

MinRex Resources NL

ABN 81 151 185 867

ANNUAL REPORT

For the Year Ended 30 June 2014

CONTENTS	PAGE NO
Corporate Directory	1
Directors' Report	2
Corporate Governance Statement	17
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Notes to the Financial Statements	24
Directors' Declaration	40
Independent Audit Report	41
ASX Additional Information	43

MinRex Resources NL

CORPORATE DIRECTORY

DIRECTORS

Mr Simon Durack (Executive Director)

Mr Emmanuel Heyndrickx (Non-executive Director)

Mr Robert Downey (Non-executive Director)

Mr Abraham Anthony Schildkraut (Non-executive Director)

COMPANY SECRETARY

Mr Simon Durack

REGISTERED OFFICE

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AUDITORS

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The Ernst & Young Building

11 Mounts Bay Road

Perth WA 6000 Australia

STOCK EXCHANGE

Australian Securities Exchange Limited

ASX Code: MRR

MinRex Resources NL

Directors' Report

The Directors present their report for MinRex Resources NL ("MinRex" or "the Company") for the year ended 30 June 2014.

DIRECTORS

The following persons were Directors of MinRex Resources NL during the financial year and up to the date of this report:

Mr Simon Durack - BComm, Post Grad Dip Bus, FCA, FCSA, FCIS (Executive Director & Company Secretary)

Mr Durack is a Chartered Accountant, practicing Company Secretary and Director, with over 30 years commercial experience gained working in Australia, South East Asia and Europe. Mr Durack's commercial experience includes time worked in the Accounting profession with Coopers & Lybrand (now PricewaterhouseCoopers). He has also held many senior financial and secretarial roles with both large public and private entities. In these roles, Mr Durack has been responsible for providing managerial, secretarial and financial advisory input. Mr Durack has also acted as resident Director for several offshore companies with operations in Australia. Mr Durack is an Executive Director, Group Company Secretary and Chief Financial Officer for the LinQ Group of companies and brings a strong commercial and financial background to the Company.

Mr Emmanuel Heyndrickx – Business Economics (M.Sc), Masters Financial Management (Non-Executive Director)

Mr Heyndrickx is a financial consultant based in London. Mr Heyndrickx holds a degree in Business Economics (M.Sc) from the University of Ghent, Belgium, supplemented with a postgraduate Masters' in Financial Management from the Vlerick Management School, Belgium. Mr Heyndrickx gained some 8 years of Corporate Finance experience with a number of European investment banks based in London (UK), most recently as a Vice-President with the Funds Advisory team at ING's London Branch. During his time as a Corporate Financier, Mr Heyndrickx has lead and executed many public and private mandates both in the UK and in Europe including mergers and acquisitions, ECM (primary/secondary) placings, fund raisings and corporate restructurings. Mr Heyndrickx commenced his career with KPMG where he joined the Financial Services Sector Assurance team in London (UK), working as an external auditor for 4 years for a variety of world leading financial institutions such as HSBC, Deutsche Bank, Credit Suisse and Allianz. A native Dutch speaker, he is fluent in English, French and German.

Mr Robert Hartley Downey (Non-Executive Director) – appointed 8 September 2014

Mr Downey is a barrister and solicitor of the Supreme Court of Western Australia. He commenced work with Phillips Fox in the areas of energy, corporate law and mining. In 2001 he joined law firm Blakiston & Crabb and specialised in advising oil & gas and mining companies in relation to a range of legal issues, including IPOs, mergers and acquisitions, as well as general AIM, ASX and ASX Listing Rules advice. Mr Downey established an independent corporate advisory firm during 2005 and was involved with the IPO listings of various mining and oil & gas companies on the ASX and at the same time held directorships on a number of these companies. In October 2012, in conjunction with two former colleagues, he established Thompson Downey Cooper and now specialises as a corporate resources lawyer.

MinRex Resources NL

Directors' Report

Mr Abraham Anthony Schildkraut - B.Bus, ASA (Non-Executive Director) – appointed 8 September 2014

Mr Schildkraut, has over 25 years' experience in the resource banking and mining industries. After more than a decade of resource banking experience in the Asia Pacific region, he has provided management and financial consultancy services to a number of junior resource companies active in Australia, PNG, Indonesia, The Philippines, and several African countries. Most recently Mr Schildkraut was the Chief Financial Officer and Company Secretary of Central Australian Phosphate Limited.

Mr Errol Bome – Bacc, CA (Non-Executive Director) appointed 27 February 2014, resigned 8 September 2014

Mr Bome is a specialist in Fixed Income markets and financial planning, with extensive experience in portfolio and risk management. He is currently employed by BT Investment Management Limited and is responsible for managing Fixed Income portfolios. Prior to joining BT, Mr Bome was a director of Rothschild Australia Asset Management Pty Ltd and was head of the Fixed Income and Cash division. Mr Bome has studied accountancy and received his bachelor of Accountancy degree (BAcc) at the University of Witwatersrand. He is a member of the Institute of Chartered Accountants (ACA) and has fulfilled the requirements for accreditation as a Chartered Accountant Financial Planning Specialist.

Mr Richard Procter - BSc (Eng), MBA, MIMMM, CEng (resigned 27 February 2014)

Mr Procter is a mining engineer with over 35 years broad international experience encompassing roles in the corporate, operations, contracting, consulting and mine development areas. He has held senior industry positions that have demonstrated leadership and management of base and precious metal mining companies (both underground and open pit); development of project assessment including definitive / bankable feasibility studies and their conversion into mining operations. He has managed teams undertaking mining asset evaluations and valuations, including technical and operational audits (full mining asset due diligence and expert reports). He also has been involved in many mining operation start-ups (both small and large) as well as the re-engineering of large ongoing operations.

MinRex Resources NL

Directors' Report

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Name	Company
Simon Durack	Non-executive Director of Zambezi Resources Limited (appointed August 2009, resigned 31 May 2013); Non-executive Director of Millennium Minerals Limited (appointed February 2009, resigned 30 June 2013).
Emmanuel Heyndrickx	Non-executive Director of Zambezi Resources Limited (appointed November 2010, resigned 31 May 2013).
Robert Downey	Non-executive Chairman of AXG Mining Limited (appointed 8 September 2014).
Abraham Anthony Schildkraut	Nil
Errol Bome	Nil
Richard Procter	Non-executive Director of Zambezi Resources Limited (appointed September 2009, resigned 30 May 2013), Non-executive Director of Intercept Minerals Limited (appointed September 2007, resigned 23 November 2012), and Non-executive Chairman of Millennium Minerals Limited (appointed June 2011).

