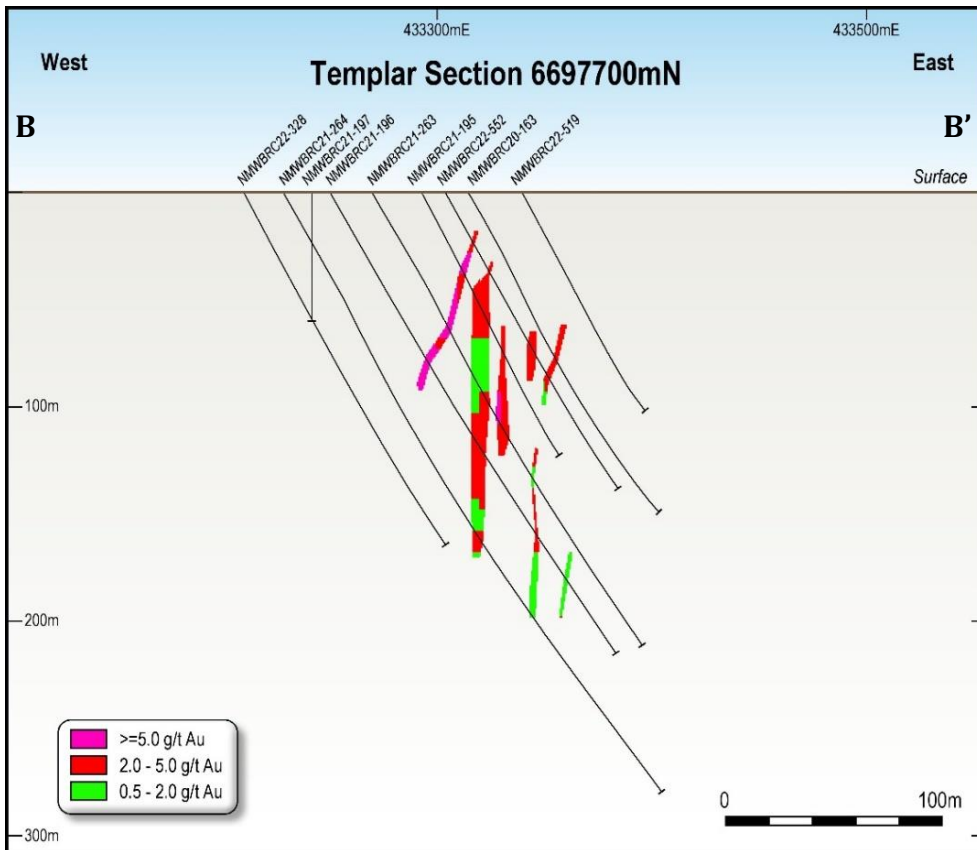


Figure 7: Templar Cross Section of Block Model

Crusader-Templar Prospect Exploration

Nexus undertook a reverse circulation (RC) drilling campaign in the second half of 2022 totaling 3,210m. The RC drilling was designed to test southern extensions to the Templar mineralised trend above 200 metres vertical depth.

Geological observations were consistent with previous drilling. Gold mineralisation 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 potassic altered quartz porphyry / volcaniclastic units that have undergone extensive alteration and silicification. The hematite alteration is ubiquitous to all zones of mineralisation and is distinct by its brick red appearance.

Following the successful drill program Nexus undertook geological modelling and interpretation work, the results of which were incorporated into the Mineral Resource Estimate and Exploration Target reported during the year.

RC drilling results include:

- 10m @ 5.80g/t Au (within 13m @ 4.53g/t Au from 90m);
- 5m @ 8.93g/t Au (within 12m @ 3.79g/t Au from 122m); and
- 17m @ 2.32g/t Au (within 28m @ 1.57g/t Au from 61m).

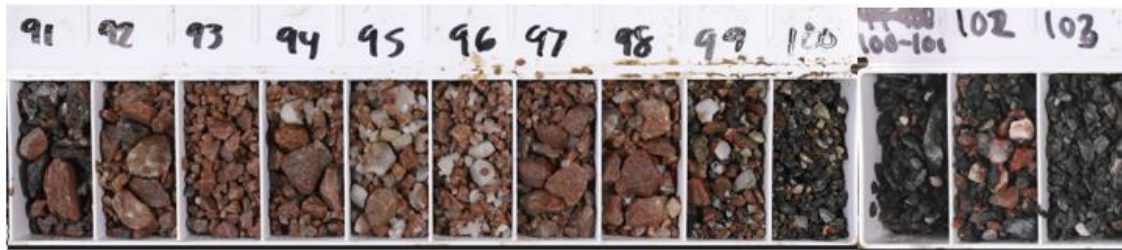


Photo 1: NMWBRC22-605 90-103m – Hematite + Albite + Quartz altered Quartz Porphyry (10m @ 5.80g/t Au - within 13m @ 4.53g/t Au from 90m) - “The Right Rocks”

The drilling completed has assisted mapping the geological characteristics through the system and reinforced prior interpretation. The structural logging, in addition to petrology and geochemical analysis, have been integral in updating the geological framework and targeting model for the Crusader-Templar prospect. The host rock sequence has been compressed and folded to produce a series of tight folds with deep-seated structures. These deep-seated structures represent potential fluid conduits for gold bearing fluids, whilst the folded porphyry dyke swarm presents a rheological and chemically favourable horizon to precipitate gold. The updated geological model is supported by structural, lithological and gold distribution in drilling, and is further supported by the high-resolution geophysical programs (ground magnetics and gravity) completed on the project.

This framework has broader positive implications for prospectivity and targeting of the regional Wallbrook tenement package, with Company geologists currently reviewing a suite of regional targets.

Refer to Figure 8 for geological exploration model and Figure 9 for most recent RC results.

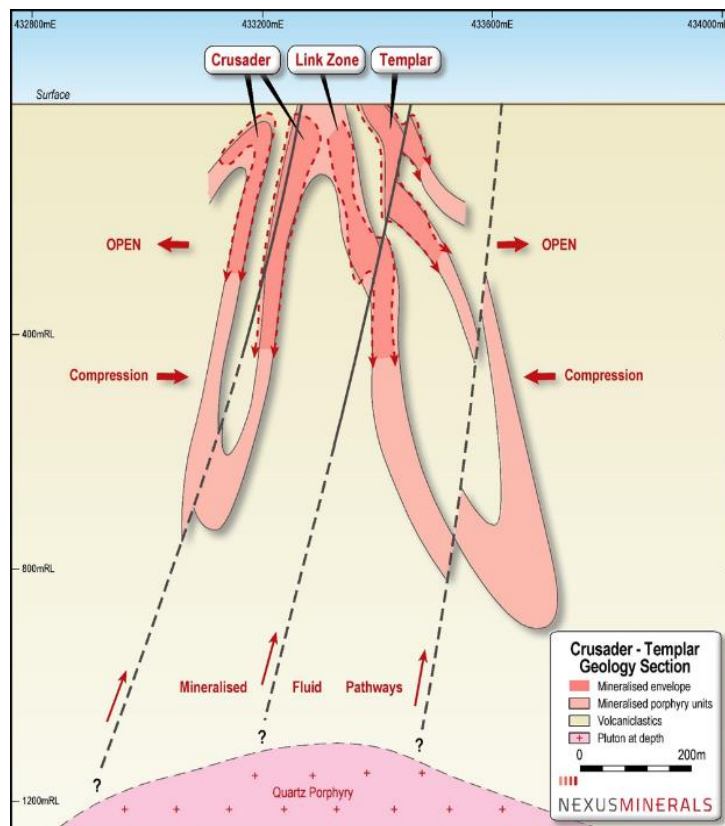


Figure 8: Crusader – Templar Prospect – Exploration Geology Model

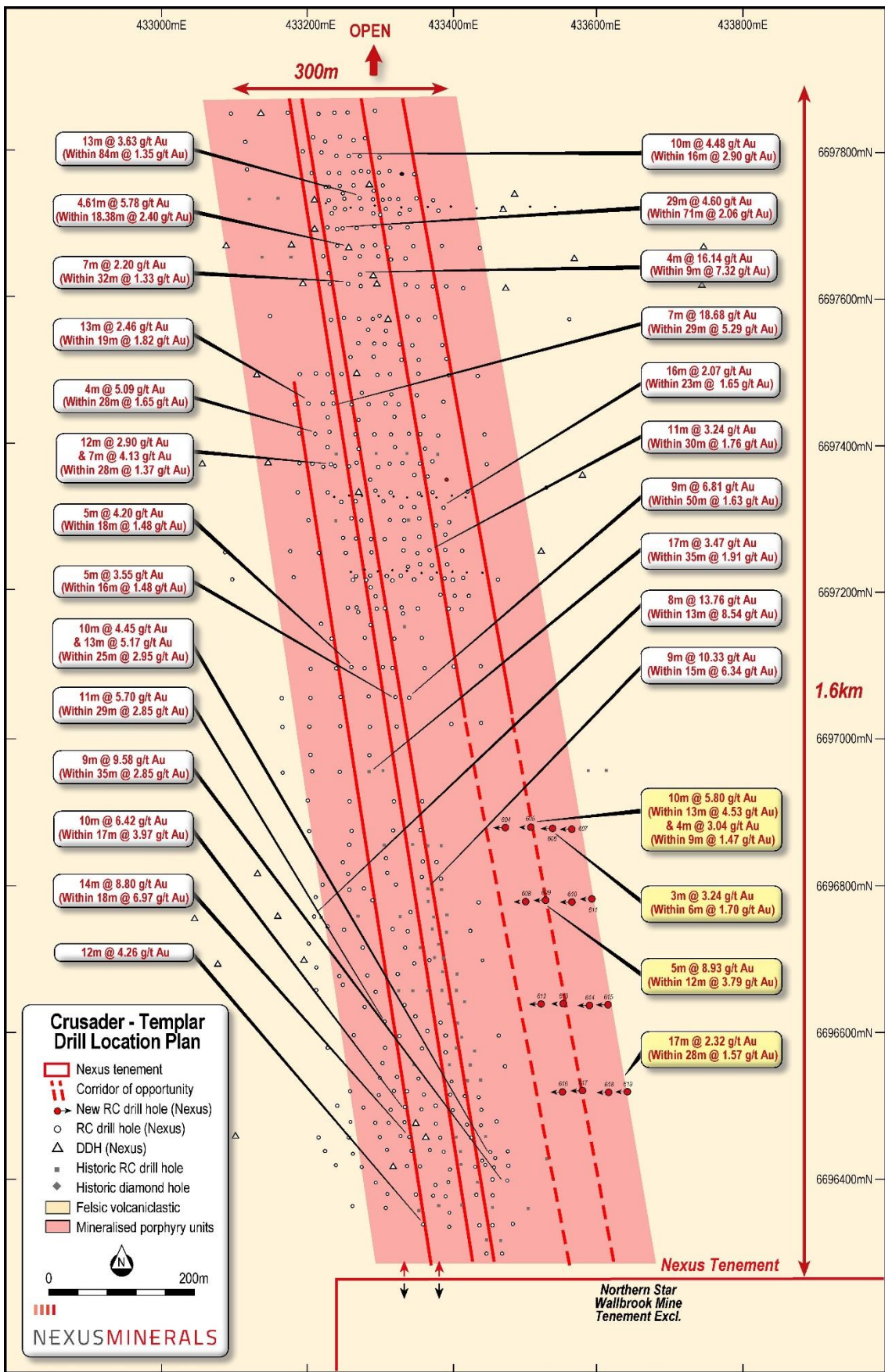


Figure 9. Crusader-Templar Prospect Plan – Selected Drill Results (over Geology)

(Yellow boxes are recent Nexus RC drill results)

Branches Prospect

Nexus undertook two reverse circulation (RC) drilling campaigns in the 2023 financial year totaling 8,025 metres. The first RC drilling campaign was designed to test southern and northern extensions to the Branches mineralised trend, in addition to conceptual down dip extensions to the folded system. The second RC drilling campaign aimed to infill key areas of shallow oxide mineralisation and confirm mineralisation extensions to surface.

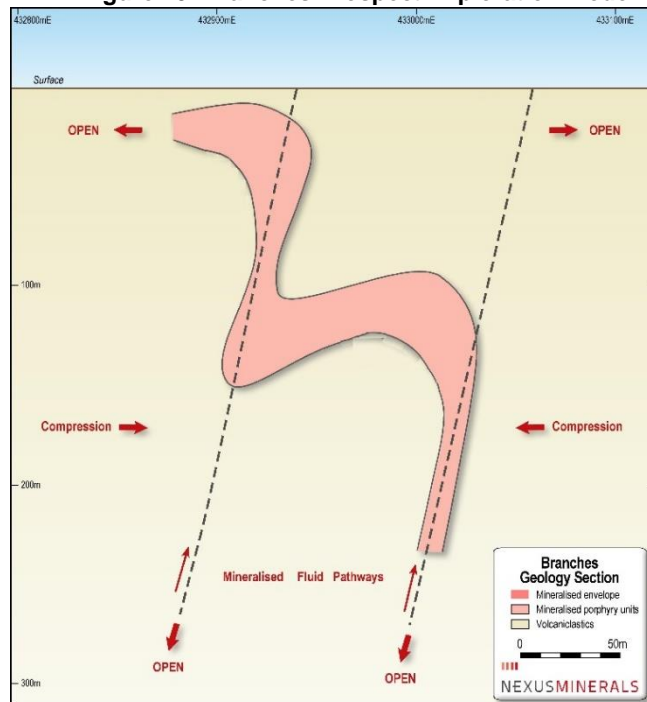
The Branches RC drill programs achieved all aims, successfully extending the mineralised corridor to ~1.1km in strike length (increased from 600 metres) and intercepting oxide mineralisation extending to surface. Several drill holes returned outstanding intercepts above 50 metres vertical depth including 4m at 6.37g/t Au and 7m at 4.34g/t Au (within 36m at 2.40g/t Au from 18 m), and 4m at 3.40g/t Au and 7m at 2.71g/t Au (within 30m at 1.31g/t Au from 25m). Positive drill results on the most northern (4m at 2.85g/t Au within 10m @ 1.33g/t Au) and most southern drill lines (12m @ 1.84g/t Au within 17m at 1.39g/t Au), in areas of no previous exploration, support the ongoing potential of Branches, which remains open in all directions. Conceptual extensional drill holes down dip from the previously defined mineralised envelope returned results up to 6m at 5.57g/t Au within 9m at 3.80g/t Au. Mineralisation is hosted within, and on the boundaries of, altered quartz porphyry dykes, consistent with previous observations at Branches (Figure 10).

Company geologists continue to interpretate and review results from within the currently defined mineralised envelope to effectively define mineralised zones of highest economic potential for future follow up drilling. Further extensions to the corridor are also being reviewed as part of a broader aircore drilling program.

Branches RC drilling results are displayed in Figure 11. Best results from the year include:

- 6m @ 5.57g/t Au (within 9m @ 3.80g/t Au from 169m);
- 4m @ 6.37 g/t Au & 7m @ 4.34 g/t Au (within 36m @ 2.40 g/t Au from 18m);
- 4m @ 3.40 g/t Au & 7m @ 2.71 g/t Au (within 30m @ 1.31 g/t Au from 25m);
- 8m @ 2.64 g/t Au & 2m @ 3.19 g/t Au (within 34m @ 1.02 g/t Au from 20m);
- 4m @ 2.85g/t Au (within 10m @ 1.33g/t Au from 110m) – most northerly line drilled; and
- 12m @ 1.84g/t Au (within 17m @ 1.39g/t Au from 25m) – most southerly line drilled.

