

NEXUS MINERALS LIMITED

ACN 122 074 006

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting to be held on
30 November 2017 at
10:30am (Western Standard Time) at**

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

This is an important document. Please read it carefully.

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

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

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

The Celtic Club	Commencing
48 Ord Street	at 10:30am (Western Standard Time)
West Perth WA 6005	on 30 November 2017.

How to Vote

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

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:30am (Western Standard Time).

Voting by Proxy

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

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

so that it is received not later than 10:30am (WST) on 28 November 2017.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman of the Meeting will vote undirected proxies in favour of all Resolutions. In relation to Resolutions 1, 4, 5, 6, 7 and 8 the proxy form expressly authorises the Chairman to exercise the proxy even though the resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Any undirected proxies held by a Director, any member of the Key Management Personnel or any of their Closely Related Parties (who are not the Chairman of the Meeting) will not be voted on Resolutions 1, 4, 5, 6, 7 and 8. The voting exclusion statement for Resolutions 5, 6, 7 and 8 addresses an exception to the undirected proxy position.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 28 November 2017 at 5.00pm (Western Standard Time).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

NEXUS MINERALS LIMITED
ACN 122 074 006

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Nexus Minerals Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 30 November 2017 at 10:30am (WST) for the purpose of transacting the following business.

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

AGENDA

BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company together with the Directors' Report, Directors' Declaration and the Independent Audit Report for the year ended 30 June 2017.

Resolution 1 – Adoption of Remuneration Report

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Annual Financial Report for the year ended 30 June 2017."

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

Voting Exclusion:

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

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

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

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

Resolution 2 – Re-election of Director – Mr Bruce Maluish

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

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

Resolution 3 – Ratification of Prior Issue of Options

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

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

Voting Exclusion

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

Resolution 4 – Approval of Employee Incentive Scheme

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

"That, for the purposes of ASX Listing Rule 7.2 Exception 9(b) and for all other purposes Shareholders approve the issue of securities under the "Employee Incentive Plan" for a period of 3 years commencing on the date of this Meeting on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel for the Company; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 5 – Approval to Issue Options to Mr Andrew Tudor

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

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 2,000,000 Options to Mr Andrew Tudor or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel for the Company; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (b) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 6 – Approval to Issue Options to Mr Paul Boyatzis

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

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 2,000,000 Options to Mr Boyatzis or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel for the Company; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (b) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 7 – Approval to Issue Options to Mr Bruce Maluish

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

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 1,500,000 Options to Mr Bruce Maluish or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel for the Company; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (b) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 8 – Approval to Issue Options to Dr Mark Elliott

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

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 1,500,000 Options to Dr Mark Elliott or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel for the Company; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (b) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 9 – Approval of Additional Placement Capacity

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

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

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board

Phillip MacLeod
Company Secretary
23 October 2017

NEXUS MINERALS LIMITED
ACN 122 074 006

EXPLANATORY STATEMENT

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

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2017;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2017.

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

Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Previous Voting Results

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

Proxy Restrictions

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

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRUCE MALUISH

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

Mr Maluish was appointed a director of the Company on 1 July 2015 and was last re-elected on 19 November 2015.

Experience and qualifications

Mr Maluish - BSc (Surv), Dip Met Min - 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, Abelle, Hill 50 and Forsyth Mining, 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.

Other Material Directorships

Mr Maluish is Managing Director of mineral exploration company, Ventnor Resources Limited.

Independence

Mr Maluish is a Non-Executive Director of the Company. The Board considers that Mr Maluish is an independent director.

Board Recommendation

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

4. RESOLUTIONS 3 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

4.1 General

Resolution 3 seeks ratification for the issue of 800,000 Options on 16 December 2016 to Zenix Nominees Pty Ltd, the nominee of the Company's corporate advisor, Hartleys Limited. The Options were issued as part consideration for the provision of capital raising and corporate advisory services.

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

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

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

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 800,000 Options were issued;
- (b) the Options were issued for as part consideration for the provision of capital raising and corporate advisory services (nil cash consideration);

- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Zenix Nominees Pty Ltd who are not a related party of the Company; and
- (e) no funds were raised from the issue of the Options as they were issued as consideration for services provided to the Company.

5. RESOLUTIONS 4 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

5.1 Background

The Board adopted this Employee Incentive Plan in October 2017 to enable the Company to issue options or performance rights to eligible participants being employees (full and part-time), directors, relevant contractors, casual employees and prospective parties in these capacities. No securities have been issued under this Employee Incentive Plan.