COMPANY SECRETARY

Mr Simon Durack - BComm, Post Grad Dip Bus, FCA, FCSA, FCIS – appointed 28 February 2013

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of MinRex Resources NL are:

Director	Fully paid ordinary shares	Partly paid ordinary shares
Simon Durack (direct & indirect interest)	15,001	-
Emmanuel Heyndrickx	15,000	15,000
Robert Downey	-	-
Abraham Anthony Schildkraut	-	-
Errol Bome (indirect interest)	930,000	125,000
Richard Procter (indirect interest)	150,000	150,000

MinRex Resources NL

Directors' Report

PRINCIPAL ACTIVITY

The principal activity of the Company is mineral exploration and development.

RESULTS OF OPERATIONS

The Company's net loss attributable to the members of MinRex Resources NL for the year ended 30 June 2014 was \$436,635 (2013 net loss \$293,464).

DIVIDENDS

No dividend was paid or declared by the Company in the year and up to the date of this report.

CORPORATE STRUCTURE

MinRex Resources NL is a no- liability mining company, which is incorporated and domiciled in Australia.

REVIEW OF OPERATIONS

Overview

MinRex Resources NL was initiated as an exploration company, listed on the Australian Securities Exchange, with its principal focus being the exploration and development of gold, base metal and tin projects in Australia. The Company has two projects in its exploration portfolio presently, the Deflector Extended Gold Project in Western Australia and the Heemskirk Tin Project in Tasmania. The Deflector Extended Gold Project lies to the north of Perth, within the Gullewa Greenstone Belt of the Murchison Goldfields, where deposits of gold-copper mineralisation in primary quartz-sulphide veins and secondary gold deposits in surface clays and laterite have been mined in proximity to the Project area. The Heemskirk Tin Project in coastal north-western Tasmania has been the site of tin, tungsten and base metals prospecting and exploration activities, with the most substantial exploration efforts having been at the Peripatetic Mine which consists of several adits and shafts and numerous small open pits.

These projects have provided MinRex with a base from which to explore two highly prospective areas of Australia.

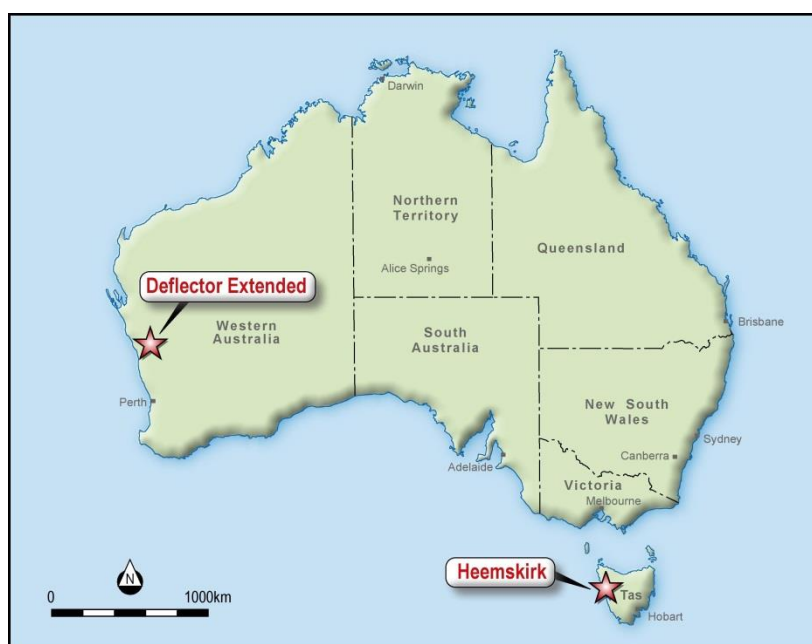


Figure 1: Location of MinRex Project Areas

Deflector Extended Gold Project

The Deflector Extended Gold Project (E59/1657) lies in the Gullewa Mining Centre, in the Murchison Goldfields, north of Perth. During 2013-14, MinRex has been actively exploring this project area; which is largely covered by transported soil, colluvium and alluvium, which effectively conceal any mineralisation present. In the past the area has been examined by regional soil geochemistry surveys, rock chip sampling and air-core and RAB drilling.

The Deflector Extended Gold Project area lies along an under-explored, north-eastern extension of the Deflector Extended mineralisation trend (Figure 2), which hosts Mutiny Gold Ltd's Gullewa Gold Project. Aeromagnetic imagery demonstrates the presence of a large granite intrusion within the southern sections of the tenement. This granite exhibits a strong spatial association with the Deflector Extended and Golden Stream gold-copper deposits, which occur on the western contact of the intrusion and are coincident with a series of crosscutting northeast - southwest trending faults. To the southwest of the Project area, the Deflector Extended Central and Deflector Extended West open pits have been mined for gold-copper mineralisation in shear zones in metabasalt, while the Golden Stream Mine has been mined for gold in shear zone-hosted quartz veins in metabasalt.

The Deflector Extended Gold Project remains current and all expenditure and regulatory requirements for the current (third) year of the tenement have been met. Work completed earlier in the current year included surface sampling programs and geological mapping. Work is also continuing on integrating the earlier surface geochemical surveys and RAB drilling with the results from the new surface sampling programs.

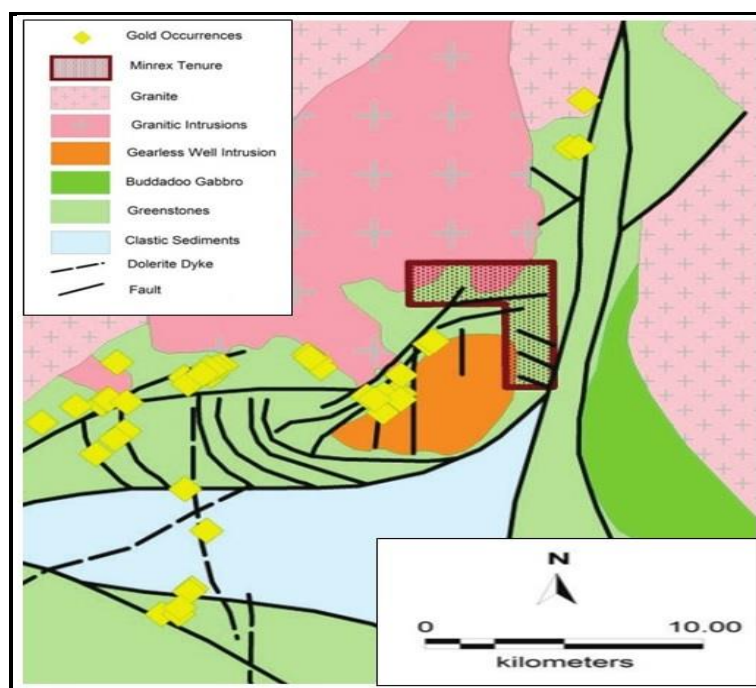


Figure 2: Geological Map of the Gullewa Area showing Deflector Extended Gold Project.

