

MinRex Resources NL

ABN 81 151 185 867

ANNUAL REPORT

For the Year Ended 30 June 2013

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MinRex Resources NL

CORPORATE DIRECTORY

DIRECTORS

Mr Richard Procter (Non-executive Chairman)

Mr Simon Durack (Executive Director)

Mr Emmanuel Heyndrickx (Non-executive Director)

COMPANY SECRETARY

Mr Simon Durack

REGISTERED OFFICE

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Facsimile: +61 8 9321 3559

Website: www.minrex.com.au

SHARE REGISTRY

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Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

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 2013.

DIRECTORS

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

Mr Richard Procter - BSc (Eng), MBA, MIMMM, CEng (Non-executive Chairman)

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.

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.

MinRex Resources NL

Directors' Report

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Name	Company
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 Director of Millennium Minerals Limited (appointed June 2011).
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).

COMPANY SECRETARY

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

Mr Pierre Malherbe – BCom(Acc), BCom (InvMgt), MCom – resigned 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
Richard Procter (indirect interest)	150,000	150,000
Emmanuel Heyndrickx	15,000	15,000
Simon Durack	1	0

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 2013 was \$293,464 (2012 net loss \$419,836).

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 is an exploration company listed on the Australian stock exchange, whose principal focus is the exploration and development of gold, base metal and tin projects in Australia. The Company is also currently seeking additional projects, both within Australia and overseas. MinRex has two principal 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 Goldfield. Deposits of gold-copper mineralisation in primary quartz-sulphide veins and secondary gold deposits in surface clays and laterite have been mined in the Gullewa area, in proximity to MinRex's Project area. The Heemskirk Tin Project in north-western Tasmania has been the site of limited prospecting and exploration activities, focussed on surface mineralisation. The most substantial exploration efforts have been at the Peripatetic Mine which consists of several adits and shafts and numerous small open pits. Within the Project area numerous historical workings, for tin, tungsten and copper, are considered to present a number of exploration opportunities.

Exploration activities, comprising surface sampling and geological prospecting, are currently being carried out by MinRex on both Project areas. These projects provide the Company with a base in two highly prospective areas of Australia.

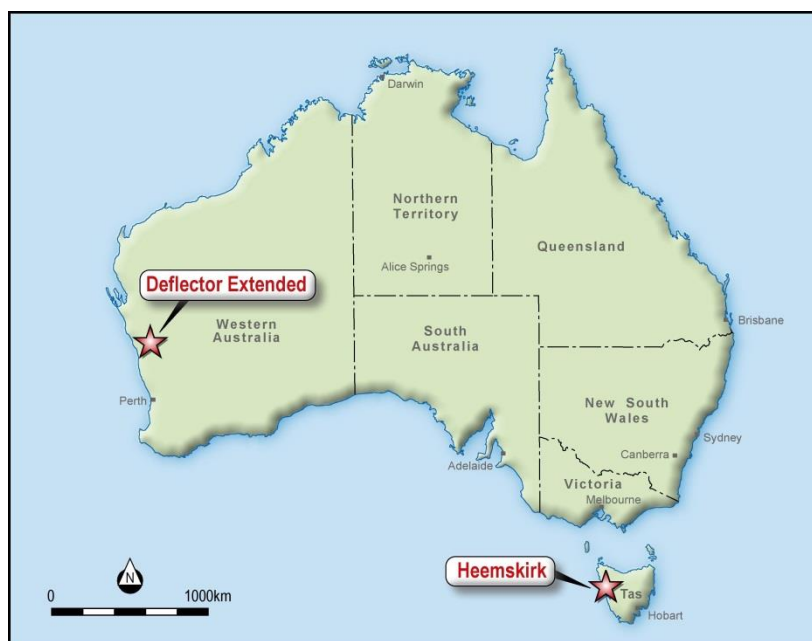


Figure 1: Location of MinRex Project Areas

Deflector Extended Gold Project

The Deflector Extended Gold Project area (E59/1657) lies along an under-explored, north-eastern extension of the Deflector 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 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 Central and Deflector 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.

During the past year exploration activities were designed to build on the earlier auger soil and MAGLAG sampling program, completed in 2012, over the Project.