Figure 10: Branches Prospect Exploration Model



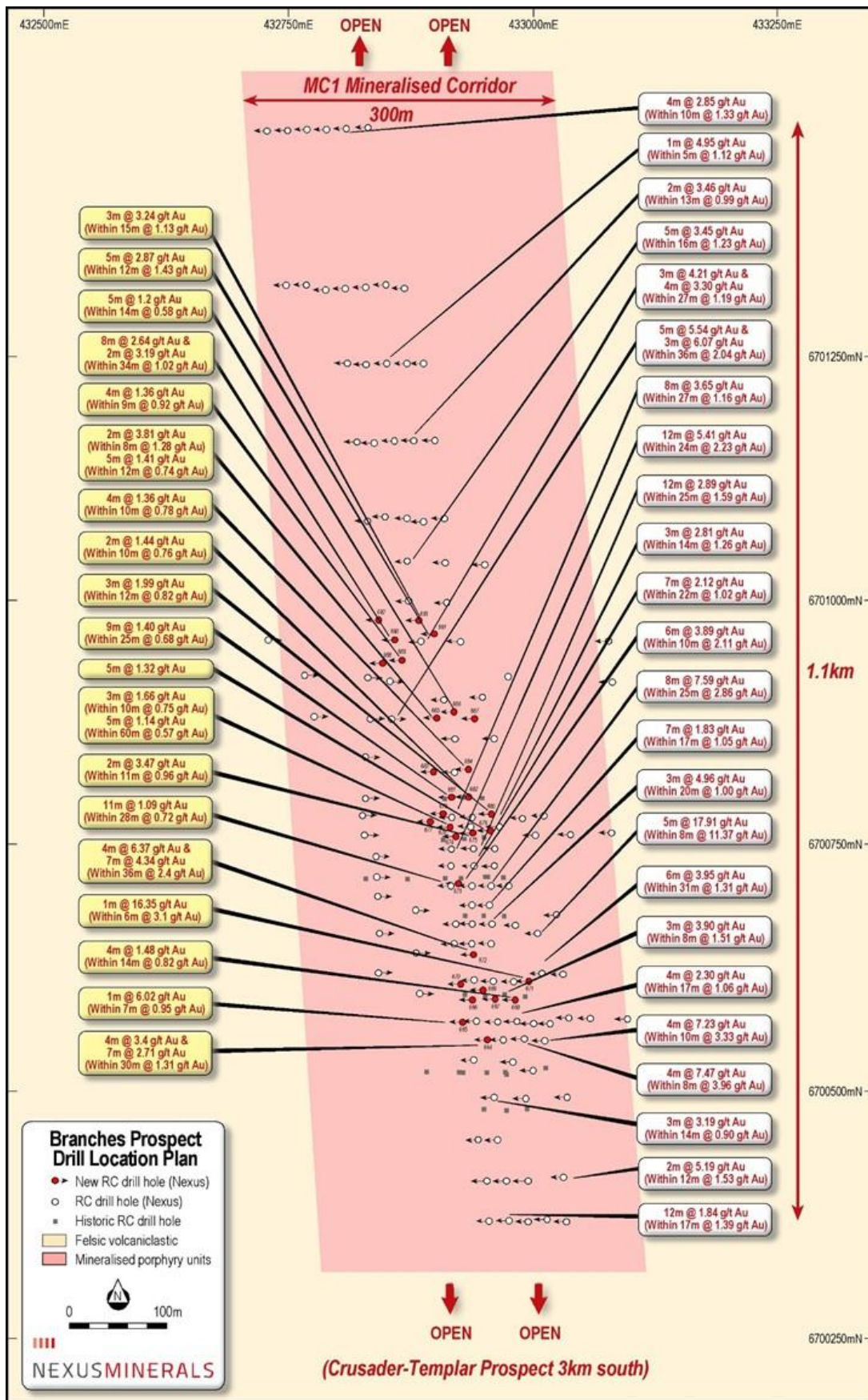


Figure 11. Branches Prospect Plan – Selected Drill Results (over Geology)
 (Yellow boxes are most recent Nexus RC drill results)

Target MC4.1

Target MC4.1 was initially discovered as part of a broad aircore (AC) drill program (5,167m drilled) in the first half of the 2023 financial year. This program intersected mineralised quartz-goethite alteration and hematite altered quartz porphyry in a number of the holes over a footprint of approximately 1.75 x 0.25 kilometres. Gold mineralisation was supported by a multielement anomaly.

Follow up RC drill testing was completed in June 2023. The program was broad in nature over some 800 metres of strike within the 1.7km anomaly identified in a previously completed aircore (AC) drill campaign. Results show mineralisation extending across the full extent of the tested 800 metres of strike, with notable intercepts including 23m at 2.52g/t Au including 8m at 5.41g/t Au (within 34m at 1.73g/t Au from 5m) and 6m at 4.28g/t Au (within 11m at 2.6g/t Au from 76m).

Gold mineralisation in the oxide and transitional zones at MC4.1 is associated with an increase in quartz veining and goethite. Mineralisation in the fresh rock is associated with a sheared and veined intermediate volcanic/volcaniclastic lithology. Increasing silicification, quartz veining and pyrite have a correlation to gold grade. Sub-parallel to parallel tourmaline is indicative of shearing in the host lithology and commonly accompanied by an increase in sericite.

Mineralisation remains open in all directions, with the prospect currently subject to interpretation and review by the exploration team.

AC drilling results include:

- 8m @ 4.00g/t Au (within 21m @ 1.69g/t Au from 24m)
- 4m @ 2.58g/t Au (within 9m @ 1.49g/t Au from 16m)
- 4m @ 2.10g/t Au (within 8m @ 1.14g/t Au from 24m)

RC drilling results include:

- 23m @ 2.52 g/t Au inc. 8m @ 5.41 g/t Au (within 34m @ 1.73 g/t Au from 5m)
- 6m @ 4.28 g/t Au (within 11m @ 2.60 g/t Au from 76m)
- 7m @ 3.56 g/t Au (within 25m @ 1.17 g/t Au from 28m)
- 2m @ 8.75 g/t Au (within 7m @ 3.03 g/t Au from 96m)
- 3m @ 2.52g/t Au (within 7m @ 1.61g/t Au from 43m to eoh)

Drill hole intercepts are displayed in Figure 12 below.

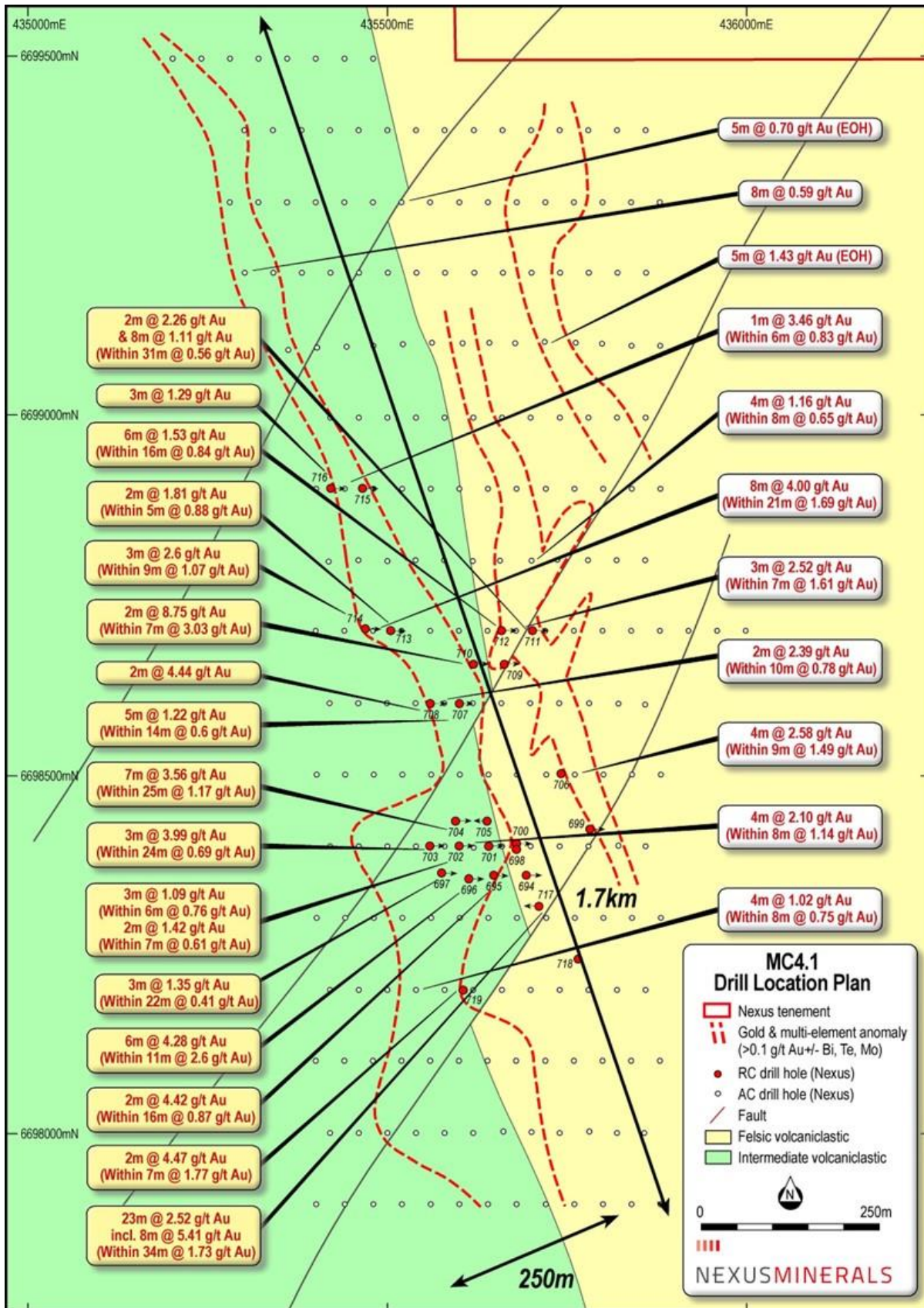


Figure 12. Target MC4.1 Plan – Selected Drill Results (over Geology)

(White boxes are recent Nexus AC drill results, yellow boxes are recent Nexus RC drill results)

Regional Exploration

As part of the AC drilling program at Target MC4.1 in the first half of the 2023 financial year, Nexus undertook AC drilling at MC3.1 (3,263m drilled). A soil sampling program targeting geological anomaly MC3.2 was also completed. Nexus undertook a regional geophysical interpretation of combined gravity and magnetic survey datasets identifying numerous regional targets requiring drill/soil testing.

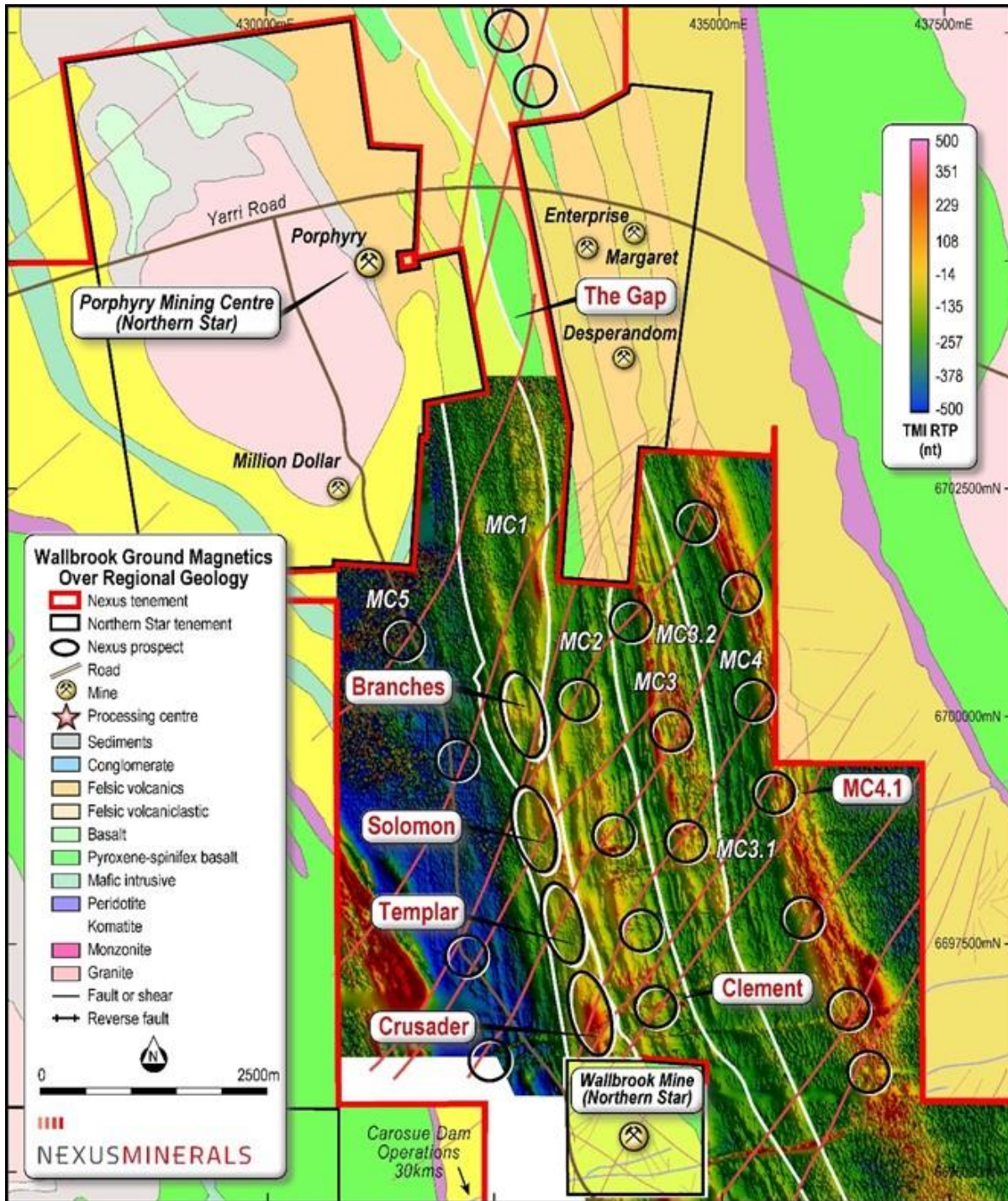
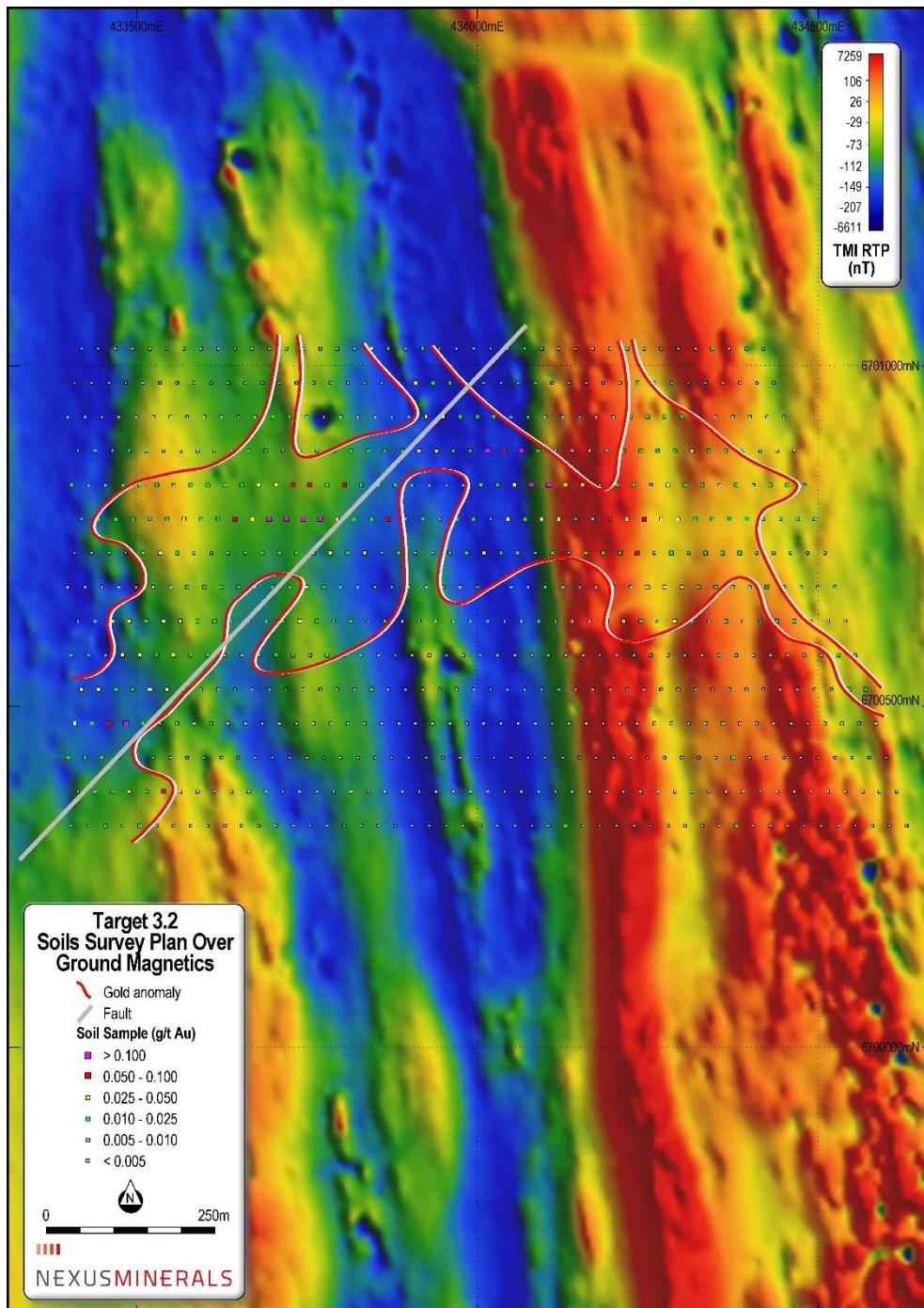