In August 2013, a more detailed geological mapping and sampling program was conducted over the Deflector Gold Extended Project area. A preliminary geological map of the area has been prepared from this work (Figure 3) and a further 35 samples of rock chips, float and laterite were collected for analysis. These samples returned anomalous copper values (up to 186ppm), nickel (up to 421ppm) and zinc (118ppm), see Table 1. The 2013 sampling programs supplemented the earlier pattern auger and other geochemical surveys, where the large spacing of the sample points may have missed narrow mineralised structures.

During the March 2014 Quarter, MinRex obtained additional exploration results from the earlier exploration work completed by other companies in the area in the past. Work also continued on integrating the earlier surface geochemical surveys and RAB drilling with the results from the new surface sampling programs (Figure 3).

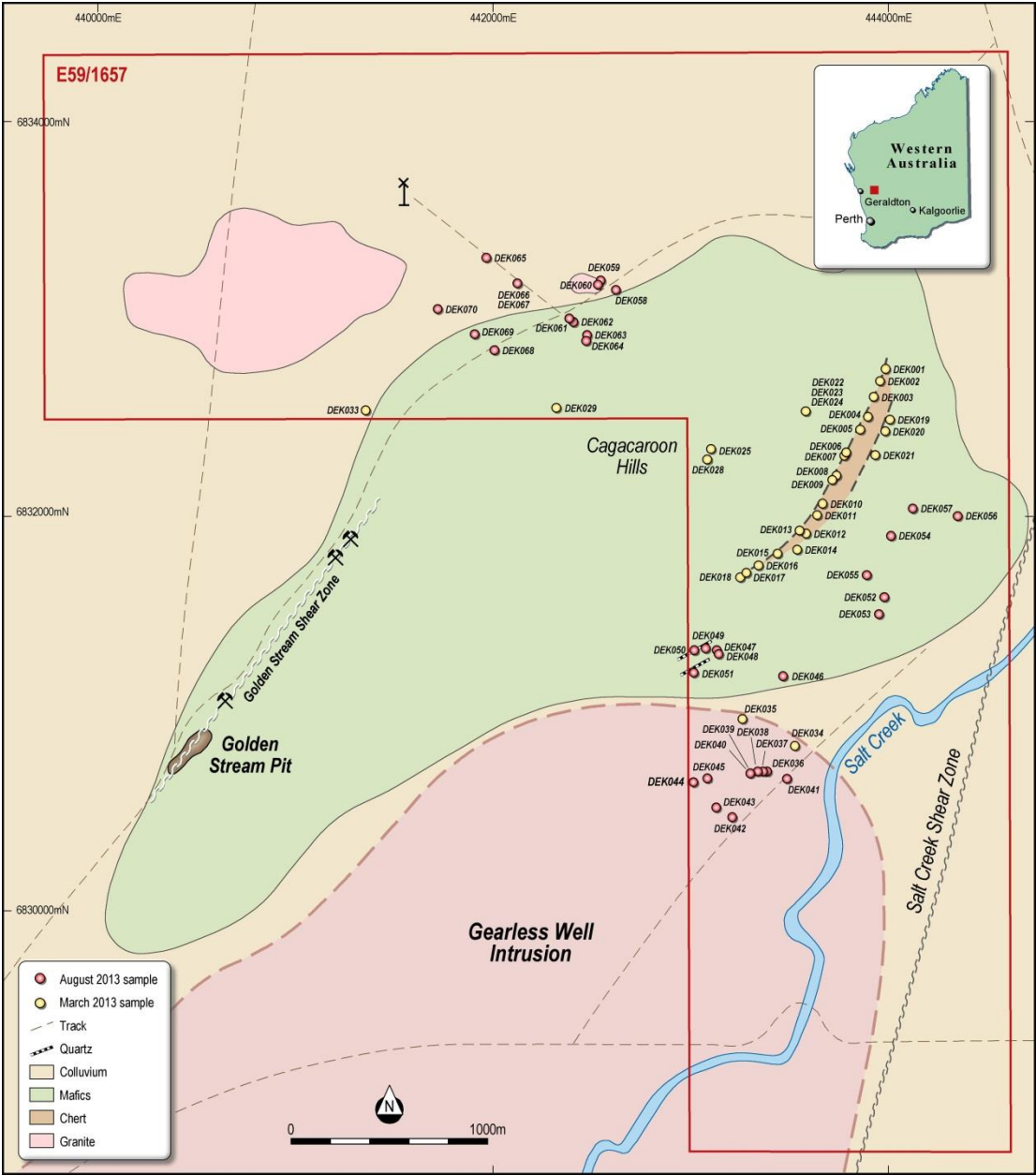


Figure 3: Geological Plan showing sampling sites at the Deflector Extended Gold Project – the August 2013 samples are shown in red.