The Employee Incentive Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth and assist with reward and retention of eligible participants.

A copy of the Employee Incentive Plan will be made available for inspection at the Meeting. A summary of the Employee Incentive Plan is set out in Schedule 2.

The Employee Incentive Plan replaces the incentive plan that was the subject of Shareholder approval at the 2014 annual general meeting.

The current Employee Incentive Plan is in accordance with ASIC class order CO 14/1000 which expanded the class of financial products that could be offered (i.e. performance or incentive rights can be issued as well as shares and options) and expanded the categories of persons who can participate (i.e. certain contractors and casual employees).

5.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the ASX Listing Rules for the operation of the Employee Incentive Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the placement limits imposed by ASX Listing Rule 7.1 on the number of securities that may be issued without shareholder approval. ASX Listing Rule 7.2 exception 9(b) provides that ASX Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by shareholders and the issue of securities is within 3 years from the date of shareholder approval of the issue of securities under the employee incentive scheme.

If an offer is made to a Director to participate in the Employee Incentive Plan then separate Shareholder approval will need to be obtained.

5.3 Recommendation

The Board recommends that Shareholders approve the issue of securities under the Employee Incentive Plan. It will allow the Company to issue securities for the benefit of participants of the Employee Incentive Plan whilst preserving the Company's placement limits of issuing securities and provide flexibility in the manner in which the Employee Incentive Plan is managed.

6. RESOLUTIONS 5, 6, 7 AND 8 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTIES

Resolutions 5, 6, 7 and 8 seek Shareholder approval so that the Company may grant Options under the Employee Incentive Plan (see Resolution 6) to each of the Directors Messrs Tudor, Boyatzis, Maluish and Dr Elliott.

6.1 Chapter 2E of the Corporations Act – Related Party Transactions

The proposed grant of Options to Messrs Tudor, Boyatzis, Maluish and Dr Elliott as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 5, 6, 7 and 8.

- (a) The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given**

The related parties are Andrew Tudor (Resolution 5), Paul Boyatzis (Resolution 6), Bruce Maluish (Resolution 7) and Mark Elliott (Resolution 8) or their nominees.

(b) The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of up to:

- (i) 2,000,000 Options to Andrew Tudor (or his nominee);
- (ii) 2,000,000 Options to Paul Boyatzis (or his nominee);
- (iii) 1,500,000 Options to Bruce Maluish (or his nominee) and
- (iv) 1,500,000 Options to Mark Elliott (or his nominee).

The terms of the Options are set out in Schedule 3.

(c) Directors Recommendation and Basis of Financial Benefit

The Board currently consists of Andrew Tudor, Paul Boyatzis, Bruce Maluish and Mark Elliott.

By Resolutions 5, 6, 7 and 8 the Company is proposing to grant Options to each of the Directors. In each case, the number of Options to be granted and the terms of the Options were negotiated by the Directors independent of the particular Director to be granted the Options.

The purpose of the Options is to provide each Director with added incentive to achieve the goals set by the Board and to add Shareholder value. The Options are issued as part of each Director's remuneration package and under the Employee Incentive Plan.

The Directors independent of the particular Director to be issued the Options in each case consider that the quantity of Options together with the terms of the Options in each case constitute an appropriate number to adequately incentivise the Director in light of that Director's skill and experience and their current remuneration as detailed below.

The Company notes that the issue of the Options to Paul Boyatzis, Bruce Maluish and Mark Elliott as non-executive Directors may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of the Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Mr Andrew Tudor abstains from making a recommendation to Shareholders on Resolution 5 as he has a material personal interest in the outcome as the recipient of the Options.

Mr Paul Boyatzis abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Options.

Mr Bruce Maluish abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

Dr Mark Elliott abstains from making a recommendation to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

(d) Dilution

The passing of Resolutions 5, 6, 7 and 8 would have the effect of granting up to 7,000,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 7,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 7.8% based on the total number of Shares on issue at the date of this Notice being 83,283,575.

The actual dilution will depend on the extent of further equity raised by the Company and whether any Options are exercised.

(e) Total Remuneration Package of Related Parties

The remuneration received by Andrew Tudor is \$251,142 per annum as Managing Director plus any statutory superannuation entitlement (currently 9.5% per annum).

The remuneration received by Paul Boyatzis (or his nominees) is \$84,000 per annum as a Non-Executive Chairman's fee.