Figure 13. Wallbrook Regional Prospects (over Magnetics)

Target 3.2

The soil program at MC3.2 successfully identified a large gold soil anomaly with a +0.1g/t Au footprint of 1km X 0.7km hosted in the same mineralised corridor as Northern Star Resources historically mined Margaret gold deposit. Highest gold values correlate with the gravity lows and gravity gradients and supports Nexus’ broader exploration vectoring strategy on the project. The anomaly also shows a positive correlation with a northeast trending fault interpreted from the ground magnetic imagery. This is a known fertile structural setting implicated in controlling many of the neighbouring gold deposits. Ground truthing and drill program planning of the anomaly is underway.

Figure 14. Target MC3.2 Plan – Soil Survey Results (over Magnetics)



PINNACLES GOLD PROJECT

The Pinnacles Gold Project tenements cover approximately 125km². The tenement area is immediately to the south of Northern Star's Carosue Dam mining operation, which includes the Karari underground gold mine, currently in operation. The Carosue Dam district exhibits a large scale mineralised hydrothermal gold system having produced multi-million ounces of gold to date, and still today contains >4Moz gold in regional resources.

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

PINNACLES GOLD JV PROJECT

Nexus continues to assess the exploration potential of the Pinnacles Gold JV Project (Nexus 90% / NST 10%).

MT CELIA PROJECT

Field work continued during the year on the tenement package. Ground geological mapping and a ground magnetic survey was undertaken.

CRITICAL MINERALS

Nexus Minerals has secured the largest package of exploration tenure in NSW (extending south into Victoria) to undertake the search for critical minerals - lithium, caesium, tantalum, tin and copper. Very limited exploration for these critical minerals has taken place in this highly prospective geological terrain. Exploration from first principals will allow Nexus to ascertain and prioritise exploration of specific targets, allowing this large tenement holding (15,000km²) to be reduced in the medium term (Figure 15).

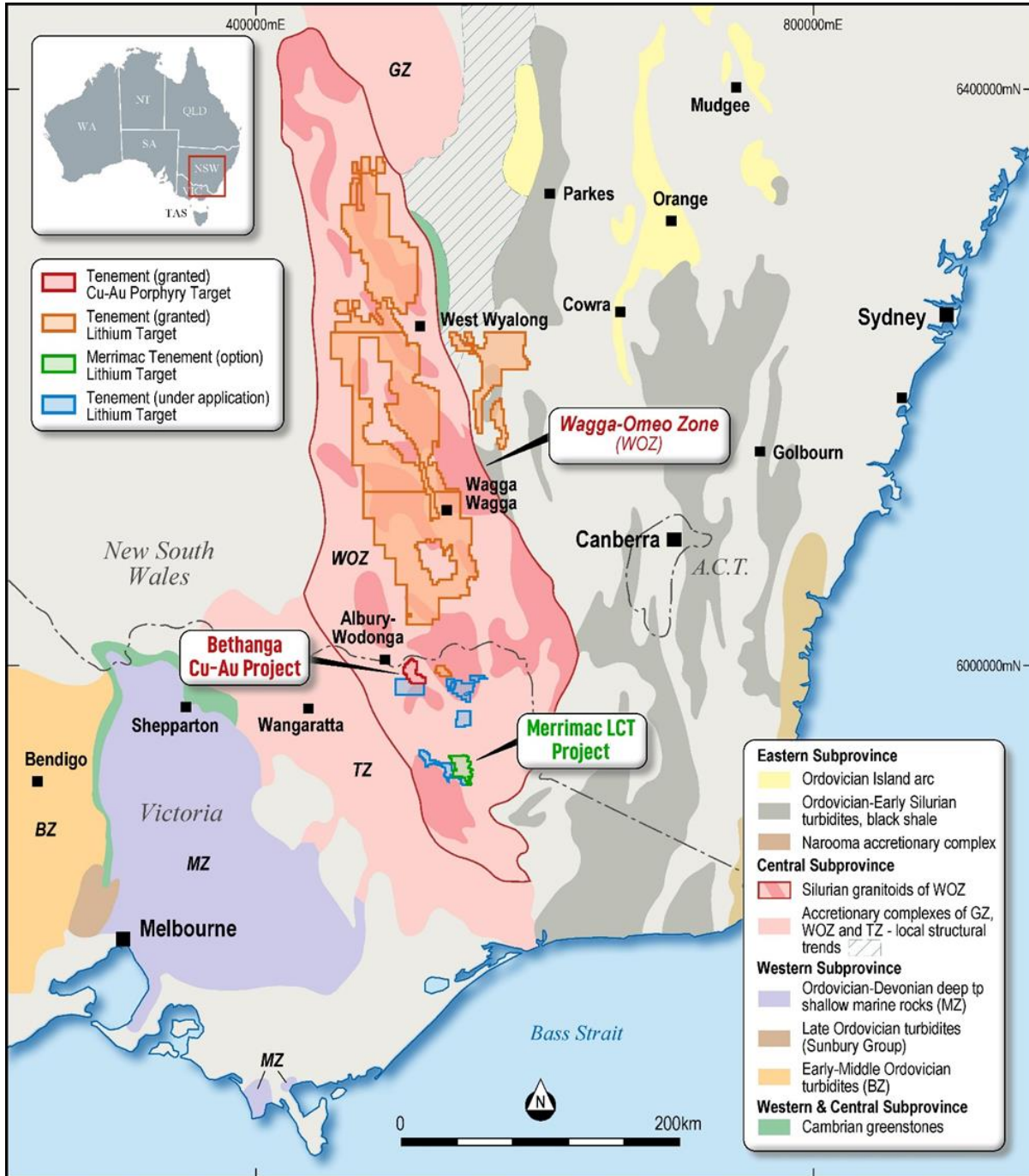


Figure 15: Nexus Critical Minerals Projects Location over Geology

BETHANGA PROJECT

The Bethanga porphyry Cu-Au project lies within the East Lachlan Fold Belt (ELFB). This belt has an endowment of more than 13 million tonnes of copper and 80 million ounces of gold. It hosts the Tier 1 Newcrest Cadia - Ridgeway deposits that represent some of the worlds most profitable producers. In addition, the ELFB hosts the long-life mining copper-gold operations at Northparkes and Cowal. The Bethanga project lies in a unique tectonic setting and has recently been recognised by the Geological Survey of Victoria as a region highly prospective for porphyry copper-gold style mineralisation.

Bethanga has historically been mined for copper and gold in the early 1900's (118kOz Au at 39g/t and 618t Cu) and there has seen no exploration activity since 1987. Nexus completed a Porphyry Cu-Au fertility assessment study at the Bethanga project during the 2023 reporting period. This included both a geophysical and geochemical assessment, conducted in tangent with the Company's research and development (R&D) project. Work completed and results are discussed below.

Geology

Geological mapping was carried out during the first six months of the financial year. In the north of the project the Bethanga granitic gneiss dominates. Gneiss is a foliated metamorphic rock identified by its bands of varying mineral composition. The mafic minerals show a preferred orientation that parallels the overall banding in the rock. Intense heat and pressure has metamorphosed the original granite into the gneiss. Moving south the rocks transition into more granitic composition and then granite porphyry. The hornblende-bearing granodiorite – diorite (magnetic) intrusives are seen in the south of the project area, in addition there are localised high silica and altered breccia units.

Rock chip Geochemistry

The rock chip geochemistry shows a zonation from north to south, with gold dominating the northern area, coincident with old historic gold workings of high-grade narrow veins. Copper dominates the central area and this is coincident with old historic copper workings again of high-grade narrow veins. In the south of the project area where the intrusive rock units are exposed a multi-element signature is seen.

Geological mapping and associated collection of rock chips and soil samples has shown a clear zonation of rock types, and associated prospectivity, from north to south of the project area.

Soil Geochemistry

Two soil geochemistry sampling programs have been completed at Bethanga. The first in 2021 was completed over the entire project area on a 250m x 250m offset grid. The 2022 follow-up program was completed in the southern area only on a 50m x 50m offset grid, over the area of interest highlighted in the 2021 survey. This area coincided with the area of most intense aeromagnetic response. The samples were dominantly residual soils, with minimal colluvium and alluvium sampled.

Elevated Cu & Ag results occur in the southern part of the project area and coincide with the mapped granodiorite-diorite outcrops. This zone then extends outwards to a ring of elevated base metal Pb & Zn. The remaining elements that may be enriched in the zone peripheral to a porphyry Cu system, being Mn, V, Sc, Ni and Co at Bethanga show a strong positive correlation with Fe consistent with scavenging of these elements onto secondary Fe hydroxides in the soil.

The soil geochemistry results are anomalous for some pathfinder elements, and fit the zonation pattern that suggests an expression of the upper portion of a porphyry Cu-Au system (Figure 16 &17).

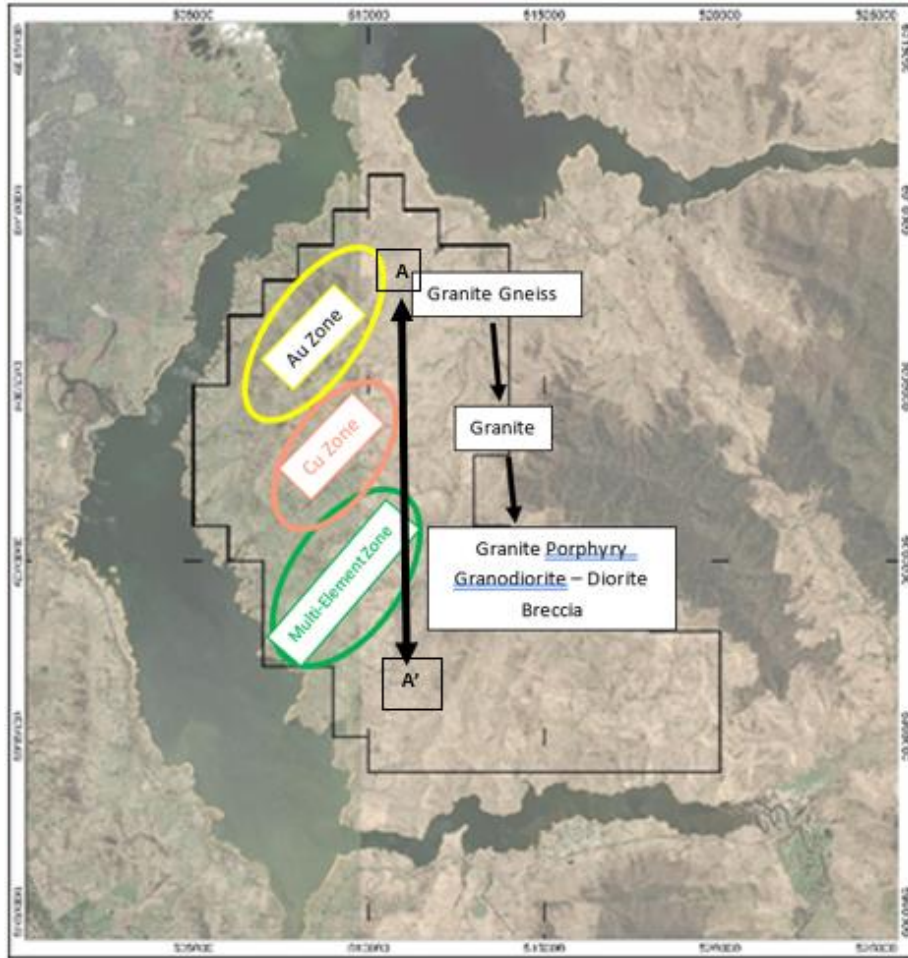


Figure 16. Geological Plan Exploration Model over Satellite Imagery (Cross section A-A' see below figure 17)

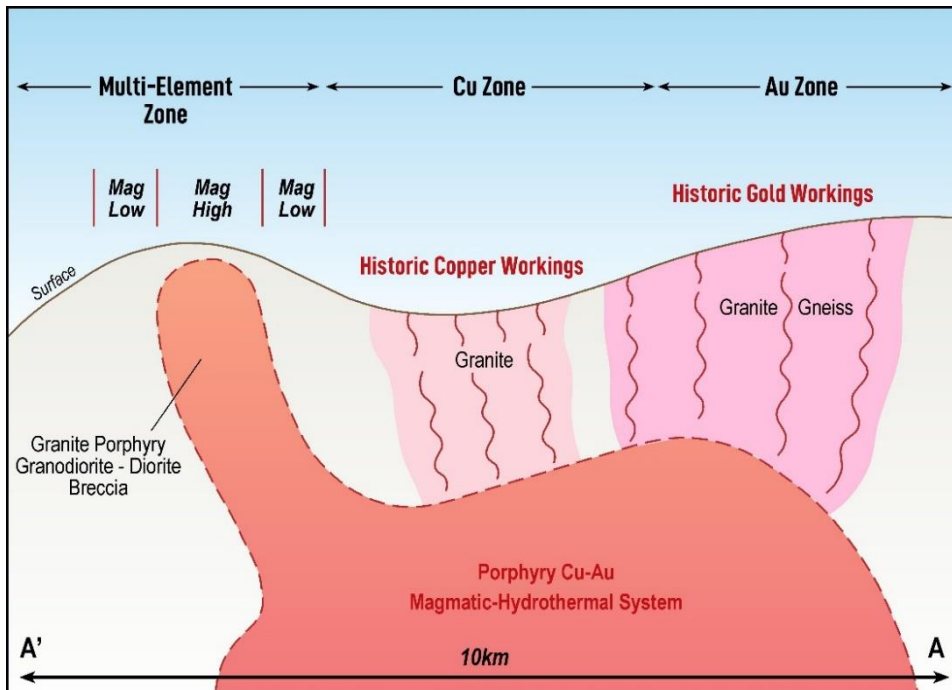


Figure 17: Geological Cross Section A-A' Exploration Model

Geophysics

The publicly available aeromagnetic data sets highlighted an area of 3km x 1.5km that appear to represent a large scale magnetic intrusive complex. Magnetic anomalies are commonly associated with mineralised porphyries as they represent the core “potassic zone” and hence provide excellent targets for drill testing.