MinRex Resources NL

Directors' Report

Table 1

Assay Results for 35 Rock Chip Samples Collected at Deflector Extended Gold Project in August 2013

Sample	Location		Au(AR)	Ag	As	Cu	Mo	Ni	Pb	Zn
No.	Easting	Northing	ppb	ppm	ppm	ppm	ppm	ppm	ppm	ppm
DEK036	443,381	6,830,706	4	0.2	4.4	17	0.8	16	20	3
DEK037	443,362	6,830,703	0	0	0.4	2	1	1	0	0
DEK038	443,339	6,830,707	0	0	0.4	2	2	2	2	3
DEK039	443,305	6,830,698	0	0	0.4	1	0.6	4	0	0
DEK040	443,305	6,830,698	0	0	0	2	0.6	7	0	3
DEK041	443,486	6,830,673	0	0	4.4	2	1.4	2	2	6
DEK042	443,212	6,830,477	0	0	0.2	3	18	3	2	4
DEK043	443,130	6,830,528	0	0	0	1	1	2	0	4
DEK044	443,013	6,830,656	0	0	42.2	28	0.4	93	3	31
DEK045	443,089	6,830,674	0	0	23	63	0.4	166	4	65
DEK046	443,469	6,831,191	0	0	1.2	3	0.6	9	0	5
DEK047	443,144	6,831,308	4	0.1	12.4	85	1.8	92	3	19
DEK048	443,140	6,831,314	0	0.65	56	186	4.2	421	3	105
DEK049	443,079	6,831,326	0	0	1.6	30	30.4	9	30	7
DEK050	443,020	6,831,320	0	0	0.4	8	1	3	0	4
DEK051	443,010	6,831,210	0	0	0.2	30	6	7	42	5
DEK052	443,980	6,831,592	0	0	0.8	3	1	8	1	5
DEK053	443,954	6,831,509	0	0	59.6	29	1.8	17	6	8
DEK054	444,017	6,831,899	0	0	0.6	3	0.8	3	0	1
DEK055	443,893	6,831,701	0	0	1.8	13	1.8	7	0	4
DEK056	444,349	6,832,001	0	0	0.2	3	0.8	7	0	4
DEK057	444,126	6,832,040	0	0	0	9	1.2	6	2	5
DEK058	442,620	6,833,148	0	0	0	9	6.2	3	18	10
DEK059	442,534	6,833,184	0	0	0	2	3.6	3	3	4
DEK060	442,542	6,833,190	0	0	0.8	11	0.4	3	11	12
DEK061	442,388	6,832,997	1	0	3.2	9	13.8	18	37	8
DEK062	442,396	6,832,984	0	0	11.2	37	1.8	13	14	54
DEK063	442,477	6,832,888	0	0	0.8	5	0.8	7	1	11
DEK064	442,478	6,832,913	0	0	3.2	43	1	6	47	14
DEK065	441,971	6,833,306	0	0	0.6	2	1	4	2	6
DEK066	442,130	6,833,178	0	0	0.2	3	0.8	0	1	5
DEK067	442,130	6,833,178	0	0	10.2	61	0.8	42	24	118
DEK068	442,011	6,832,839	1	0	28.6	118	5	79	3	32
DEK069	441,909	6,832,922	0	0	2.2	12	1	6	2	18
DEK070	441,723	6,833,047	0	0	1.2	3	0.8	4	2	4

Heemskirk Tin Project

The Heemskirk Tin Project (E18/2011) is located in coastal north-western Tasmania, to the west of the town of Zeehan (Figure 4). MinRex has been exploring the Heemskirk Tin Project for tin-tungsten mineralisation through 2012-14. The presence of multiple small deposits of tin, tungsten and base metals in the granitic and sedimentary rock sequences in the area, suggests the potential for larger low-grade deposits, for which little exploration is thought to have occurred in the past.

The Heemskirk Tin Project is also current and all expenditure and regulatory requirements are up to date for this (the third) year of the tenement. Work completed by MinRex includes collation and evaluation of earlier work, surface geological mapping and surface geochemical sampling. Data collation and evaluation work are also continuing to assess the best areas for further follow up geological mapping, sampling and evaluation.

Since obtaining the Heemskirk Tin Project (EL18/2011), MinRex has completed a review and interpretation of previous exploration and geophysical data, a re-processing and analysis of the government airborne magnetic and radiometric geophysical data over the Heemskirk area and two field reconnaissance trips, each of several days duration. In total some 53 rock chip and stream sediment samples have been collected and submitted for chemical analysis.

The remote location of the project, surficial cover sequences, vegetation and climate are all thought to have detracted from the application of modern exploration methods to the Project area previously.



Figure 4: Heemskirk Tin Project Location and Tenement Plan.

MinRex Resources NL

Directors' Report

Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Kieron Munro, Consulting Geologist. This information was first disclosed under the JORC Code 2004 and it has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Munro is employed as a consultant for MinRex and is also a Member of the Australian Institute of Geoscientists and 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 Munro consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no events that have arisen since the reporting date that has affected or may significantly affect the operation of the Company, with the exception of the Extraordinary General Meeting ('EGM') of the Company which has been called for 13 October 2014. The main purpose of this EGM is to seek shareholder approval for the Company to acquire all the share capital of Skin Elements Pty Ltd and to change its main activity from a junior explorer to a biotech company focused on skin care. The Company will issue a Product Disclosure Statement to raise between \$2.3 million and \$4 million in fresh capital, which is subject to shareholders successfully approving the acquisition of all of the share capital in Skin Elements Pty Ltd at the EGM called for the purpose.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Disclosure of information regarding likely developments of the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company holds participating interests in two exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the Company's environmental conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2014.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

MinRex Resources NL

Directors' Report

DIRECTORS' MEETINGS

During the financial year, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Board Meetings Eligible to Attend	Number of Board Meetings Attended	Audit Committee Meetings Attended	Remuneration Committee Meeting Attended
Mr. Simon Durack	8	8	2	-
Mr. Emmanuel Heyndrickx	8	8	2	-
Mr. Richard Procter	4	4		-
Mr. Errol Bome	4	4	-	-

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

SHARE OPTIONS

No options on ordinary shares have been issued since the date of incorporation.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of MinRex Resources NL support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that MinRex Resources NL is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of MinRex Resources NL with an Independence Declaration in relation to the audit of the full year financial report. A copy of this declaration appears on page 13 of this financial report.

Non-audit services were provided by the Company's auditor (refer note 12).