The remuneration received by Bruce Maluish is \$24,000 per annum as a Director's fee plus any statutory superannuation entitlement (currently 9.5% per annum).

The remuneration received by Mark Elliott (or his nominee) is \$40,000 per annum as a Director's fee.

(f) Existing Relevant Interests

At the date of this Notice, Messrs Tudor, Boyatzis, Maluish and Dr Elliott and their associates have the following relevant interest in securities of the Company.

Name	Shares	Options exercisable at 11.8 cents each expiring 9 November 2018
Andrew Tudor	320,516	900,000
Paul Boyatzis	9,088,568	-
Bruce Maluish	40,000	-
Mark Elliott	1,251,600	-

(g) Trading History

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing Price
Highest Price	20 to 25 October 2016	15 cents
Lowest Price	26 to 28 June 2017	6.5 cents
Latest Price	20 October 2017	10.5 cents

(h) Valuation of Options

The Options will not be quoted on ASX.

The Company has valued the Options to be granted to the Directors or their nominees using the Black-Scholes method.

The following assumptions have been made regarding the inputs required for the option pricing module:

Input		Note
Number of options to related parties	7,000,000	
Underlying security spot price	10.5 cents	1
Exercise price	15.75 cents	2
Dividend rate	Nil	3
Volatility rate	83.6%	4
Risk free rate	2.10%	5
Expiry Date	20 October 2020	6

- Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on the valuation date of 20 October 2017 which was 10.5 cents.
- Note 2 The exercise price is 150% of the volume weighted average closing price for the 5 trading days prior to date of this Meeting. This example uses 150% of the closing price of Shares on the valuation date of 20 October 2017.
- Note 3 As at the date of the valuation, the Company had not forecast any future dividend payments. For the purposes of the valuation it is therefore assumed that the Company's share price is "ex-dividend", If dividend payments were forecast, the value of the Options would be reduced.
- Note 4 A volatility rate of 83.6% has been adopted. This rate has been calculated by reference to the closing price volatility for the Shares of the Company for the previous two years.
- Note 5 The risk-free rate is 2.10% based on the current Reserve Bank Treasury Bond rates.
- Note 6 The Options expire 3 years from the date of grant being the date of this Meeting. For the purposes of this valuation an Expiry Date of 20 October 2020 has been used.

Based on the above assumptions the Options proposed to be issued to Directors have been valued as follows:

Number and Value of Options	
	Options
Andrew Tudor	2,000,000 Options – 4.72 cents per Option (total value - \$94,475)
Paul Boyatzis	2,000,000 Options – 4.72 cents per Option (total value - \$94,475)
Bruce Maluish	1,500,000 Options – 4.72 cents per Option (total value - \$70,856)
Mark Elliott	1,500,000 Options – 4.72 cents per Option (total value - \$70,856)

(i) Other Information

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in granting the Options.

For accounting purposes, the Options will be recognised as an expense.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 5, 6, 7 and 8.

6.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue securities to Directors under Resolutions 5, 6, 7 and 8 as approval is being obtained under AXS Listing Rule 10.14. Accordingly, the issue of the securities to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Under Resolutions 5, 6, 7 and 8, the Company seeks approval from Shareholders for the issue of Options to Andrew Tudor, Paul Boyatzis, Bruce Maluish and Mark Elliott as Directors who are each related parties of the Company.

For the purposes of ASX Listing Rule 10.15, the following information is provided:

- (a) The Options will be granted to Andrew Tudor (Resolution 5), Paul Boyatzis (Resolution 6), Bruce Maluish (Resolution 7) and Mark Elliott (Resolution 8) or their nominees as Directors.
- (b) The maximum number of securities the Company will grant is 7,000,000 Options being:
 - 2,000,000 Options to Andrew Tudor (or his nominee);
 - 2,000,00 Options to Paul Boyatzis (or his nominee);
 - 1,500,000 Options to Bruce Maluish (or his nominee) and
 - 1,500,000 Options to Mark Elliott (or his nominee).
- (c) No monetary consideration is payable for the issue of the Options.
- (d) No securities have to date been issued under the Employee Incentive Plan as the Employee Incentive Plan has been adopted by the Board as a new plan in October 2017. It replaces an existing employee incentive scheme the subject of shareholder approval at the 2011 and 2014 annual general meetings.
- (e) All the Directors (being Andrew Tudor, Paul Boyatzis, Bruce Maluish and Mark Elliott) are entitled to participate in the Employee Incentive Plan.
- (f) No loans will be provided to Directors in respect of the issue of the Options.
- (g) The Options will be granted no later than 12 months after the date of Shareholder approval.