The anomalous area identified from regional aeromagnetics was subjected to a detailed ground magnetics survey which has confirmed this zonation in magnetic response (Figure 18). Detailed geological mapping over the area has identified a multiple phase Granodiorite-Diorite (highly magnetic) intrusive complex. Magnetic susceptibility readings of the outcropping rock units have confirmed the diorite intrusion as the source of the magnetic high. The coincidence of the magnetic susceptibilities in the Granodiorite-Diorite (highly magnetic) intrusive complex over the aeromagnetic and ground magnetic data suggests that they are related to a larger intrusion at depth.

Additionally, rock chip samples from the magnetic low area surrounding the magnetic high, exhibit Na loss attributed to feldspar destructive hydrothermal alteration and the formation of well crystallised white mica (illite / muscovite) indicative of phyllic alteration (Phyllic Zone).

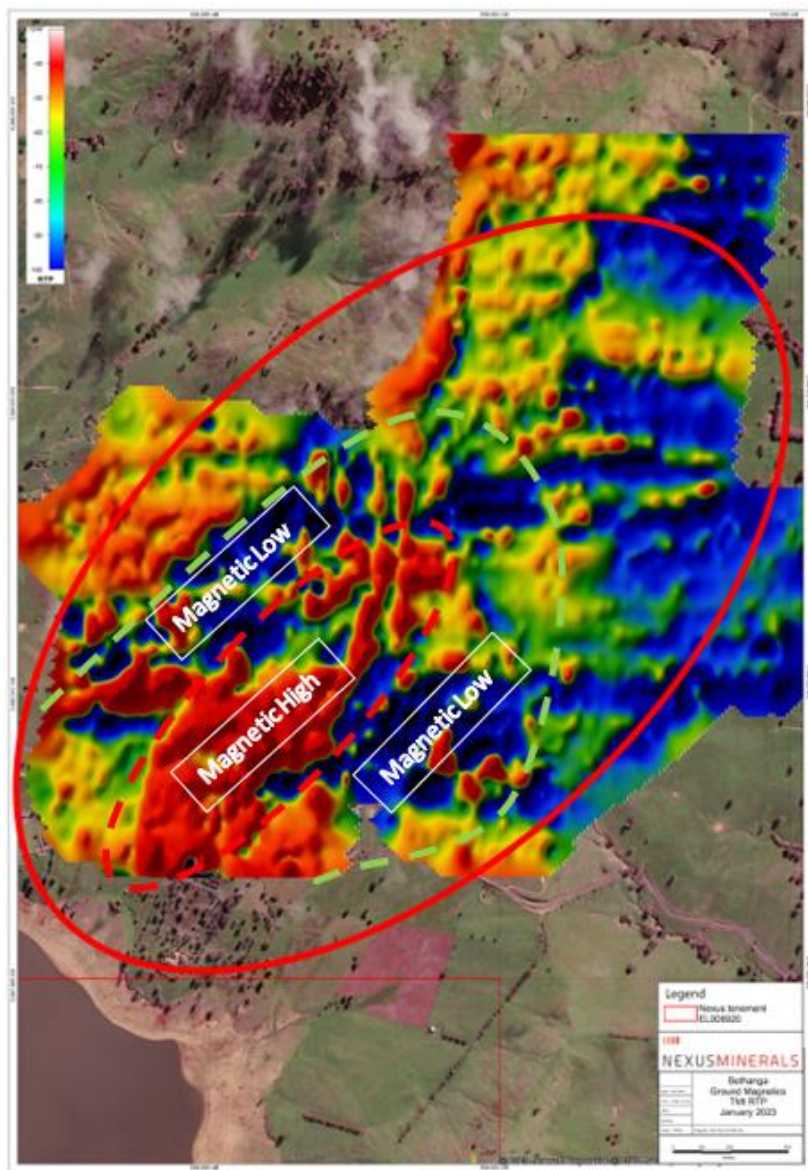


Figure 18. Detailed Ground Magnetics Image (TMI RTP)
(Anomalous area identified in air magnetics highlighted with red outline (3km x 1.5km))

Bethanga Fertility Study Conclusions

Exploration targeting for porphyry Cu-Au deposits rely on a range of geological, geochemical and geophysical methods to assist in the vectoring process and the refinement of an exploration model. In addition to a solid geological understanding of porphyry copper systems, the use of geochemical and litho-geochemical methods assist in defining the vertical and lateral footprint, or zonation, of a porphyry Cu-Au deposit. The use of SWIR and VNIR also greatly assist and complement the other geochemical methods being used. The primary core to porphyry Cu-Au systems is invariably magnetic and the results of the Bethanga aeromagnetics and high resolution ground magnetics surveys provide high-priority drill targets.

Nexus work to date has been interpreted to reflect the upper levels of a porphyry Cu-Au magmatic hydrothermal system at depth. This work will now allow the defining of targets for diamond drill testing.

MERRIMAC LCT PROJECT

Option Agreement

The Company entered into an option agreement to explore and acquire the Merrimac Project (Merrimac) in north-eastern Victoria in March 2023. Key terms and conditions agreed to for the Option to acquire the Merrimac Project (tenement EL007493) include:

- A \$10,000 non-refundable fee paid for a one-month due diligence period that was completed 13 March 2023.
- The Company successfully completed initial due diligence and paid a further \$90,000 non-refundable option fee to the Vendors (Option Fee). This Option Fee allows Nexus to have the exclusive right for a period of 9 months (Option Period) to undertake reconnaissance exploration activities on the tenements.
- At any time during the Option Period Nexus may elect to exercise the Option and have the vendors transfer the tenement to Nexus. The consideration for the acquisition of 100% of the Merrimac project being:
 - \$300,000 cash consideration; and
 - At Nexus' discretion either:
 - Payment of a further \$600,000 cash; or
 - The issue of fully paid ordinary shares in the capital of Nexus Minerals to the value of \$600,000, at a 7 day VWAP to the date Nexus issues the exercise notice, subject to shareholder approval.

Exploration

An initial field mapping and sampling campaign at the Merrimac Project successfully identified LCT pegmatites in the southwestern portion of the Merrimac exploration license (option tenement) over a potential 10km of prospective strike. Pegmatite dykes returned anomalous and high-grade lithium assays up to 2.85% Li₂O (Table 3). The true extent of the Merrimac pegmatite dykes remains to be determined with further field work required to fully assess the anomalous zone.

A total of 112 litho-geochemical samples were collected across various lithologies to assist in mapping. From these, 13 pegmatite rock chip samples have returned anomalous results greater than 0.20% Li₂O, with 5 samples 1.00% Li₂O or greater (Figure 19 & 20). Results are from preliminary field mapping exercises only with no comprehensive sampling undertaken. Key samples have been submitted to the laboratory for X-ray diffraction (XRD) analysis to accurately inform pegmatite mineralogy and dominant lithium bearing minerals.

Analysis of the rock chip samples included a multi-element suite. Several key ratios were used as fractionation indicators to assess system fertility, including K/Rb, K/Cs, Nb/Ta and Mg/Li. All ratios, in addition to the anomalous and high-grade lithium assays, support a high degree of fractionation and prospectivity for LCT mineralisation (Figure 21). The presence of historic tin workings located in the vicinity of the Merrimac project adds further support to project potential.

The Merrimac pegmatite dykes are located approximately 3km away from the S-type Mt. Wills granite which is considered the most likely source of the pegmatite occurrences. This is consistent with the interpreted source of the Dorchap dyke swarm situated north of the Mt Wills Granite (Hines et al. 2023).

The Mt. Wills Granite source further increases the prospectivity of the Nexus application licence (that abuts the Merrimac Project), which includes a greater area of exploration tenure within the ‘goldilocks zone’ (optimal distance from the source). Mapping identified the Merrimac dykes up to the boundary of the Nexus application licence, and key element ratios are anomalous on the boundary. The exploration team is currently assessing the project in light of the recent exploration success and planning further work for the Victorian field season.

Table 3: Merrimac LCT Project rock chip sampling results (>0.20% Li₂O)

Site ID	Easting	Northing	RL	Li ₂ O (%)	Cs (ppm)	Ta (ppm)	Be (ppm)	Nb (ppm)	Rb (ppm)	Sn (ppm)
NMMC069	540733	5932581	1102	0.82	20.0	45.5	9	127	442	692
NMMC080	540923	5932360	1085	1.00	44.6	175.0	132	112	540	2250
NMMC089	540957	5932330	1108	0.78	71.9	139.5	143	89	1030	1170
NMMC099	540918	5932370	1085	1.28	77.6	90.7	126	76	1355	1805
NMMC101	540736	5932587	1101	0.25	47.6	56.7	136	86	756	1235
NMMC117	540730	5932596	1101	1.36	59.7	60.3	110	66	1040	1095
NMMC118	540928	5932350	1096	0.23	62.8	67.6	52	54	1100	1375
NMMC122	540947	5932353	1096	0.43	154.5	6.8	12	28	1980	419
NMMC133	540718	5932594	1109	0.87	58.9	69.7	170	81	1055	636
NMMC137	540700	5932591	1116	0.78	47.9	38.7	47	56	1105	655
NMMC139	540699	5932591	1116	0.22	52.0	74.2	106	104	798	1220
NMMC141	540698	5932591	1116	2.85	52.7	29.4	36	36	626	562
NMMC143	540697	5932593	1116	1.11	108.0	193.5	192	132	1210	1845

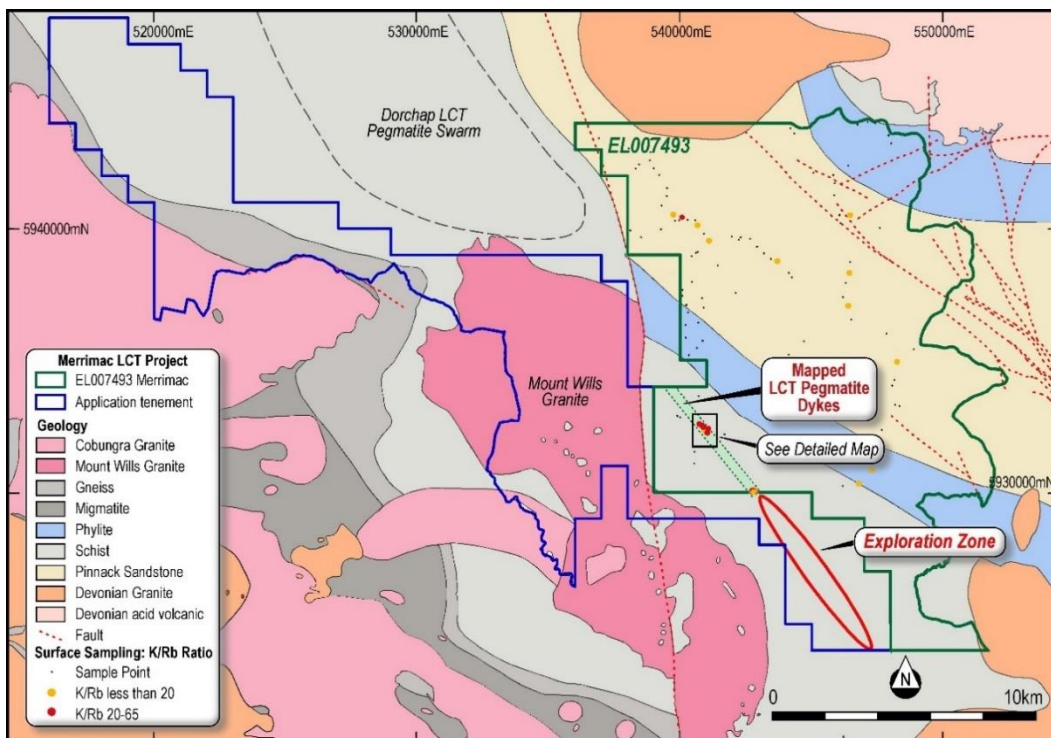


Figure 19: Merrimac LCT Project map

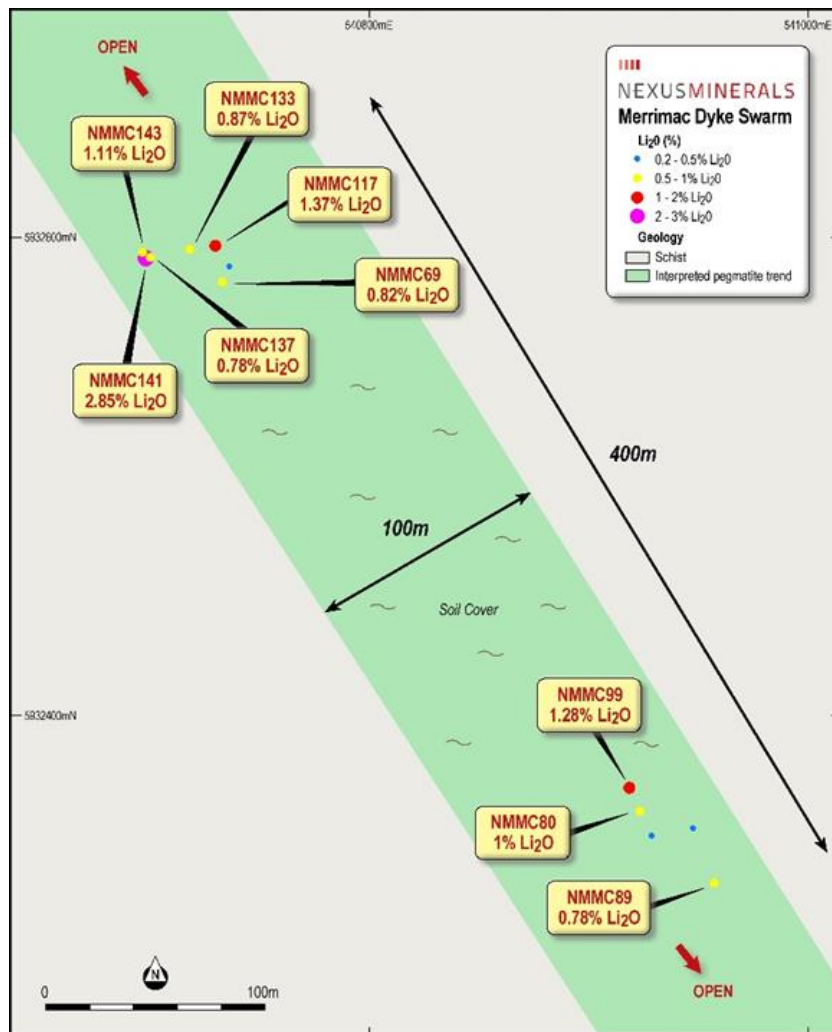


Figure 20: Merrimac LCT dykes rock chip assays (detailed map from Figure 18)

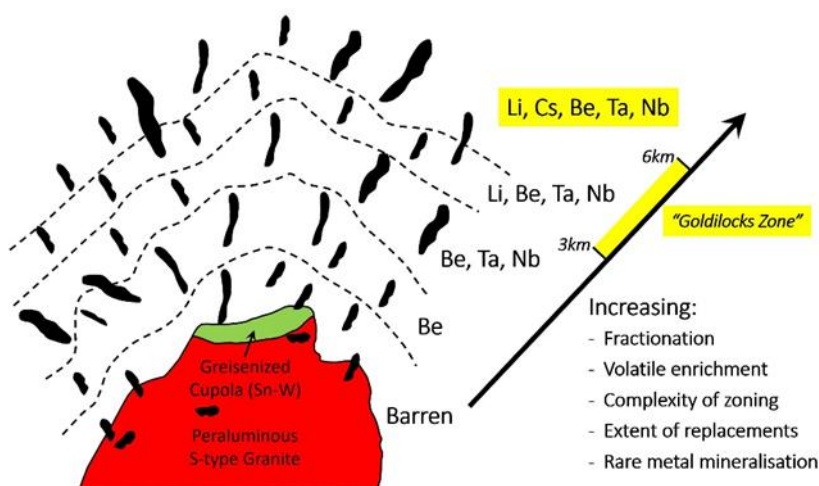


Figure 21: Detailed geochemical zoning of pegmatites from a fertile intrusive contact (From Steiner, 2019)

NSW Critical Minerals

Through analysis of geological and Litho-geochemical data sourced from the Lachlan Orogen's Wagga-Omeo Zone (WOZ) in southern New South Wales (NSW), Nexus successfully identified prospective reduced, fractionated, peraluminous S-type granites capable of supporting LCT pegmatite formation. Recognizing this opportunity, the Company has strategically positioned itself as a first mover on a regional scale, securing 15,000km² of granted critical minerals tenure.