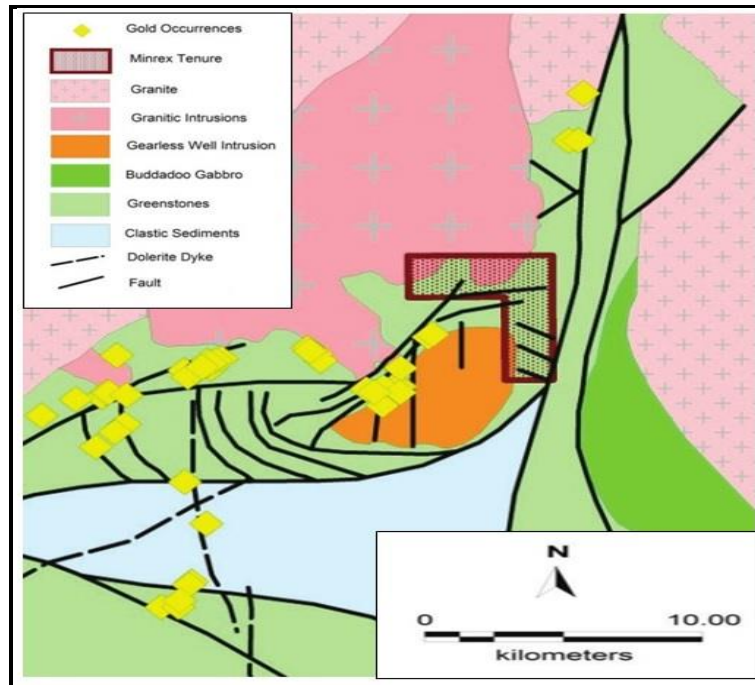


Figure 2: Geological Map of the Gullewa Area showing Deflector Extended Gold Project

The Project area is predominantly covered by transported soil, colluvium and alluvium, which effectively conceal any mineralisation present. The area has historically been examined by regional soil geochemistry surveys, rock chip sampling and limited RAB / AC drilling. The previously completed exploration work is encouraging, especially the early geochemistry and RAB drilling that shows some clearly anomalous gold values within the tenement. Overlapping structural and soil geochemistry anomalies have been delineated at Deflector Extended and now provide the priority exploration targets which are being investigated by MinRex.

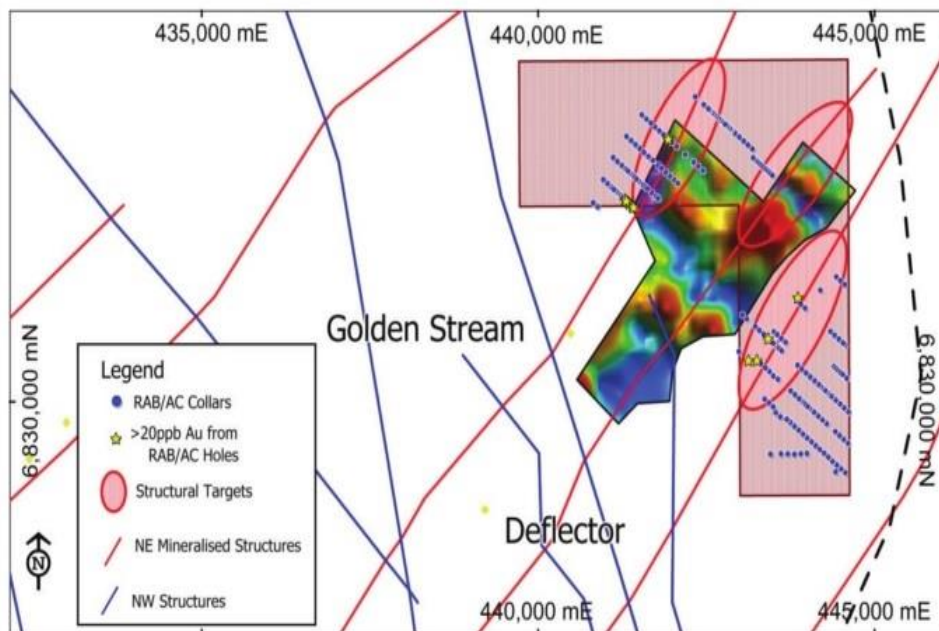


Figure 3: Structural and Geochemical Trends in the Deflector Extended Gold Project

In the district, mineralisation occurs in shear zones which are focussed on structures within greenstones, or in structures on the margins of greenstones (i.e. along internal sediment horizons or near the contact with granites). The main structural trend is southwest-northeast, although some deposits are on structures in other orientations.

MinRex Resources NL Directors' Report

Following a comprehensive review of all available data, field reconnaissance programs commenced in 2012 and it is planned that these will be followed with a limited program of RAB or AC drilling. In March 2013, a preliminary geological evaluation and surface sampling program was conducted over the Project. All parts of the lease were visited and observations made of the geomorphology, soil types and rock outcrops and a total of thirty rock chip samples, of vein quartz, cherty sediments, aplite and ironstone, were collected for analysis. The rock chip samples returned anomalous gold values (up to 68 ppb), copper (up to 426 ppm) and lead (up to 146 ppm). This sampling supplemented the earlier pattern auger and other geochemical surveys, where the large spacing of the sample points may have missed narrow mineralised structures.

It is planned to conduct further follow up surface sampling and evaluation in the area of these initial anomalous results.