7. RESOLUTION 9 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

7.1 General

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

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

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

7.2 Requirements of ASX Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$8.7 million based on the number of Shares on issue at the date of this Notice and the closing price of Shares (\$0.105) on the ASX on 20 October 2017.

(b) Shareholder approval

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

(c) Equity Securities

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

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

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

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

(AxD)-E

A	<p>The number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> • plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2; • plus the number of partly paid shares that became fully paid in the 12 months; • plus the number of fully paid shares issued in the 12 months with the approval of shareholders under ASX Listing Rules 7.1 or 7.4; • less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

(e) **Interaction between ASX Listing Rules 7.1 and 7.1A**

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

The Company has 83,283,575 Shares on issue as at the date of this Notice. If this Resolution is passed, the Company will be permitted to issue (as at the date of this Notice):

- 12,492,536 Equity Securities under ASX Listing Rule 7.1; and
- 8,328,358 Equity Securities under ASX Listing Rule 7.1A.

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

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

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

(a) **Minimum price**

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

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

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

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

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and

- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date,

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

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

The table also shows:

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

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		5.25 cents	10.5 cents	21 cents
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A 83,283,575 Shares	10% Voting Dilution	8,328,358 Shares	8,328,358 Shares	8,328,358 Shares
	Funds raised	\$437,239	\$874,478	\$1,748,955
50% increase in current Variable A 124,925,362 Shares	10% Voting Dilution	12,492,536 Shares	12,492,536 Shares	12,492,536 Shares
	Funds raised	\$655,858	\$1,311,716	\$2,623,433
100% increase in current Variable A 166,567,150 Shares	10% Voting Dilution	16,656,715 Shares	16,656,715 Shares	16,656,715 Shares
	Funds raised	\$874,478	\$1,748,955	\$3,497,910

This table has been prepared on the following assumptions:

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

- The issue price is 10.5 cents, being the closing price of the Shares on ASX on 20 October 2017.

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

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 30 November 2017 (the date of this Meeting) and expires on the earlier of:

- 30 November 2018, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking) (the "**Placement Period**").

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

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

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

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

(e) **Allocation policy**

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

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

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

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

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

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

On 23 November 2016, the Company received Shareholder approval for the Additional Placement Capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 30 November 2016) 800,000 Options. The total number of Equity Securities on issue as at 30 November 2016 was 84,783,575 (83,283,575 Shares and 1,500,000 Options). The total number of Equity Securities issued in the 12 months since 30 November 2016 is 0.94% of the total number of Equity Securities on issue at 30 November 2016.
- The details for each separate issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:

Date of issue:	16 December 2016
Number of Equity Securities:	800,000
Summary of terms:	Unlisted Options exercisable at 25 cents each expiring 15 December 2018. The Options vest immediately from the date of issue.
Name of allottees:	Zenix Nominees Pty Ltd
Price:	The Options were issued for no cash consideration being part consideration for the provision of capital raising and corporate advice.
Discount to market price:	Not applicable
Total cash consideration received:	Options issued for no cash consideration.
Current value of non-cash consideration:	The Company has valued the Options as at 20 September 2017 at 2.4 cents per Option using the Black-Scholes method. Therefore, the current value of the 800,000 Options is \$19,200.

(g) **Voting exclusion**

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

8. ENQUIRIES

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

GLOSSARY

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

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

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

"ASIC" means the Australian Securities and Investment Commission.

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

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

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

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

"Chairman" means the chairman of the Company.

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

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

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

"Constitution" means the constitution of the Company.

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

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

"Employee Incentive Plan" means the Employee Incentive Plan with the terms summarised in Schedule 2.

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

"Explanatory Statement" means this Explanatory Statement.

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

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

"Option" means an option to acquire a Share.

"Optionholder" means a holder of an Option.

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

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

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

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

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

"\$" means Australian dollars unless otherwise stated.