Nexus has taken significant steps to leverage the best available government and open-file company geophysics surveys. These surveys have been compiled and re-processed, encompassing detailed magnetic, radiometric, and gravity data. To aid in the analysis, a comprehensive set of images and enhancements of the data have been generated, providing valuable insights for the ongoing exploration efforts (Figures 22 – 24).

The data will now be integrated with available government geological mapping, geochemical and petrological information with the following objectives:

1. Accurately map and refine the granite boundaries.
2. Categorise granites according to their geophysical signatures.
3. Identify S-type granites based on geophysical signature.
4. Identify granites with zoning evident in the geophysics.
5. Map large scale faults and structural trends that may be controlling pegmatite distribution.

The Nexus exploration team will analyse and interpret the results to refine priority target areas to initiate on ground exploration activities. Due to the size of the datasets involved the project area will be split into two halves, north and south. This interpretation exercise will be completed on the northern half of the project through the current quarter, with the geology team on track to begin reconnaissance, mapping and initial geochemical sampling in October. Given the scale and opportunity on the project, the exploration team remains focused on a methodical, science driven approach to identify large mineralising systems.

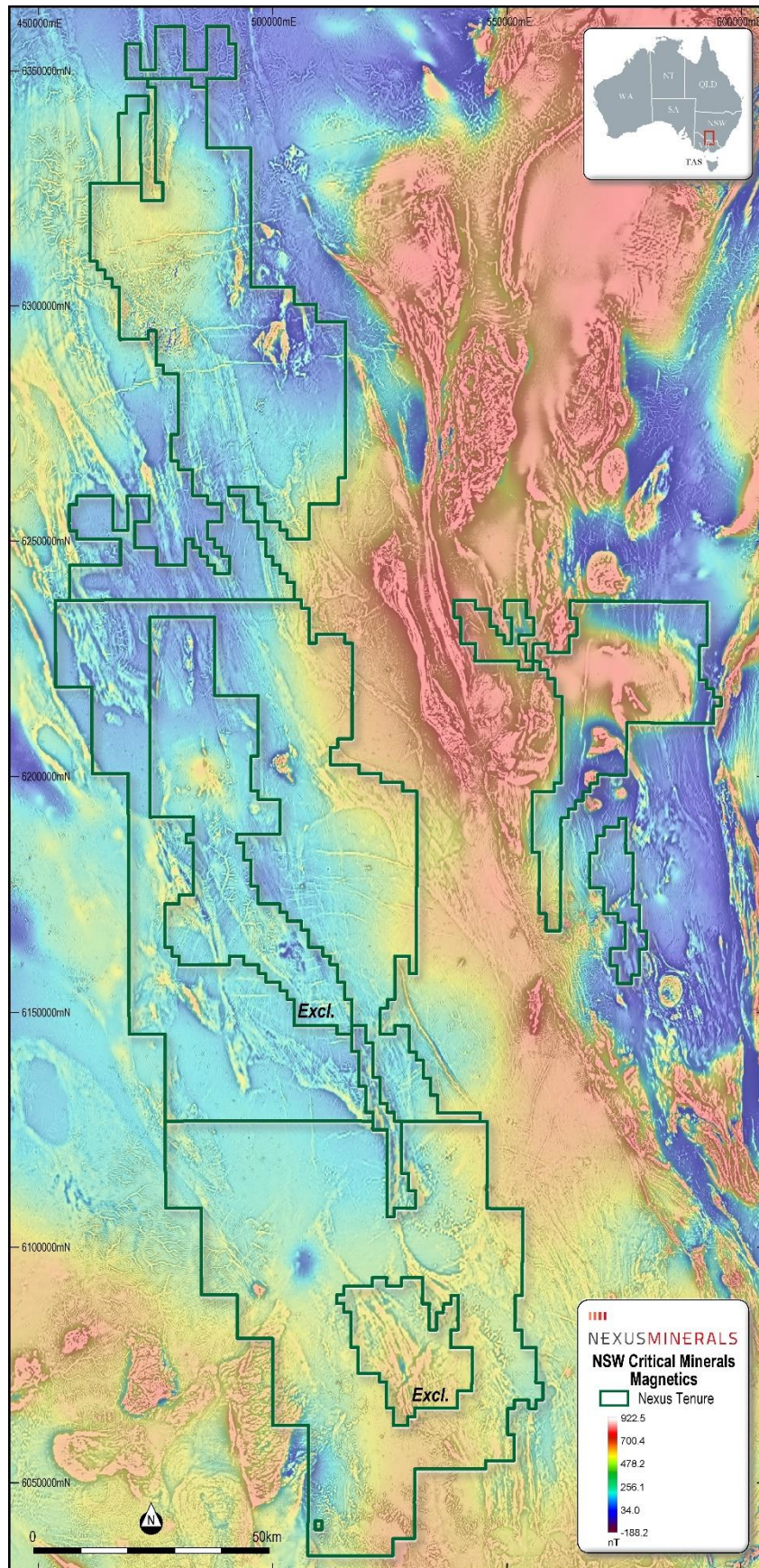


Figure 22: NSW critical minerals tenure over magnetics

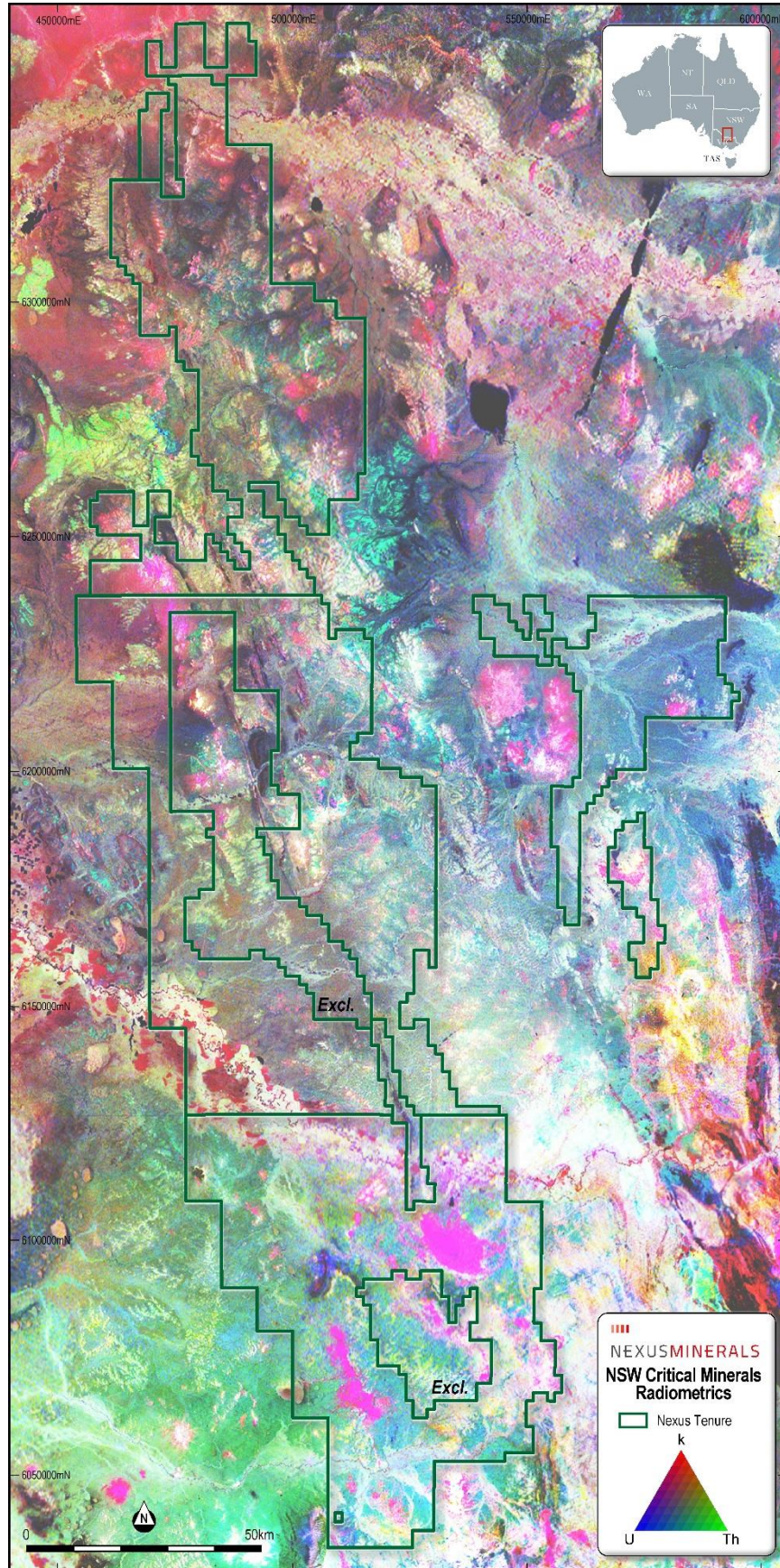


Figure 23: NSW critical minerals tenure over Radiometrics

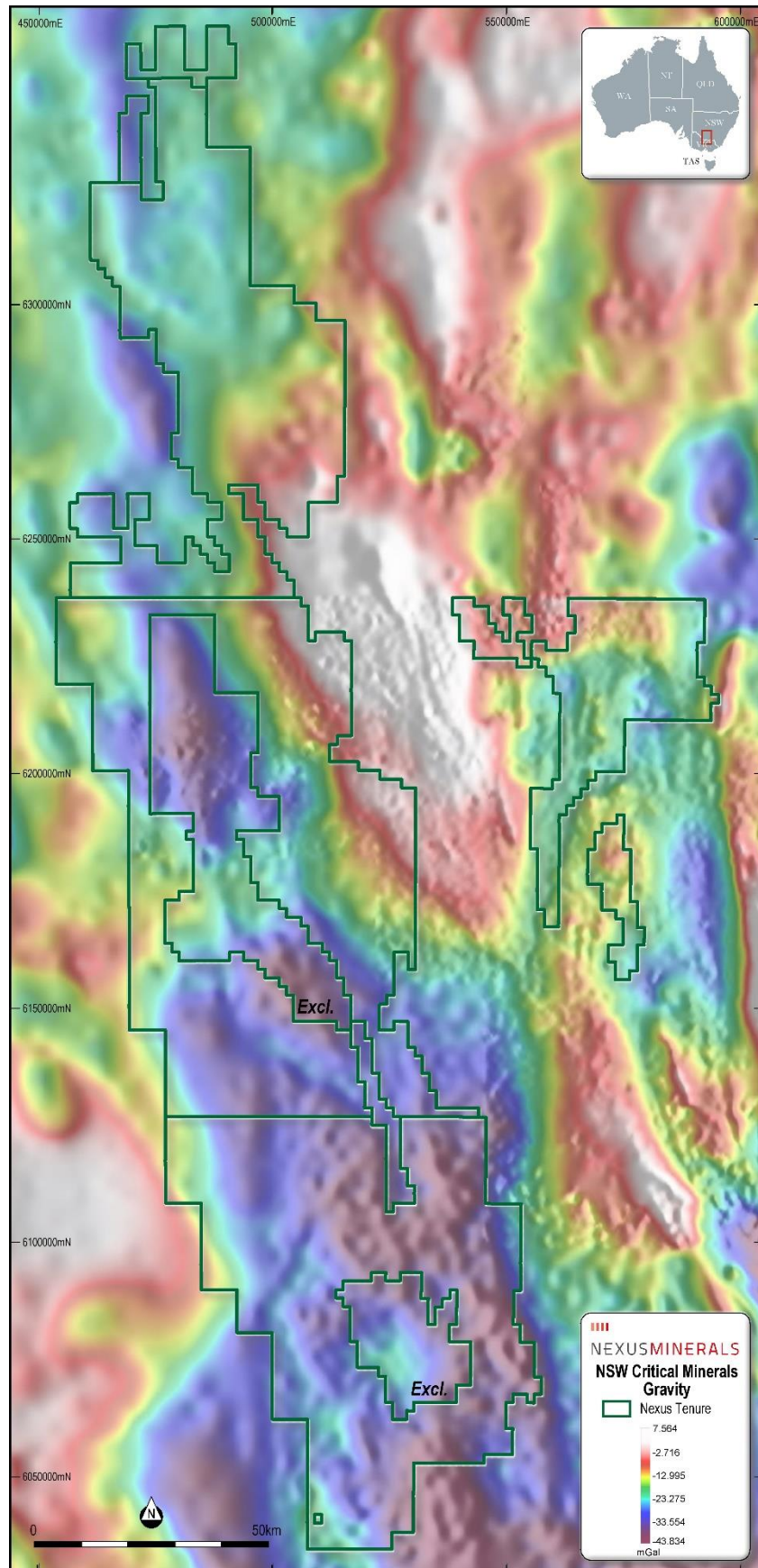


Figure 24: NSW critical minerals tenure over gravity

Granya Project

Field reconnaissance and mapping has now been completed at the Granya Project (northeast Victoria). Results are pending, with collation and interpretation of results to follow. A number of pegmatite dykes have been mapped, though fertility is yet to be established.

RESEARCH AND DEVELOPMENT PROJECT

In co-ordination with current exploration, Nexus runs a research and development (R&D) program. This program aims to development new scientific knowledge around automatic geology logging using drill chips / core imagery and the use of Portable X-ray fluorescence (pXRF) analysers. The program has potential to introduce cost and time efficiency gains in a range of industries, including mining and exploration. Nexus exploration activities are either partially or fully designed to achieve R&D project aims.

CORPORATE

A placement of approximately 27.8 million shares at A\$0.18 per share to raise \$5 million (before costs) was completed during September 2022. The placement proceeds are to advance drilling activities at the Crusader-Templar prospect and other regional exploration activities at the wider Wallbrook Gold Project and Bethanga Copper-Gold Project. Positive support was received from new and existing shareholders reflecting confidence in the Company's ongoing exploration activities.

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 at the Wallbrook Gold project, and other Company projects.

Nexus attended multiple conferences during the year and the Company's presentations were well received.

The Company held its Annual General Meeting on 23 November 2022. All resolutions were passed by the required majority on a poll.