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Auditor's Independence Declaration to the Directors of MinRex Resources NL

In relation to our audit of the financial report of MinRex Resources NL for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

T G Dachs
Partner
Perth
30 September 2014

MinRex Resources NL

Remuneration Report

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors of MinRex Resources NL in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Details of Key Management Personnel

Mr Simon Durack	Executive Director
Mr Emmanuel Heyndrickx	Non-Executive Director
Mr Robert Downey – appointed 8 September 2014	Non-Executive Director
Mr Abraham Anthony Schildkraut – appointed 8 September 2014	Non-Executive Director
Mr Errol Bome (appointed 27 February 2014, resigned 8 September 2014)	Non-Executive Director
Mr Richard Procter (resigned 27 February 2014)	Non-executive Chairman

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not directly link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The table below shows the performance of the Company as measured by loss per share since incorporation in May 2011:

	As at 30 June 2014	As at 30 June 2013	As at 30 June 2012
Loss per share (cents)	(2.38)	(1.60)	(3.81)
Share price per share	\$0.16	\$0.075	\$0.14

MinRex Resources NL

Remuneration Report

Details of the nature and amount of each element of the emolument of each Executive and Non- Executive of the Company for the financial year are as follows:

2014	Short term benefits	
Director	Directors Fees	Total
Mr Richard Procter	\$8,000	\$8,000
Mr Simon Durack	\$12,000	\$12,000
Mr Emmanuel Heyndrickx	\$12,000	\$12,000
Mr Errol Bome	\$4,000	\$4,000
2013	Short term benefits	
Director	Directors Fees	Total
Mr Richard Procter	\$12,000	\$12,000
Mr Simon Durack	\$12,000	\$12,000
Mr Emmanuel Heyndrickx	\$12,000	\$12,000

Note Messrs Downey & Schildkraut did not join the Board until 8 September 2014.

There were no other executive officers of the Company during the financial years ended 30 June 2014. No remuneration is performance related.

Executive Directors

The Executive Director, Mr Simon Durack is paid Director's fees on a monthly basis. His service may be terminated by either party at any time.

Non-Executive Director

The Non-Executive Directors, Mr Richard Procter, Mr Emmanuel Heyndrickx, and Mr Errol Bome were paid Directors' fees on a monthly basis. Their services may be terminated by either party at any time.

The aggregate fee remuneration for Directors has been set at an amount not to exceed \$150,000 per annum as detailed in the Company's Prospectus issued on 30 August 2011. This amount may only be increased with the approval of Shareholders at a general meeting.

Directors' Interests

Shares held in MinRex Resources NL

	Beginning of Year		Net Change during year		End of Year	
	Ordinary Shares	Partly paid shares	Ordinary Shares	Partly paid shares	Ordinary Shares	Partly paid shares
Directors						
Mr Richard Procter	150,000	150,000	-	-	150,000	150,000
Mr Emmanuel Heyndrickx	15,000	15,000	-	-	15,000	15,000
Mr Errol Bome	930,000	125,000	-	-	930,000	125,000
Mr Simon Durack	1	-	15,000	-	15,001	-
Mr Robert Downey ⁽¹⁾	N/A					
Mr Abraham Schildkraut ⁽¹⁾	N/A					
	1,095,001	290,000	15,000	-	1,110,001	290,000

(1) Mr Robert Downey and Mr Abraham Schildkraut were appointed as Directors on the 8 September 2014

MinRex Resources NL

Remuneration Report

Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel.

END OF REMUNERATION REPORT (AUDITED)



Simon Durack
Executive Director

West Perth

30 September 2014

MinRex Resources NL

Corporate Governance Statement

The Board of Directors of MinRex Resources NL is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Upon listing the Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.minrex.com.

Diversity

The Company is an equal opportunity employer and does not discriminate.
As at 30 June 2014 there were no employees under direct employment of MinRex Resources NL.

Structure of the Board

The skills, experience and expertise relevant to the position of Executive and Non-executive Directors at the date of the annual report is included in the Directors' Report. The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

The Directors in office at the date of this statement are:

Name	Position	
Mr Simon Durack	Executive Director	Independent
Mr Emmanuel Heyndrickx	Non- Executive Director	Independent
Mr Robert Downey	Non-Executive Director	Independent
Mr Abraham Anthony Schildkraut	Non-Executive Director	Independent

Code of Conduct & Policy on Trading in Securities

The Board has adopted a Code of Conduct, which promotes ethical and responsible decision making by Directors, executives and employees.

The Board has also set out the policy on the sale and purchase of securities in the Company by its Key Management Personnel. The purpose of these guidelines is to assist Key Management Personnel to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act 2001 (Cth).

Nomination Committee

The Board has established a nomination committee, which meets at least annually, to ensure that the Board continues to operate within the established guidelines. The nomination committee comprised the following members:

Mr Simon Durack
Mr Emmanuel Heyndrickx
Mr Robert Downey

MinRex Resources NL

Corporate Governance Statement

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter. The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The Audit and Risk Management committee comprised the following members:

Mr Emmanuel Heyndrickx
Mr Abraham Anthony Schildkraut

Performance

The Nomination Committee arrange performance evaluation of the Board, its committees and its individual Directors on an annual basis. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of the management and personnel.

Remuneration

The Remuneration Committee is a Committee of the Board. The Charter may be subject to review by the Board at any time.

For the details of remuneration of Directors please refer to the Directors' Report.

The Remuneration committee comprised the following members:

Mr Simon Durack
Mr Emmanuel Heyndrickx
Mr Robert Downey

Assurance

The Board oversees the periodic preparation of formal statements.

Shareholder Communication Policy

Pursuant to Principle 6, the Company's objective is to promote effective communication with its shareholders at all times.

MinRex Resources NL is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information
- Complying with continuous disclosure obligations contained in the ASX listing rules and the *Corporations Act* in Australia
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX
- Through the distribution of the annual report and notices of annual general meeting
- Through shareholder meetings and investor relations presentations
- Through letters and other forms of communications directly to shareholders
- By posting relevant information on the Company's website: www.minrexresources.com.au

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

MinRex Resources NL

Corporate Governance Statement

Corporate Governance Compliance

During the financial year MinRex Resources NL has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
1.1	The Company has not formally disclosed the functions reserved to the management.	<p>The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board.</p> <p>Due to the small size of the Board and of the Company, the Board does not consider that the Company is of sufficient size to justify the appointment of additional executive managers for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.</p>
1.2&1.3	The Company has not established the process for evaluating the performance of senior executives	No management team has been formed. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned.