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS TO ZENIX NOMINEES PTY LTD (RESOLUTION 3)

1. Entitlement

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

2. Exercise Price

Subject to paragraph 11, the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5.00pm (WST) on 15 December 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. Notice of Exercise

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

6. Exercise Date

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

7. Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

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

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

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

8. Shares issued on exercise

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

9. No Quotation of the Options

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

10. Quotation of Shares issued on exercise

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

11. Reconstruction of capital

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

12. Participation in new issues

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

13. Change in exercise price

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

14. Transferability

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

SCHEDULE 2

SUMMARY OF TERMS OF EMPLOYEE INCENTIVE PLAN (RESOLUTION 4)

Purpose	The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer any of options or performance rights to assist with reward, retention, motivation and recruitment of eligible participants.
Eligible Participants	Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities (" Eligible Participants ").
Offers	Subject to any necessary Shareholder approval, the Board may offer options or performance rights to Eligible Participants for nil consideration.
Expiry Date	The expiry date of any options or performance rights will be determined by the Board.
Vesting Conditions and Lapse	An option or performance right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the options or performance rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles. An option or performance right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.
Shares issued on vesting	Each option or performance right entitles the holder to one fully paid ordinary share on exercise or vesting.
Transferability and quotation	An option or performance right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the options or performance rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the options or vesting of the performance rights.
No voting or dividend rights	The options or performance rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the options or performance rights are vested and the underlying Shares have been issued.
No participation rights	The options or performance rights do not entitle the holder to participate in the issue of securities unless the options or performance rights are exercised or vested and Shares have been issued before the record date for determining entitlements.
Limitation on number of securities	Securities to be issued under the Employee Incentive Plan when aggregated with the number of Shares issued during the previous 5 years under any employee incentive scheme of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.
Administration of the Employee Incentive Plan	The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.
Operation	The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.
Application of Subdivision 83A-C of the <i>Income Tax Assessment Act 1997 (Cth)</i>	Subdivision 83A-C (deferred inclusion of gain in assessable income) of the <i>Income Tax Assessment Act 1997 (Cth)</i> applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.

SCHEDULE 3

TERMS AND CONDITIONS OF OPTIONS TO DIRECTORS (RESOLUTIONS 5, 6, 7 and 8)

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 30 November 2020 ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price of the Options is 150% of the 5 day volume weighted average closing price of Shares prior to the date of the Meeting.
4. The Options will not be listed on ASX and may only be transferred with the consent of the Board of the Company.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date ("**Exercise Date**").
6. Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (iv) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
7. Shares issued on the exercise of the options rank equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested, if applicable) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

NEXUS MINERALS LIMITED

ACN 122 074 006

PROXY FORM

I/We

of

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

	the Chair of the Meeting	OR	
--	--------------------------	----	--

(Mark box with an X)

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

or failing attendance at the Meeting of the person named, or if no person is named, the Chair of the Meeting as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the directions on this proxy form or, if no directions have been given and to the extent permitted by law, as the proxy sees fit at the Meeting of Nexus Minerals Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 30 November 2017 at 10:30am (WST) and at any adjournment thereof.

Important for Resolutions 1 and 4 to 8

If you appoint a member of the Company's Key Management Personnel (other than the Chairman of the Meeting) or a Closely Related Party of a member of the Company's Key Management Personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 1 and 4 to 8 your proxy will NOT cast your vote on these Resolutions and your votes will not be counted.

If you appoint the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 1 and 4 to 8 your vote will be cast FOR this Resolution, and you hereby expressly authorise the Chairman of the Meeting to exercise your proxy even though Resolutions 1 and 4 to 8 are connected directly or indirectly with the remuneration of the members

of the Company's Key Management Personnel. However, where the Chair is the related party the subject of any of Resolutions 5, 6, 7 and 8 or is an associate of the related party, the Chair will be excluded from voting undirected proxies.

IMPORTANT NOTES

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. If the Chair of the Meeting is your proxy (or becomes your proxy by default) and you do not mark a voting box for any of the items of business then by signing and returning this Proxy Form you will be expressly authorising the Chair to exercise your proxy in respect of the relevant items. If you appoint the Chair of the Meeting as your proxy you can direct him/her to vote for or against or to abstain from voting on the items by marking the appropriate box below.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Bruce Maluish	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Issue Options to Andrew Tudor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Issue Options to Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Issue Options to Bruce Maluish	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Issue Options to Mark Elliott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

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

Signed this _____ day of _____ 2017.

Signature of Member(s):

Individual or Member 1

Member 2

Member 3

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Sole Director/Company Secretary

Director

Director/Company Secretary

NEXUS MINERALS LIMITED
ACN 122 074 006

Instructions for Completing Appointment of Proxy Form

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

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

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

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

Fax Number: +61 (8) 9481 1756

Email Address: pmacleod@gapcs.com.au

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

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