5,000,000 unlisted options were issued to Directors during the year, approved at the Company's Annual General Meeting. The options have an exercise price of 27 cents and an expiry date of 22 November 2025.

Competent Person's Statement

The information in the report to which this statement is attached that relates to Mineral Resources based upon information compiled by Mr Andrew Bewsher, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Bewsher is a full-time employee of BM Geological Services Pty Ltd, consultants to Nexus Minerals Limited. Mr Bewsher 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'. Mr Bewsher consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The Exploration Target estimate has been prepared 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 release of the matters based on his information in the form and context in which it appears.

The information in this release 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 Adam James, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr James is the Exploration Manager and full-time employee of Nexus Minerals Limited. Mr James 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 James consents to the inclusion in the release 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 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.

The exploration results are available to be viewed on the Company website www.nexus-minerals.com. The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are present have not been materially modified from the original announcements of 13/10/2016, 7/2/2017, 6/9/2018, 20/9/2018, 16/10/18, 29/11/2018, 24/1/2019, 4/2/2019, 27/2/19, 15/3/2019, 2/4/2019, 9/4/2019, 16/4/2019, 18/4/2019, 29/5/2019, 8/7/2019, 28/8/2019, 8/10/2019, 21/10/2019, 27/2/2020, 13/3/2020, 21/4/2020, 29/6/2020, 15/7/2020, 16/7/2020, 24/7/2020, 13/8/2020, 28/8/2020, 1/8/2020, 5/10/2020, 19/10/2020, 2/11/2020, 17/11/2020 and 23/11/2020, 2/12/2020, 7/12/2020, 15/12/2020, 29/1/2021, 16/2/2021, 21/4/2021, 23/4/2021, 28/4/2021, 27/5/2021, 13/7/2021, 28/7/2021, 16/8/2021, 23/8/2021, 8/9/2021, 11/10/2021, 25/10/2021, 8/11/2021, 9/11/2021, 15/11/2021, 21/12/2021, 24/12/2021, 18/1/2022, 25/1/2022, 3/03/2022, 14/3/2022, 31/3/2022, 11/04/2022, 19/4/2022, 21/04/2022, 3/5/2022, 9/5/2022, 16/5/2022, 24/05/2022, 25/5/2022, 28/6/2022, 7/7/2022, 26/7/2022, 8/8/2022, 16/8/2022, 24/8/2022, 9/9/2022, 20/09/2022, 24/10/2022, 17/11/2022, 23/11/2022, 24/01/2023, 8/02/2023, 9/3/2023, 29/3/2023, 26/4/2023, 2/5/2023, 2/6/2023, 5/7/2023, 19/7/2023, 25/7/2023 and 28/8/2023.

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 (together referred to as the “Group”) for the financial year ended 30 June 2023 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 last 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.

During the last three years Mr Tudor has served as a director of OzAurum Resources Limited (5th August 2020 – 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).

Dr Mark Elliott – Non-Executive Director, appointed 6 October 2006, resigned 23 November 2022

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 – 1 August 2022); Astron Corporation Limited (18 January 2021 – present); Mako Gold Limited (14 March 2017 – 2 October 2020); and Chairman of AuKing Mining Limited (5 June 2021 – 1 October 2022).

Directors' Report

Phillip MacLeod – Company Secretary appointed 6 October 2006

B.Bus, FGIA, MAICD

Mr MacLeod has over 30 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	5	5
Andy Tudor	5	5
Bruce Maluish	5	5
Mark Elliott	2	1

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

3. Directors' and executives' interests

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

Directors	Fully Paid Ordinary Shares	Share Options
	Number	Number
Paul Boyatzis	9,448,566	4,000,000
Andy Tudor	4,300,000	4,000,000
Bruce Maluish	2,540,000	2,000,000

Directors' Report

4. Share options

Unissued shares under option

At the date of this Report, there are 16,500,000 options over unissued shares in Nexus Minerals Limited (2022: 18,500,000), as follows:

Number of Shares Under Option	Exercise Price of Options (cents)	Expiry Date of Options
4,000,000	68.0	9 November 2023
1,000,000	50.0	28 September 2024
6,500,000	68.0	9 November 2024
5,000,000	27.0	22 November 2025

Share options expired

During the year no options were cancelled (2022: nil) and no options expired (2022: nil).

Shares issued on exercise of options

8,000,000 ordinary shares were issued as a result of the exercise of options during the year (2022: 3,000,000).

Share options granted to directors and key management personnel

During the year, 5,000,000 share options were granted to directors of the Company and the entities they control as part of their remuneration (2022: 7,500,000).

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 \$8,829,818 (2022: \$21,103,023). As at 30 June 2023, the consolidated cash and cash equivalents balance was \$4,424,190 (30 June 2022: \$6,846,408), which is a decrease of \$2,422,218 compared to the prior year.

Information on the operations of the Group and its business strategies are set out on pages 4 to 32 of the Annual Report.

7. Financial Position

The consolidated 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.

At year end, the Group had \$4,424,190 (2022: \$6,846,408) in cash and cash equivalents and a working capital surplus of \$4,436,137 (2022: \$7,388,364). 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.

Directors' Report

8. Dividends

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

9. Events subsequent to reporting date

On 4 September 2023 the Company announced that it is undertaking a 1 for 5 renounceable entitlement issue at \$0.05 per share to raise up to approximately \$3.25 million (before costs). The issue is partially underwritten to \$2.0 million. For every 2 new shares subscribed, eligible shareholders will receive 1 free attaching option with an exercise price of \$0.13 each and an expiry date of 26 March 2025. The closing date for the entitlement issue is 26 September 2023.

Other than as described above, no matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated group's operations, the results of those operations, or the Group's state of affairs in future financial years.

10. 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.

11. 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.

12. 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

13. Remuneration report (audited)

13.1 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 2023. 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
Bruce Maluish	Non-executive Director
Mark Elliott	Non-executive Director (resigned 23 November 2022)

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

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 \$48,000 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.

13.2 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 39.

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

During the year ended 30 June 2023, 5,000,000 share options over unissued shares were granted to directors (2022: 6,000,000).

13.4 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 \$272,727 plus superannuation of 10.5% (11.0% from 1 July 2023).

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

Directors' Report

13. 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			Total	Post Employment	Other long-term	Termination benefit	Share-based Payments	Total	Proportion of remuneration performance related	Value of options as proportion of remuneration
	Salaries & fees	Cash Bonus	Non-monetary benefits		Superannuation benefits			Options & rights		%	%
Director	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
2023 Year											
Mr P Boyatzis	96,000	-	-	96,000	10,080	-	-	213,518	319,598	-	66.8%
Mr A Tudor	271,493	-	-	271,493	28,507	(7,243)	-	213,518	506,275	-	42.2%
Dr M Elliott	20,000	-	-	20,000	-	-	-	-	20,000	-	0.0%
Mr B Maluish	48,000	-	-	48,000	5,040	-	-	106,758	159,798	-	66.8%
Total	435,493	-	-	435,493	43,627	(7,243)	-	533,794	1,005,671	-	53.1%
2022 Year											
Mr P Boyatzis	96,000	-	-	96,000	9,600	-	-	497,339	602,939	-	82.5%
Mr A Tudor	272,727	75,000	-	347,727	27,273	39,083	-	497,339	911,422	-	54.6%
Dr M Elliott	45,000	-	-	45,000	-	-	-	248,670	293,670	-	84.7%
Mr B Maluish	43,500	-	-	43,500	4,350	-	-	248,670	296,520	-	83.9%
Total	457,227	75,000	-	532,227	41,223	39,083	-	1,492,018	2,104,551	-	70.9%

Directors' Report

13. Remuneration report (audited)

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

5,000,000 options over ordinary shares were granted as compensation to key management personnel during the current financial year (2022: 6,000,000) following shareholder approval at the Company's Annual General Meeting. Details of the share based payment expense are detailed below.

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

	Director Options
Dividend yield	nil%
Expected volatility	99.7%
Risk-free interest rate	3.28%
Expected life of option	3 years
Exercise price	27 cents
Grant date	23/11/2022
Grant date share price	19.0 cents
Amount recognised in statement of comprehensive income	\$533,794
Amount recognised in Equity	-

6,500,000 options that were previously granted to key management personnel as part of their compensation were exercised during the year by key management personnel (2022: nil). No options lapsed unexercised during the year (2022: nil).

13.6 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:

2023	Held at 1 July 2022	Granted as compensation	Received on exercise of options	Other changes	Held at 30 June 2023
Directors					
Mr P Boyatzis	7,448,566	-	2,000,000	-	9,448,566
Mr A Tudor	1,800,000	-	2,500,000	-	4,300,000
Mr B Maluish	1,540,000	-	1,000,000	-	2,540,000
Dr M Elliott	3,102,487	-	1,000,000	(4,102,487)*	-

Directors' Report

13. Remuneration report (audited)

2022	Held at 1 July 2021	Granted as compensation	Received on exercise of options	Other changes*	Held at 30 June 2022
Directors					
Mr P Boyatzis	7,448,566	-	-	-	7,448,566
Mr A Tudor	1,800,000	-	-	-	1,800,000
Mr B Maluish	1,540,000	-	-	-	1,540,000
Dr M Elliott	3,102,487	-	-	-	3,102,487

* Shares held at time of resignation

13.6 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:

2023	Held at 1 July 2022	Granted as compensation	Options exercised	Options held at resignation	Held at 30 June 2023	Vested during the year	Vested and exercisable at 30 June 2023
Directors							
Mr P Boyatzis	4,000,000	2,000,000	(2,000,000)	-	4,000,000	-	4,000,000
Mr A Tudor	4,500,000	2,000,000	(2,500,000)	-	4,000,000	-	4,000,000
Mr B Maluish	2,000,000	1,000,000	(1,000,000)	-	2,000,000	-	2,000,000
Dr M Elliott	2,000,000	-	(1,000,000)	(1,000,000)	-	-	-

2022	Held at 1 July 2021	Granted as compensation	Options exercised	Options expired	Held at 30 June 2022	Vested during the year	Vested and exercisable at 30 June 2022
Directors							
Mr P Boyatzis	2,000,000	2,000,000	-	-	4,000,000	-	4,000,000
Mr A Tudor	2,500,000	2,000,000	-	-	4,500,000	-	4,500,000
Mr B Maluish	1,000,000	1,000,000	-	-	2,000,000	-	2,000,000
Dr M Elliott	1,000,000	1,000,000	-	-	2,000,000	-	2,000,000

End of remuneration report (audited)

Directors' Report

14. Non-audit services

During the year, Nexia Perth Pty Ltd performed certain other services for Nexus Minerals Limited for the year ended 2023.

The Board has considered the non-audit services provided during the year and resolved that it is satisfied that the provision of those non-audit services during the year by the Nexia Perth Pty Ltd 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.

15. 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 43.

16. 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 this 21st day of September 2023

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

To the Board of Directors of Nexus Minerals Limited,

As lead auditor for the audit of the financial statements of Nexus Minerals Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen

Director

Perth, Western Australia

21 September 2023

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Revenue from continuing operations	3	-	261,986
Other income	3	49,000	460,200
Exploration expenditure expensed as incurred		(7,019,526)	(18,877,273)
Employee benefits		(342,106)	(259,103)
ASX and regulatory expenses		(128,070)	(137,057)
Depreciation	16, 17	(126,834)	(81,078)
Directors' fees		(179,120)	(198,450)
Insurance		(48,492)	(34,142)
Legal and professional fees		(131,171)	(122,820)
Marketing and promotion		(179,645)	(185,526)
Travel expenses		(2,006)	(2,030)
Occupancy expenses		(69,158)	(68,501)
Share-based compensation	25	(533,794)	(1,769,003)
Loss on disposal of plant and equipment		(976)	-
Other expenses		(216,811)	(98,504)
Loss for the year before financial income		(8,928,709)	(21,111,301)
Financial income		110,681	17,259
Financial expenses		(11,790)	(8,981)
Net financial income	5	98,891	8,278
Loss from continuing operations before tax		(8,829,818)	(21,103,023)
Income tax expense	8	-	-
Loss for the year		(8,829,818)	(21,103,023)
Other comprehensive income			
Items that may not be reclassified to profit and loss			
Net change in the fair value of financial assets	14	(53,209)	(242,625)
Other comprehensive income for the year net of tax		(53,209)	(242,625)
Total comprehensive loss for the year		(8,883,027)	(21,345,648)
Earnings/(loss) per share			
Basic and diluted loss per share	7	(2.8) cents	(7.7) cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Current assets			
Cash and cash equivalents	10	4,424,190	6,846,408
Trade and other receivables	11	144,323	923,903
Other financial assets	12	134,196	132,812
Other assets	13	203,864	97,021
Total current assets		4,906,573	8,000,144
Non-current assets			
Financial assets	14	219,041	272,250
Exploration and evaluation assets	15	1,125,160	1,125,160
Right-of-use asset	16	91,344	127,881
Plant and equipment	17	306,619	360,621
Total non-current assets		1,742,164	1,885,912
Total assets		6,648,737	9,886,056
Current liabilities			
Trade and other payables	18	298,839	486,559
Lease liabilities	19 a)	46,119	31,772
Provisions	20 a)	125,478	93,449
Total current liabilities		470,436	611,780
Non-current liabilities			
Lease liabilities	19 b)	77,670	120,587
Provisions	20 b)	2,635	51,329
Total non-current liabilities		80,305	171,916
Total liabilities		550,741	783,696
Net assets		6,097,996	9,102,360
Equity			
Issued capital	21	55,232,173	49,755,368
Reserves	22	2,087,761	1,739,112
Accumulated losses	23	(51,221,938)	(42,392,120)
Total equity		6,097,996	9,102,360

The accompanying notes form part of these financial statements.