**Statement of Comprehensive Income
For the year ended 30 June 2014**

	Note	30-Jun-14 \$	30-Jun-13 \$
Revenue from ordinary activities			
Interest Income		56,521	84,852
Expenditure			
Depreciation and amortisation		(9,032)	(5,903)
Corporate expenses		(170,283)	(169,637)
Business development expenses		-	(2,420)
Management and administration expenses	4	(313,841)	(200,356)
Total expenditure		(493,156)	(378,316)
Loss from ordinary activities before income tax expense		(436,635)	(293,464)
Income tax expense	5	-	-
Net loss attributable to the members of MinRex Resources NL		(436,635)	(293,464)
Other comprehensive income			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the year		(436,635)	(293,464)
Basic loss per share attributable to the ordinary equity holders of the company	14	(2.38)	(1.60)
Diluted loss per share attributable to the ordinary equity holders of the company	14	(2.38)	(1.60)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June 2014

		30-Jun-14 \$	30-Jun-13 \$
Current Assets	Note		
Cash and cash equivalents	6	2,047,765	2,556,853
Other receivables	7	52,201	25,755
Prepayment		5,673	2,937
Total Current Assets		2,105,639	2,585,545
Non-Current Assets			
Exploration, evaluation and development expenditure	8	204,523	160,901
Property, plant and equipment		23,181	24,469
Total Non-Current Assets		227,704	185,370
Total Assets		2,333,343	2,770,915
Current Liabilities			
Trade and other payables	9	28,664	29,601
Total Current Liabilities		28,664	29,601
Total Liabilities		28,664	29,601
Net Assets		2,304,679	2,741,314
Equity			
Contributed equity	10	3,454,614	3,454,614
Accumulated losses	11	(1,149,935)	(713,300)
Total Equity		2,304,679	2,741,314

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the year ended 30 June 2014

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
30 June 2013			
Balance at 1 July 2012	3,454,614	(419,836)	3,034,778
Net loss for the period	-	(293,464)	(293,464)
Comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(293,464)	(293,464)
Transaction with owners recorded directly in equity	-	-	-
Balance at 30 June 2013	3,454,614	(713,300)	2,741,314
30 June 2014			
Balance at 1 July 2013	3,454,614	(713,300)	2,741,314
Net loss for the year	-	(436,635)	(436,635)
Comprehensive income for the period	-	-	-
Total comprehensive loss for the year	-	(436,635)	(436,635)
Transaction with owners recorded directly in equity	-	-	-
Balance at 30 June 2014	3,454,614	(1,149,935)	2,304,679

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the year ended 30 June 2014

	Note	30-Jun-14 \$	30-Jun-13 \$
Cash Flows Used in Operating Activities			
Interest received		56,083	84,374
Payments to suppliers and employees		(504,291)	(371,920)
Net cash used in operating activities	6	<u>(448,208)</u>	<u>(287,546)</u>
 Cash Flows Used in Investing Activities			
Payments for plant and equipment		(7,744)	(30,095)
Payments for security deposit		(10,900)	-
Payments for exploration, evaluation and development expenditure		(42,236)	(70,827)
Net cash Used in investing activities		<u>(60,880)</u>	<u>(100,922)</u>
 Net decrease in cash held		(509,088)	(388,468)
 Cash at the beginning		2,556,853	2,945,321
 Cash held at the end of the year	6	<u>2,047,765</u>	<u>2,556,853</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2014

1. Corporate Information

The financial report of MinRex Resources NL for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 30 September 2014.

MinRex Resources NL is a for profit no- liability mining company, which is incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2011, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars.

(b) Compliance with IFRS

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted all new and amended Australia Accounting Standard effective 1 July 2013, including:

Ref	Title	Summary of changes
AASB 13	Fair Value Measurement	<p>AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.</p> <p>AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.</p> <p>Consequential amendments were also made to other standards via AASB 2011-8.</p> <p>The adoption of this standard had no material impact on the Company's financial statements.</p>

Ref	Title	Summary of changes
AASB 119 (revised 2011)	Employee Benefits	<p>The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets.</p> <p>The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.</p> <p>Consequential amendments were also made to other standards via AASB 2011-10.</p> <p>The adoption of these amendments had no material impact on the Company's financial statements.</p>
AASB 2012-2	Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	<p>AASB 2012-2 principally amends AASB 7 <i>Financial Instruments: Disclosures</i> to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met.</p> <p>The adoption of these amendments had no material impact on the Company's financial statements.</p>
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	<p>This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.</p> <p>The adoption of these amendments had no material impact on the Company's financial statements.</p>

(ii) *Accounting Standards and Interpretations issued but not yet effective.*

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2014:

Ref	Title	Summary of changes
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i> . The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.
AASB 1031	Materiality	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.</p>

Ref	Title	Summary of changes
AASB 9 / IFRS 9	Financial Instruments (applicable 1 July 2018)	<p>On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <ol style="list-style-type: none"> Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ol style="list-style-type: none"> The change attributable to changes in credit risk are presented in other comprehensive income (OCI) The remaining change is presented in profit or loss <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p>

Ref	Title	Summary of changes
IFRS 15	Revenue from Contracts with Customers (applicable 1 July 2017)	<p>In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i>, which replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue</i> and related Interpretations (IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue—Barter Transactions Involving Advertising Services</i>)</p> <p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation <p>Early application of this standard is permitted.</p>

The above standards and interpretations are applicable for financial years beginning on or after 1 July 2014 unless otherwise stated. The Company has not elected to early adopt any new standards or amendments that are issued but not yet effective. New standards or amendments will be adopted when they become effective.

The impact of these new or amended Accounting Standards has yet to be fully assessed.

(d) Accounting policies**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised:

Interest income

Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Income tax

The income tax expense (revenue) comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Receivables

Amounts receivable from third parties are carried at amortised cost. The recoverability of the debts is assessed at balance date and specific allowance is made for any doubtful accounts.

Mining tenements and mineral exploration and evaluation expenditure

Mining tenements are carried at cost, less accumulated impairment losses.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated exploration, evaluation and development costs for the relevant area of interest are capitalised and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation and amortisation

The depreciable amount of all fixed assets including buildings and capitalised leased assets is calculated using the straight line method, over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use.

The straight line depreciation and amortisation rates used for each class of assets are as follows:

Plant and equipment 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Impairment of assets

At each reporting date, the Company reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit and loss.

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

Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30- 45 days.

Contributed equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expected liability.

Employee benefits***Wages and salaries, annual leave and sick leave***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of

30employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of other payables and liabilities for annual and sick leave are included as part of employee benefit provisions.

Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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 MinRex Resources NL.

Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

3. Segment Information

For management purposes, the Company is organized into one main operating segment, which involves mining and exploration for gold and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. Total

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2014

revenue earned by the Company is generated in Australia and all the Company's non-current assets reside in Australia.