Consolidated Statement of Cashflows

For the Year Ended 30 June 2023

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Cash flows from operating activities			
Receipts from exploration and related activities		75,000	448,960
Receipts from government grants		-	247,226
Interest received		104,807	8,359
Interest paid		(8,587)	(2,772)
Exploration expenditure		(6,499,507)	(17,787,665)
Payments to suppliers and employees		(2,044,764)	(1,867,098)
Net movement in GST		775,007	(759,100)
Net cash used in operating activities	28(b)	(7,598,044)	(19,712,090)
Cash flows from investing activities			
Cash transferred to term deposit		-	(74,856)
Payments for purchase of plant and equipment		(42,271)	(336,625)
Proceeds from sale of plant and equipment		5,000	-
Payments for exploration interests		(100,000)	(300,000)
Net cash (used in)/provided by investing activities		(137,271)	(711,481)
Cash flows from financing activities			
Proceeds from issue of shares		5,000,000	19,000,000
Proceeds from exercise of options		555,000	300,000
Share issue expenses		(210,131)	(1,012,669)
Repayment of lease liabilities		(31,772)	(14,327)
Net cash provided by financing activities		5,313,097	18,273,004
Net increase/(decrease) in cash and cash equivalents		(2,422,218)	(2,150,567)
Cash and cash equivalents at 1 July		6,846,408	8,996,975
Cash and cash equivalents at 30 June	10	4,424,190	6,846,408

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

30 June 2023	Issued Capital \$	Accumulated Losses \$	Share-based Payment Reserve \$	Fair value Reserve \$	Total Equity \$
Balance at 1 July 2022	49,755,368	(42,392,120)	2,872,362	(1,133,250)	9,102,360
Total comprehensive loss for the year					
Loss for the year	-	(8,829,818)	-	-	(8,829,818)
Other comprehensive income					
Change in the fair value of financial assets	-	-	-	(53,209)	(53,209)
Total comprehensive loss for the year	-	(8,829,818)	-	(53,209)	(8,883,027)
Transactions with owners of the Company recognised directly in equity					
Issue of options	-	-	533,794	-	533,794
Shares issued on conversion of options	686,936	-	(131,936)	-	555,000
Issue of shares for cash	5,000,000	-	-	-	5,000,000
Share issue costs	(210,131)	-	-	-	(210,131)
Total transactions with owners of the Company	5,476,805	-	401,858	-	5,878,663
Balance at 30 June 2023	55,232,173	(51,221,938)	3,274,220	(1,186,459)	6,097,996

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

30 June 2022	Issued Capital \$	Accumulated Losses \$	Share-based Payment Reserve \$	Fair value Reserve \$	Total Equity \$
Balance at 1 July 2021	31,683,130	(21,289,097)	188,265	(890,625)	9,691,673
Total comprehensive loss for the year					
Loss for the year	-	(21,103,023)	-	-	(21,103,023)
Other comprehensive income					
Change in the fair value of financial assets	-	-	-	(242,625)	(242,625)
Total comprehensive loss for the year	-	(21,103,023)	-	(242,625)	(21,345,648)
Transactions with owners of the Company recognised directly in equity					
Issue of options	-	-	2,740,426	-	2,740,426
Shares issued on conversion of options	356,329	-	(56,329)	-	300,000
Issue of shares for cash	19,000,000	-	-	-	19,000,000
Issue of shares for project acquisition	700,000	-	-	-	700,000
Share issue costs	(1,984,091)	-	-	-	(1,984,091)
Total transactions with owners of the Company	18,072,238	-	2,684,097	-	20,756,335
Balance at 30 June 2022	49,755,368	(42,392,120)	2,872,362	(1,133,250)	9,102,360

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

1. Significant Accounting Policies

Nexus Minerals Limited (the “Company” or “Parent”) is a company domiciled in Australia. The financial report of the Company and its subsidiaries (together referred to as the “Group”) is for the year ended 30 June 2023.

a) Statement of Compliance

These consolidated 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 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 21 September 2023.

b) Basis of Preparation

The consolidated 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 Group’s functional currency, unless otherwise noted.

c) 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 \$8,829,818 (2022: \$21,103,023) and a cash outflow from operating activities of \$7,598,044 (2022: \$19,712,090).

At year end, the Group had \$4,424,190 (2022: \$6,846,408) in cash and cash equivalents and a working capital surplus of \$4,436,137 (2022: \$7,388,364). 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.

d) 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 2023. 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.

e) Basis of Consolidation

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.

f) Revenue Recognition

1. Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income 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. 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.

3. Other Revenue

The Group's other revenue consists of charges for the use of the Company's exploration camp by third parties, primarily drilling contractors. Revenue is recognised when the performance obligation has been performed.

g) Plant and Equipment

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.

h) 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.

i) 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.

j) 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

k) 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.

l) 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.

m) Provisions

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

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

When some or all 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.

n) Goods and Services Tax

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

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

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

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

o) Exploration and evaluation

Exploration and evaluation costs, excluding the costs of acquiring licences, are expensed as incurred. Acquisition costs will be assessed on a case by case basis and, if appropriate, they will be capitalised 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.

p) Earnings per Share

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

q) Segment Reporting

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

r) 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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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 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.

s) Impairment of financial assets

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.

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 2023

t) 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.

u) 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.

v) 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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.

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.

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 2023

	Consolidated 2023 \$	Consolidated 2022 \$
3. (a) Revenue		
Joint Venture contribution	-	14,760
R & D tax incentive	-	247,226
	-	261,986
3. (b) Other income		
Camp usage fees	49,000	460,200
	49,000	460,200
4. Loss before income tax		
Loss before income tax expense has been arrived at after charging the following items:		
Depreciation	126,834	81,078
5. Financing income		
Interest income	110,681	17,259
Interest expense	(11,790)	(8,981)
	98,891	8,278
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	38,527	35,364
	38,527	35,364
Taxation and other services:		
Nexia Perth Pty Ltd	21,950	8,750
	21,950	8,750

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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	(2.8) cents	(7.7) cents
Loss per share – continuing operations	(2.8) cents	(7.7) cents
a) Number of ordinary shares on issue at 30 June	325,453,309	289,675,531
Weighted average number of shares used in calculation of basic and diluted loss per share	315,897,753	271,484,096
b) Loss used in calculating basic and diluted loss per share	\$8,829,818	\$21,103,023
c) Loss used in calculating basic and diluted loss per share in continued operations	\$8,829,818	\$21,103,023

The Company's potential ordinary shares, being options granted, are not considered dilutive as conversion of these options to shares would result in a decrease in the net loss per share.

	Consolidated 2023 \$	Consolidated 2022 \$
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	-	-

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
8. Income taxes (continued)		
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	(8,829,818)	(21,103,023)
Income tax expense/(income) calculated at 30% (2022: 30%)	(2,648,945)	(6,330,907)
Prior year under-provision	-	170,501
Effect of expenses that are not deductible in determining taxable profit	160,138	530,701
Effect of revenues that are not assessable in determining taxable profit	-	(74,168)
Effect of temporary differences that would be recognised directly in equity	(78,926)	(376,589)
Other temporary differences not recognised	-	(5,015)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	2,567,733	6,085,477
Income tax expense/(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2022: 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 2023

	Consolidated 2023 \$	Consolidated 2022 \$
8. Income taxes (continued)		
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses – revenue	13,926,769	11,197,710
Temporary differences	698,805	865,314
	14,625,574	12,063,024
Deferred tax assets/(liabilities) not recognised in respect of the following items:		
Items capitalised for tax purposes	(24,777)	16,861
Trade and other receivables	(1,253)	(56)
Trade and other payables	7,455	7,166
Employee benefits	38,434	43,433
Financial assets	355,938	339,975
Right-of-use lease liability	37,137	46,108
Other future deductions	313,274	444,846
Right-of-use asset	(27,403)	(33,019)
Tax losses carry forward	13,926,769	11,197,710
Total deferred tax assets not recognised	14,625,574	12,063,024

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2023 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 2023

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:

	Note	Carrying amount	
		Consolidated 2023 \$	Consolidated 2022 \$
Cash and bank balances	10	4,424,190	6,846,408
Trade and other receivables	11	44,456	38,028
Term deposit investments	12	134,196	132,812

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

Credit Risk

None of the Company's trade and other receivables are past due (2022: \$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 2023				
Trade and other payables	267,584	(267,584)	(267,584)	-
Lease liabilities	123,789	(123,789)	(22,310)	(101,479)
	391,373	(391,373)	(289,894)	(101,479)
30 June 2022				
Trade and other payables	456,648	(456,648)	(456,648)	-
Lease liabilities	152,359	(152,359)	(10,371)	(141,988)
	609,007	(609,007)	(467,019)	(141,988)

The weighted average interest rate on lease liabilities is 8.35% (2022: 8.35%)

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

Profile

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

	Consolidated 2023		Consolidated 2022	
	Carrying amount \$	Weighted Average Interest rate %	Carrying amount \$	Weighted Average Interest rate %
Fixed rate instruments				
Term deposit investments	134,196	3.92	132,812	0.61
Variable rate instruments				
Cash and bank balances	4,424,190	4.10	6,846,408	0.71

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 2022.

	Equity		Profit and Loss	
	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2023				
Variable rate instruments	44,242	(44,242)	44,242	(44,242)
30 June 2022				
Variable rate instruments	68,464	(68,464)	68,464	(68,464)

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).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2023 and 30 June 2022.

Consolidated 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets	219,041	-	-	219,041

Consolidated 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets	247,250	25,000	-	272,250

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 134% and a risk free interest rate of 2.42% 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.

	Consolidated 2023 \$	Consolidated 2022 \$
10. Cash and cash equivalents		
Cash at hand	67	68
Cash at bank	4,424,123	6,846,340
	4,424,190	6,846,408
	%	%
Weighted average interest rate	4.10	0.71

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
11. Trade and other receivables		
Current		
Trade receivables	-	28,600
GST/WHT receivable	99,866	885,874
Interest receivable	43,932	8,904
Other receivables	525	525
	144,323	923,903

Trade and other receivables are non-interest bearing.

12. Other financial assets

Current

Term deposit investments	134,196	132,812
	134,196	132,812

Term deposit investments comprise term deposits with a maturity date of 6 to 12 months and attract a weighted average interest rate of 3.92% (2022: 0.61%).

13. Other assets

Current

Prepayments	42,408	45,565
Deposit paid	160,000	50,000
Withholding tax	1,456	1,456
	203,864	97,021

14. Financial assets

Non-current

Fair value at beginning of the year	272,250	514,875
Additions	-	-
Revaluation taken to reserve	(53,209)	(242,625)
Fair value at end of the year	219,041	272,250

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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15. Exploration and evaluation assets

Non-current

Balance at beginning of the year	1,125,160	125,160
Balance at end of the year	1,125,160	1,125,160

The reconciliation of exploration assets is as follows:

Opening carrying value	1,125,160	125,160
Acquisition of Bethanga Project	-	1,000,000
Closing carrying value	1,125,160	1,125,160

During the prior year, as announced to the ASX on 24 December 2021, the Company exercised its option to acquire Jamieson Minerals Pty Ltd, holder of the Bethanga Project. At settlement, on 28 January 2022, the Company paid total consideration of \$1,000,000, being \$300,000 in cash and \$700,000 in fully paid Nexus Minerals Limited shares (1,219,512 fully paid ordinary shares at an issue price of \$0.574 each).

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 the reporting date the exploration projects have not reached a stage where this determination can be made.

16. Right-of-use asset

Non-current

Carrying value

Land and buildings – Cost	146,150	146,150
Less: Accumulated amortisation	(54,806)	(18,269)
	91,344	127,881

During the prior year the Company renewed the lease for its principal office for a term of 4 years with 2 options to extend, each for a further 2 years. The additional right-of-use asset of \$146,150 replaced the existing right-of-use asset of \$117,927.

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

Opening carrying value	127,881	133,725
Termination of the lease agreement	-	(117,927)
Additions	-	146,150
Amortisation	(36,537)	(34,067)
Closing carrying value	91,344	127,881

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
17. Plant and equipment		
Exploration equipment at cost	139,503	142,306
Accumulated depreciation	(49,635)	(23,168)
	89,868	119,138
Leasehold improvements at cost	95,691	85,211
Accumulated amortisation	(34,707)	(13,483)
	60,984	71,728
Computer & office equipment at cost	205,899	178,741
Accumulated depreciation	(113,552)	(83,137)
	92,347	95,604
Motor vehicle at cost	85,845	85,845
Accumulated depreciation	(22,425)	(11,694)
	63,420	74,151
Total carrying value	306,619	360,621
The reconciliation of plant and equipment is as follows:		
Opening carrying value	360,621	71,007
Additions	42,271	336,625
Disposals at carrying value	(5,976)	-
Depreciation	(90,297)	(47,011)
Closing carrying value	306,619	360,621

18. Trade and other payables

Current

Trade creditors and accruals	298,839	486,559
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All trade creditors and accruals are non-interest bearing.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
19. Lease liabilities		
a) Current		
Lease liabilities	46,119	31,772
b) Non-current		
Lease liabilities	77,670	120,587

The Group leases office premises. The lease term is 4 years with 2 options to extend, each 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
<i>30 June 2023</i>			
Lease payments	54,350	54,888	27,444
Interest	(8,231)	(4,192)	(470)
Net present value	46,119	50,696	26,974

	Lease payments due \$		
	<1 year	1-2 years	>2 years
<i>30 June 2022</i>			
Lease payments	40,359	54,350	82,332
Interest	(8,587)	(8,231)	(4,662)
Net present value	31,772	46,119	77,670

	Consolidated 2023 \$	Consolidated 2022 \$
20. Provisions		
a) Current		
Annual Leave	68,656	86,020
Long service leave	56,822	7,429
	125,478	93,449
b) Non-current		
Long service leave	2,635	51,329

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Company 2023 \$	Company 2022 \$
21. Share capital		
Fully paid ordinary shares	55,232,173	49,755,368

<i>Movements during the year</i>	2023 Number	2023 \$	2022 Number	2022 \$
Balance at beginning of year	289,675,531	49,755,368	244,151,671	31,683,130
Shares issued for cash	27,777,778	5,000,000	41,304,348	19,000,000
Shares issued on conversion of options	8,000,000	686,936	3,000,000	356,329
Shares issued on acquisition of Jamieson Minerals Pty Ltd	-	-	1,219,512	700,000
Transaction costs arising on share issues	-	(210,131)	-	(1,984,091)
Balance at end of year	325,453,309	55,232,173	289,675,531	49,755,368

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				Balance at end of year
		Issued	Exercised	Lapsed		
0.065	15/11/2022	7,000,000	-	(7,000,000)	-	
0.100	26/08/2022	1,000,000	-	(1,000,000)	-	
0.500	28/09/2024	1,000,000	-	-	1,000,000	
0.680	09/11/2023	4,000,000	-	-	4,000,000	
0.680	09/11/2024	6,500,000	-	-	6,500,000	
0.270	22/11/2025	-	5,000,000	-	5,000,000	
		19,500,000	5,000,000	(8,000,000)	-	

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
22. Reserves		
Share-based payment reserve	3,274,220	2,872,362
Fair value reserve	(1,186,459)	(1,133,250)
	2,087,761	1,739,112
Movements:		
<i>Share-based payment reserve</i>		
Balance at beginning of year	2,872,362	188,265
Options exercised during the year	(131,936)	(56,329)
Share-based payments issued	533,794	2,740,425
Balance at end of year	3,274,220	2,872,361
<i>Assets classified as Fair value through OCI</i>		
Balance at beginning of year	(1,133,250)	(890,625)
Increase/(decrease) in fair value recognised in reserve	(53,209)	(242,625)
Balance at end of year	(1,186,459)	(1,133,250)

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 2023 \$	Consolidated 2022 \$
23. Accumulated losses		
Balance at beginning of year	42,392,120	21,289,097
Expiry of options	-	-
Loss for the year	8,829,818	21,103,023
Balance at end of year	51,221,938	42,392,120

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

	Consolidated 2023 \$	Consolidated 2022 \$
24. Commitments		
Exploration Expenditure Commitments		
<i>Minimum exploration expenditure</i>		
Not later than 1 year	799,800	731,000
Later than 1 year but not later than 5 years	2,324,344	1,932,447
Later than 5 years	427,882	750,382
	3,552,026	3,413,829

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

25. Share-based payments

During the year the Company issued 5,000,000 unlisted options (2022: 11,500,000). Details of the share based payment expense are detailed below. 5,000,000 unlisted options were granted to Directors following shareholder approval at the Company's Annual General Meeting.