4. Management and administration expenses	30-Jun-14	30-Jun-13
	\$	\$
Audit and compliance	19,719	22,367
Bank charges	812	659
General office expenses	155,776	114,669
Legal and Professional Support	137,534	62,381
Marketing	-	280
	313,841	200,356

	2014	2013
5. Income Tax	\$	\$

(a) Income tax expense

Major component of tax expense for the year:

Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

	2014	2013
	\$	\$
Loss before income tax expense	(436,635)	(293,464)
Tax at the company rate of 30%	(130,991)	(88,039)
Non-taxable income	-	-
Movement of income tax benefit not brought to account	130,991	88,039
Income tax expense / (benefit)	-	-

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2014

	30-Jun-14	30-Jun-13
	\$	\$

5. Income Tax (continued)

(c) Deferred tax

The following temporary differences existed at the balance sheet date:

Deferred tax asset

Accruals	1,579	1,288
Unused tax losses	425,850	259,551
Section 40-880 deductions	45,025	67,537
Offset against deferred tax liabilities	(61,357)	(48,270)
Deferred tax assets not recognised	(411,097)	(280,106)
Net deferred tax asset balance	-	-

Deferred tax liabilities

Exploration asset	(61,357)	(48,270)
Offset against deferred tax assets	61,357	48,270
	-	-

The Company has \$1,419,498 in losses for income tax purposes. The aggregate deferred tax benefit of \$411,097 has not been carried forward as an asset in the Statement of Financial Position as realisation of the benefit is not regarded as probable and will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the exploration expenditure and tax losses to be realised;
- (b) the Company continues to comply with the conditions for deductibility imposed by the law; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the tax losses.

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2014

	30-Jun-14	30-Jun-13
6. Cash and cash equivalents	\$	\$
Reconciliation of Cash and Cash Equivalents		
Cash comprises of:		
Cash at bank	<u>2,047,765</u>	<u>2,556,853</u>
Reconciliation of operating loss after tax to the cash flows from operations		
Loss from ordinary activities after tax	(436,635)	(293,464)
Non cash items		
Depreciation	9,032	5,903
Change in assets and liabilities		
(Increase) in prepayments	(2,736)	(879)
(Increase) in trade and other receivables	(16,159)	(8,042)
(Decrease)/increase in trade creditors and accruals	(1,710)	8,936
Net cash outflow from operating activities	<u>(448,208)</u>	<u>(287,546)</u>
	30-Jun-14	30-Jun-13
7. Other receivables	\$	\$
Term deposit	11,131	10,693
GST refundable	16,103	8,787
Security bond	15,000	4,100
Other receivable	9,967	2,175
	<u>52,201</u>	<u>25,755</u>
	30-Jun-14	30-Jun-13
8. Exploration, evaluation and development expenditure	\$	\$
Exploration, evaluation and development assets(a)	204,523	160,901
(a) Area of Interest		
Deflector Extended Gold Project- Western Australia	127,849	100,848
Heemskirk Tin Project – Tasmania	76,674	60,053
Carrying amount at end of year ¹	<u>204,523</u>	<u>160,901</u>
(b) Reconciliation		
Carrying amount at beginning	160,901	89,810
Additions	43,622	71,091
Carrying amount at end of year ¹	<u>204,523</u>	<u>160,901</u>

1. The ultimate recoupment of costs carried for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2014

	30-Jun-14	30-Jun-13
	\$	\$
9. Trade and Other Payables		
Trade payables	13,806	21,361
Accruals	14,858	8,240
	<u>28,664</u>	<u>29,601</u>

	30-Jun-14	30-Jun-14	30-Jun-13	30-Jun-13
	No.	\$	No.	\$
10. Contributed Equity				
Ordinary Shares				
Issued and fully paid	17,500,001	3,500,000	17,500,001	3,500,000
Partly paid shares	17,500,000	175,000	17,500,000	175,000
	<u>35,000,001</u>	<u>3,675,000</u>	<u>35,000,001</u>	<u>3,675,000</u>
Movements in ordinary shares on issue	No.	\$	No.	\$
At beginning of year	35,000,001	3,454,614	35,000,001	3,454,614
Issue of ordinary shares for cash	-	-	-	-
At end of year	<u>35,000,001</u>	<u>3,454,614</u>	<u>35,000,001</u>	<u>3,454,614</u>

Note - Each ordinary fully paid shares carry's one vote. Partly paid shares carry a vote in proportion to the amount they are paid up. Partly paid shares were issued at 20 cents per share and payment received as at reporting date was 1 cent per share.

	30-Jun-14	30-Jun-13
	\$	\$
11. Accumulated losses		
Movements in accumulated losses were as follows:		
At beginning of the period	(713,300)	(419,836)
Loss during the year	(436,635)	(293,464)
At 30 June	<u>(1,149,935)</u>	<u>(713,300)</u>

	30-Jun-14	30-Jun-13
	\$	\$
12. Auditors Remuneration		
The auditor of MinRex Resources NL is Ernst& Young (Australia)		
Amounts received or due and receivable by Ernst & Young (Australia) for		
-an audit or review of the financial report of the entity	5,410	5,250
- other services	5,750	3,750
	<u>11,160</u>	<u>5,045</u>

13. Key Management Personnel Disclosures

(a) Details of Key Personnel

Mr Simon Durack	Executive Director and Company Secretary
Mr Emmanuel Heyndrickx	Non-Executive Director
Mr Robert Downey	Non-Executive Director (Appointed 8 September 2014)
Mr Abraham Schildkraut	Non-Executive Director (Appointed 8 September 2014)
Mr Richard Procter	Non-executive Chairman (Resigned 27 February 2014)
Mr Errol Bome	Non-Executive Director (Appointed 27 February 2014, resigned 8 September 2014)

(b) Remuneration of Key Management Personnel

	30-Jun-14	30-Jun-13
	\$	\$
Compensation of key management personnel of the Group		
Short Term Employee benefits	<u>36,000</u>	<u>36,000</u>

(c) Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel.

(d) Outstanding Balances

The following balances were outstanding at the reporting date in relation to the transactions with related parties:

2014 \$4,000 current payables – Director’s fees (2013 \$Nil)

(e) Related Party transactions

The only related party transactions relate to compensation of key management personnel.

14. Loss per Share

	2014	2013
	cents per share	cents per share
Basic loss Per Share	(2.38)	(1.60)
Weighted Average number of ordinary shares used in calculating basic earnings/(loss) per share:	18,375,001	18,375,001
Effect of dilution:		
Partly paid shares	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	18,375,001	18,375,001

There is no impact on diluted loss per share of the 17,500,000 partly paid shares outstanding at 30 June 2014 because they are anti-dilutive. The partly paid shares could potentially dilute basic EPS in the future.

15. Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Company's business. The Company does not hold or issue derivative financial instruments.

The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business. The responsibility for liquidity risk management rests with the Board of Directors.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables. As at 30 June 2014 all financial liabilities are contractually matured within 30 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's statement of comprehensive income to a reasonably possible change in variable interest rates, with all other variables constant.

	Effect on Post Tax Earnings Increase/(Decrease)	Effect on Equity including accumulated losses Increase/(Decrease)	Effect on Post Tax Earnings Increase/(Decrease)	Effect on Equity including accumulated losses Increase/(Decrease)
	2014	2014	2013	2013
	\$	\$	\$	\$
Increase 100 basis points	20,478	20,478	25,569	25,569
Decrease 100 basis points	(20,478)	(20,478)	(25,569)	(25,569)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's maximum credit exposure is the carrying amounts of financial assets in the statement of financial position.

At 30 June 2014, the Company held cash at bank. These were held with financial institution with a rating from Standard & Poors of AA or above (long term). The Company has no past due or impaired debtors as at 30 June 2014 (2013 Nil).

(d) Fair value

The carrying value of the financial instruments as at 30 June 2014 approximates its fair value due to its short term nature.

16. Contingent Liabilities

As at the date of this report, no contingent liabilities had been identified in relation to the financial year ended 30 June 2014.

17. Capital commitments

The company's minimum expenditure commitments in relation to its tenements are:

- 1) Deflector Extended Gold project (E59/1657): \$20,950
- 2) Heemskirk Tin Project (EL 18/2011): \$22,565 for the first 2 years

18. Events subsequent to reporting date

There have been no events that have arisen since the reporting date that has affected or may significantly affect the operation of the Company, with the exception of the Extraordinary General Meeting ('EGM') of the Company which has been called for 13 October 2014. The main purpose of this EGM is to seek shareholder approval for the Company to acquire all the share capital of Skin Elements Pty Ltd and to change its main activity from a junior explorer to a biotech company focused on skin care. The Company will issue a Product Disclosure Statement to raise between \$2.3 million and \$4 million in fresh capital, which is subject to shareholders successfully approving the acquisition of all of the share capital in Skin Elements Pty Ltd at the EGM called for the purpose.

MinRex Resources NL

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of MinRex Resources NL, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the company as at 30 June 2014 and of its performance, for the period ended on that date; and
 - (ii) complying with Accounting Standard (including the Australian Accounting Interpretation) and the Corporations Regulations 2001;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b);
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections of 295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

On behalf of the Board



Simon Durack
Executive Director

West Perth

30 September 2014

Independent auditor's report to the members of MinRex Resources NL

Report on the financial report

We have audited the accompanying financial report of MinRex Resources NL, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

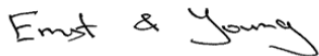
- a. the financial report of MinRex Resources NL is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2014. 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.

Opinion

In our opinion, the Remuneration Report of MinRex Resources NL for the period ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
30 September 2014

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 10 September 2014.

(a) Distribution of Share Holders

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	3	704
1,001 - 5,000	1	5,000
5,001 - 10,000	42	420,000
10,001 - 100,000	59	1,731,876
100,001 and over	30	15,342,421
Total	135	17,500,001

The number of shareholders holding less than a marketable parcel is 3.

Top Twenty Share Holders

	Holder name	Securities	%
1	CHIFLEY PORTFOLIOS PTY LTD	2,285,651	13.06%
2	LION SUPER PTY LTD	1,876,000	10.72%
3	JOHN WARDMAN & ASSOC PTY LTD	1,500,000	8.57%
4	CAREY D G & CAREY-DOMINGU	1,250,000	7.14%
5	SILVA PTY LTD	1,000,000	5.71%
6	BOME ERROL & MELANIE	930,000	5.31%
7	WHIDDON GLENN ROSS	670,000	3.83%
8	HSBC CUSTODY NOM AUST LTD	561,000	3.21%
9	TRANSCONTINENTAL INV PTY LTD	500,000	2.86%
10	SOUMELIDES GEORGE	500,000	2.86%
11	DOYLE A M & MORETTI L H	500,000	2.86%
12	NAUTICAL HLDGS WA PTY LTD	374,770	2.14%
13	VIVRE INV PTY LTD	290,000	1.66%
14	LOCOPE PTY LTD	275,000	1.57%
15	PEARSON JAMES F + K P	250,000	1.43%
16	WILLOW HLDGS PTY LTD	200,000	1.14%
17	MORGAN-HUNN C J	200,000	1.14%
18	FRANCIPANE SAM	200,000	1.14%
19	MCKEAN IAIN RICHARD C	200,000	1.14%
20	C W JOHNSTON PTY LTD	200,000	1.14%
	Total	13,762,421	78.63%

MinRex Resources NL

(b) Schedule of Interests in Mining Tenements

Tenement	Project	Registered Holder	MinRex Beneficial Interest
E59/1657	Deflector Extended Gold Project	MinRex Resources NL	100%
EL(18/2011)	Heemskirk Tin Project	MinRex Resources NL	100%

(c) Substantial Shareholder (Holding not less than 5%)

As at 10 September 2014

	Holder name	Securities	%
1	CHIFLEY PORTFOLIOS PTY LTD	2,285,651	13.06%
2	LION SUPER PTY LTD	1,876,000	10.72%
3	JOHN WARDMAN & ASSOC PTY LTD	1,500,000	8.57%
4	CAREY D G + CAREY-DOMINGU	1,250,000	7.14%
5	SILVA PTY LTD	1,000,000	5.71%
6	BOME ERROL & MELANIE	930,000	5.31%

(d) Class of Shares and Voting Rights

There is only one class of share. All ordinary shares carry one vote per share. 20 partly paid shares carry the same voting right as one fully paid ordinary share.

(e) Unquoted option securities

Nil

(f) Restricted Securities

Nil

(g) On-Market Buy Back

There is no current on-market buy back.

(h) Listing rule 11.1.3

Following compliance with listing rule 11.1.3, the Company confirms that it used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.