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

	Director Options
Dividend yield	nil%
Expected volatility	99.7%
Risk-free interest rate	3.28%
Expected life of option	3 years
Exercise price	27 cents
Grant date	23/11/2022
Grant date share price	19.0 cents
Amount recognised in statement of comprehensive income	\$533,794
Amount recognised in Equity	-

During the year a total of \$533,794 (2022: \$1,769,003) was recognised in comprehensive income and \$Nil (2022: \$971,422) was recognised in equity.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.12	1,000,000	28 September 2021	28 September 2024	0.500	146,255
Option series No.13	6,000,000	10 November 2021	9 November 2024	0.680	1,492,018
Option series No.14	4,000,000	22 November 2021	9 November 2023	0.680	971,422
Option series No.15	500,000	30 November 2021	9 November 2024	0.680	130,730
Option series No.16	5,000,000	23 November 2022	22 November 2025	0.270	533,794

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

Nexus Minerals Limited	2023		2022	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	19,500,000	0.420	11,000,000	0.077
Exercised during the year	(8,000,000)	0.069	(3,000,000)	0.100
Expired during the year	-	-	-	-
Granted during the year	5,000,000	0.270	11,500,000	0.664
Outstanding at the end of the year	16,500,000	0.545	19,500,000	0.420
Exercisable at the end of the year	16,500,000	0.545	19,500,000	0.420

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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)
Mr B Maluish
Dr M Elliott (resigned 23 November 2022)

Executive Director

Mr A Tudor

a) Key management personnel compensation

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

	Consolidated 2023 \$	Consolidated 2022 \$
Short-term employee benefits	435,493	532,227
Share-based payments	533,794	1,492,018
Post-employment benefits	43,627	41,223
Other long term benefits	(7,243)	39,083
	1,005,671	2,104,551

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

Parent Entity

Nexus Minerals Limited

Controlled Entities

	Date of incorporation	Ownership interest 2023	Ownership interest 2022
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%
ACN: 155 124 324 Pty Ltd	12 January 2012	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%
Jamieson Minerals Pty Ltd	30 July 2013	100%	100%

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

a) Key management personnel

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

b) Trade and other payables

There were no amounts payable to key management personnel at 30 June 2023 (30 June 2022: \$Nil)

c) Related party transactions

(i). Transactions with Nexus Minerals Australia Pty Ltd

During the year the Company loaned the sum of \$377 (2022: \$276) 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 \$150,260 (2022: \$149,883). A provision for impairment of \$142,975 has been recognised by the Parent entity.

(ii). Transactions with Nexus Wallbrook Pty Ltd

During the year the Company loaned the sum of \$290 (2022: \$276) in working capital to Nexus Wallbrook Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is \$130,197 (2022: \$129,907). A provision for impairment of \$5,020 has been recognised by the Parent entity.

(iii). Transactions with Nexus Pinnacles Pty Ltd

During the year the Company loaned the sum of \$159,494 (2022: \$43,985) in working capital to Nexus Pinnacles Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is \$1,382,512 (2022: \$1,223,019). A provision for impairment of \$1,382,494 has been recognised by the Parent entity.

(iv). Transactions with Nexus Gold Pty Ltd

During the year the Company loaned the sum of \$290 (2022: \$276) in working capital to Nexus Gold Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is \$20,788 (2022: \$20,498). A provision for impairment of \$20,283 has been recognised by the Parent entity.

(v). Transactions with Nexus Mt Celia Pty Ltd

During the year the Company loaned the sum of \$Nil (2022: \$276) 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 \$1,079 (2022: \$1,079). A provision for impairment of \$1,079 has been recognised by the Parent entity.

(vi). Transactions with Nexus Jamieson Minerals Pty Ltd

During the year the Company loaned the sum of \$2,021,444 (2022: \$Nil) in working capital to Jamieson Minerals Pty Ltd. The loan is unsecured, and no interest is charged. The balance at the reporting date is \$2,021,444 (2022: \$Nil). A provision for impairment of \$1,852,873 has been recognised by the Parent entity.

(vii). Transactions with Geoex Pty Ltd

During the year the Company paid \$Nil (2022: \$75,000 plus GST) to Geoex Pty Ltd, a company related to Andy Tudor, a Director of the Company, for investor relations services provided during the year.

(viii). Transactions with Mining Gurus Pty Ltd

During the year the Company paid \$817,232 (2022: \$1,942,830) to Mining Gurus Pty Ltd, a company controlled by Sean Tudor, son of Andy Tudor, a Director of the Company, for the supply of exploration geologists and 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 2023

28. Notes to statement of cash flows

	Consolidated 2023 \$	Consolidated 2022 \$
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	67	68
Cash at bank	4,424,123	6,846,340
	4,424,190	6,846,408
b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities:		
Loss for the year	(8,829,818)	(21,103,023)
Adjustments for:		
Depreciation	126,834	81,078
Non-cash interest on right of use asset	3,203	6,209
Loss on sale of plant and equipment	976	-
Share-based payments	533,794	1,769,003
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	779,580	(821,488)
(Increase)/decrease in prepayments	53,157	(76,249)
(Increase)/decrease in term deposit investments	(1,384)	(78)
(increase)/decrease in other assets	(60,000)	
Increase/(decrease) in trade and other payables	(187,721)	332,743
Increase/(decrease) in provisions	(16,665)	99,715
Net cash used in operating activities	(7,598,044)	(19,712,090)
c) Non-cash investing and financing activities		
	Consolidated 2023 \$	Consolidated 2022 \$
Additions to the right-of-use assets	-	146,150
Consideration paid for Jamieson minerals Pty Ltd	-	700,000
Consideration for sale of exploration assets	-	-
	-	846,150

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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.

30. Events subsequent to reporting date

On 4 September 2023 the Company announced that it is undertaking a 1 for 5 renounceable entitlement issue at \$0.05 per share to raise up to approximately \$3.25 million (before costs). The issue is partially underwritten to \$2.0 million. For every 2 new shares subscribed, eligible shareholders will receive 1 free attaching option with an exercise price of \$0.13 each and an expiry date of 26 March 2025. The closing date for the entitlement issue is 26 September 2023.

Other than as described above, no matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the group'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 2023

33. Parent entity information

As at, and throughout, the financial year ending 30 June 2023 the parent company of the Group was Nexus Minerals Limited.

	Company	
	2023	2022
	\$	\$
Result of the parent entity		
Loss for the year	(8,829,818)	(21,103,023)
Other comprehensive income/(expense)	(53,209)	(242,625)
Total comprehensive loss for the year	<u>(8,883,027)</u>	<u>(21,345,648)</u>
Financial position of parent entity at year end		
<i>Current assets</i>		
Cash and term deposits	4,424,190	6,846,408
Trade and other receivables	109,039	916,077
Other financial assets	134,196	132,812
Other current assets	43,864	97,021
Total current assets	<u>4,711,289</u>	<u>7,992,318</u>
<i>Non-current assets</i>		
Financial assets	219,041	272,250
Investment in subsidiary	1,000,000	1,000,000
Right-of-use asset	91,344	127,881
Plant and equipment	306,619	360,621
Other non-current receivables	301,556	132,986
Total non-current assets	<u>1,918,560</u>	<u>1,893,738</u>
Total assets	<u>6,629,849</u>	<u>9,886,056</u>
<i>Current liabilities</i>		
Trade and other payables	279,951	486,559
Lease liabilities	46,119	31,772
Provisions	125,478	93,449
Current liabilities	<u>451,548</u>	<u>611,780</u>
<i>Non-current liabilities</i>		
Lease liabilities	77,670	120,587
Provisions	2,635	51,329
Non-current liabilities	<u>80,305</u>	<u>171,916</u>
Total liabilities	<u>531,853</u>	<u>783,696</u>
Net assets	<u>6,097,996</u>	<u>9,102,360</u>
<i>Total equity of the parent entity comprising:</i>		
Share capital	55,232,173	49,755,368
Reserves	2,219,643	1,870,996
Accumulated losses	(51,353,820)	(42,524,004)
Total Equity	<u>6,097,996</u>	<u>9,102,360</u>

Directors' Declaration

In the directors' opinion:

- the attached consolidated 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 consolidated 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 consolidated financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2023 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

A handwritten signature in black ink, appearing to be 'P Boyatzis', written over a horizontal line.

P Boyatzis
Chairman

Perth, Western Australia
Dated this 21st day of September 2023

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

nexia.com.au

Report on the Audit of the Annual Financial Report

Opinion

We have audited the annual 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 2023, 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 consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying annual 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 2023 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 Annual 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 financial reports 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 Annual financial report of the current period. These matters were addressed in the context of our audit of the Annual 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.

Advisory. Tax. Audit.

ACN 145 447 105

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Key audit matter	How our audit addressed the key audit matter
<p>Funding and Liquidity</p> <p><i>Refer to Note 1 (c)(Financial position)</i></p> <p>Nexus Minerals Limited and its subsidiaries are gold exploration companies focusing on gold opportunities in Western Australia.</p> <p>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 focused on whether the Group had sufficient cash resources and access to funding to allow the Group to continue as a going concern.</p> <p>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.</p>	<p>We evaluated the Group's funding and liquidity position at 30 June 2023 and its ability to pay its debts as and when they fall due for a minimum of 12 months from the date of signing the Annual financial report. In doing so, we:</p> <ul style="list-style-type: none"> • obtained management's cash flow forecast for the 12 months from the date of the auditor's report; • 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 2023. but does not include the Annual financial report and our auditor's report thereon.

Our opinion on the Annual 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 Annual 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 Annual financial report

The directors of the Company are responsible for the preparation of the Annual 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 Annual financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Annual 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 Annual financial report

Our objectives are to obtain reasonable assurance about whether the Annual 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 Annual financial report.

A further description of our responsibilities for the audit of the Annual financial report is located at the Australian Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.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 pages 38 to 41 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Nexus Minerals Limited for the year ended 30 June 2023, 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.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen

Director

Perth, Western Australia

21 September 2023

Shareholder information

Additional information as at 6 September 2023 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 325,453,309 shares and 16,500,000 options on issue. No shares or options are subject to ASX or voluntary escrow.

Distribution of equity security holders

Category	Quoted ordinary shares	
	Number of holders	Number of shares
1 - 1,000	117	39,286
1,001 - 5,000	570	1,712,820
5,001 - 10,000	448	3,732,712
10,000 - 100,000	1,536	60,023,328
100,000 and over	542	259,945,163
	3,213	325,453,309

1,135 shareholders hold less than a marketable parcel of ordinary shares.

Shareholder information

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held (%)
Northern Star Resources Ltd	9,159,500	2.8
Citicorp Nominees Pty Limited	8,439,666	2.6
Cleland Projects Pty Ltd <Investment A/C>	8,000,000	2.5
Saracen Mineral Holdings Ltd	6,603,940	2.0
Cleland Projects Pty Ltd <Ct A/C>	4,500,000	1.4
Mr Paul John Pheby	4,456,862	1.4
AJTSF Pty Ltd <AJT Super Fund A/C>	4,300,000	1.3
Lesuer Pty Ltd <PMB Super Fund A/C>	4,150,000	1.3
Querion Pty Ltd	3,801,373	1.2
Westedge Investments Pty Ltd <The PMB Fund A/C>	3,251,166	1.0
Elliott Nominees Pty Ltd <Elliott Exploration S/F A/C>	3,150,877	1.0
Mr Michele Parrella	2,930,020	0.9
Tarney Holdings Pty Ltd <DP & FL Waddell Family A/C>	2,800,000	0.9
Dreamlight Nominees Pty Ltd <R P Dunn Super Fund A/C>	2,600,000	0.8
Two Owls Pty Ltd <Two Owls Super Fund A/C>	2,500,000	0.8
UBS Nominees Pty Ltd	2,352,174	0.7
Atlantic Securities Pty Ltd <A Terrible Family A/C>	2,100,000	0.6
Mr Steven Andrew Hodgetts	2,005,000	0.6
Oak Winds Super Pty Ltd <Dacin Nominees P/L Super A/C>	2,000,000	0.6
Mr Gregory John Fleay <The Fleay Recruitment A/C>	2,000,000	0.6
	81,100,578	25.0

Substantial shareholders

There are no substantial shareholders.

Shareholder information

Unquoted securities

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

Options exercisable at 50 cents expiring 28 September 2024

Number of unlisted options	1,000,000		
Number of holders	2		
Holders with more than 20%	A James	500,000	50%
	L Phillips-Wells	500,000	50%

Options exercisable at 68 cents expiring 9 November 2024

Number of unlisted options	6,500,000		
Number of holders	5		
Holders with more than 20%	AJTSF Pty Ltd	2,000,000	30.8%
	Lesuer Pty Ltd	2,000,000	30.8%

Options exercisable at 68 cents expiring 9 November 2023

Number of unlisted options	4,000,000		
Number of holders	1		
Holders with more than 20%	Zenix Nominees Pty Ltd	4,000,000	100%

Options exercisable at 27 cents expiring 22 November 2025

Number of unlisted options	5,000,000		
Number of holders	3		
Holders with more than 20%	AJTSF Pty Ltd	2,000,000	40.0%
	Lesuer Pty Ltd	2,000,000	40.0%

On-market buy-back

There is no current on-market buy-back.

Schedule of Mineral 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
E31/1361 Applic	
E31/1362 Applic	
M31/157	
M31/188	
M31/190	
M31/191	
M31/231	
M31/251	
M31/501 Applic	
E31/1107	
E31/1108	
E31/1118	
Mt. Celia (Gold)	
E39/2025	100% Nexus Minerals Australia Pty Ltd
Victoria	
Bethanga (Copper)	
EL006517	100% Jamieson Minerals Pty Ltd
EL006920	
Victoria Lithium	
EL007493 (under option)	100% Jamieson Minerals Pty Ltd
EL008107	
EL008108	
EL008109	
EL008110	
EL008111 Applic	
New South Wales	
New South Wales Lithium	
EL9546	100% Jamieson Minerals Pty Ltd
EL9556	
EL9557	
EL9558	
EL9559	
EL9566	

Details of Mineral Resources and Ore Reserves

Results of Annual Review of Mineral Resource and Ore Reserve

The Wallbrook Crusader-Templar mineral resource was first estimated during the 2023 financial year and no review has subsequently been conducted. The Company had previously reported a mineral resource at Crusader. However, owing to the extensive drilling undertaken and substantial change to the interpretation, this historic resource has been superseded and cannot be compared.

The Pinnacles East mineral resource was estimated during the 2020 financial year and no review has subsequently been conducted.

The Company does not have any ore reserves.

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.

Wallbrook Crusader-Templar Mineral Resource

Table 1: Wallbrook Crusader-Templar Mineral Resource Estimate

Deposit	Category	Tonnes	Grade (g/t Au)	Au (Oz)
Crusader	Indicated	850,000	2.5	68,000
	Inferred	503,000	1.7	27,000
Templar	Indicated	170,000	2.4	13,000
	Inferred	1,048,000	2.0	67,000
Total	Indicated	1,021,000	2.5	81,000
	Inferred	1,551,000	1.9	94,000
Grand Total		2,572,000	2.1	175,000

Note: Mineral Resources are reported at a 1.0g/t Au cutoff to a depth of 200m below the surface. All numbers are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding. Reported according to the 2012 JORC Code on 26 April 2023. Full details of the Wallbrook Crusader-Templar resource calculations as per JORC Code (2012) are contained in the Company's announcement dated 26 April 2023.

Pinnacles Project Pinnacles East Mineral Resource*Table 2: Pinnacles East Mineral Resource Estimate (90% Nexus)*

Deposit	Cut Off Grade (g/t Au)	Category		Tonnes	Grade (g/t Au)	Au (Oz)
Pinnacles East	0.5	Open Pit	Indicated	140,000	2.6	11,000
			Inferred	19,000	1.6	1,000
			Sub-total	159,000	2.4	12,000
	1.0	Underground	Indicated	170,000	5.6	30,000
			Inferred	280,000	4.0	36,000
			Sub-total	450,000	4.6	66,000
Grand Total				609,000	4.0	78,000

Note: Mineral Resources are reported at a 0.5g/t cutoff for open pit material and 1.0g/t Au cutoff for underground. The reported resource has been constrained to the limits of a pit shell constructed assuming typical eastern goldfields wall angles, mining costs and processing costs, and toll milling. A projected future gold price of AUD2,100 was assumed. The resource is defined from surface to a depth of only 350m. All numbers are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding. Reported according to the 2012 JORC Code on 27 February 2020. Full details of the Pinnacles East resource calculations as per JORC Code (2012) are contained in the Company's announcement dated 27 February 2020.

The Company has reviewed the Mineral Resource Estimate and finds no material change to report.