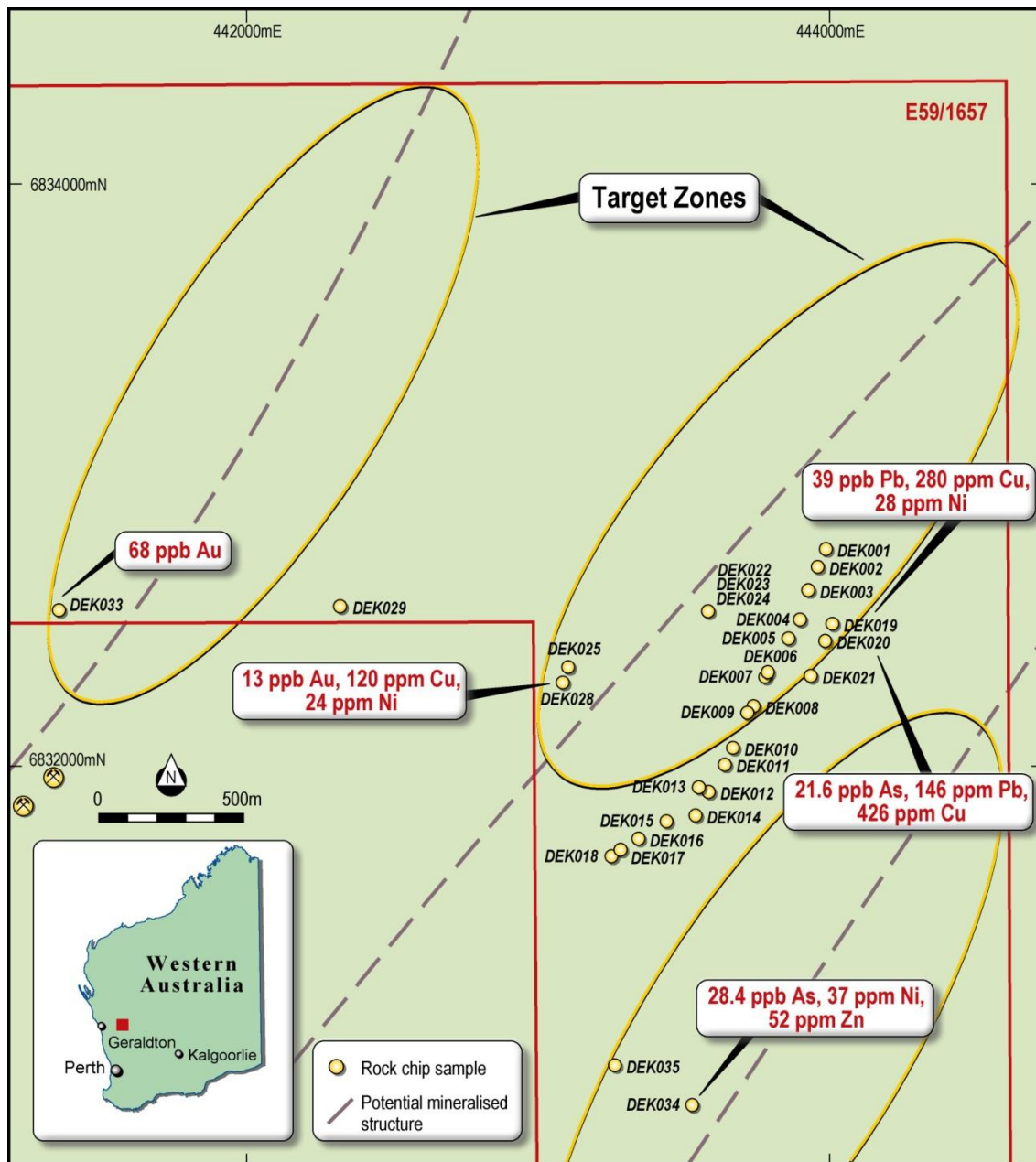


Figure 4: Plan Showing Rock Chip Sampling Sites at Deflector Extended Gold Project

MinRex will continue its systematic exploration activities at the Deflector Extended area to identify the source of enrichment observed to date, with a view to the intersection of economically significant precious and base metal mineralisation. It is expected that careful observation of the geology, structure, depth of weathering, previous geochemistry and RAB drill results will be used to deduce the most favourable sites at the Project for small, highly-targeted drill programs.

MinRex Resources NL Directors' Report

In conclusion, the Deflector Extended Gold Project area is clearly prospective for hidden gold or gold-copper deposits, as demonstrated by the known deposit density in the region and the presence of a known deposit, within a short distance (some 2 km), on a structure that trends into the tenement. Any mineralised structures in the area are not showing up in the available geophysics and are showing muted responses to geochemistry and therefore will require further detailed surface geochemistry and geological mapping to define.

Heemskirk Tin Project

MinRex considers the Heemskirk Tin Project to be prospective for tin-tungsten mineralisation due to the presence of multiple small known deposits in the granitic and sedimentary rock sequences in the area. The large granitic area is also considered prospective for granite-hosted uranium deposits (alaskite-type) for which little exploration is thought to have occurred in the past. 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 5: Heemskirk Tin Project Location and Tenement Plan.

In the first year of holding the Heemskirk Tin Project (EL18/2011), MinRex 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, that have collected a total of 53 rock chip and stream sediment samples (and chemical analysis of these samples).

In the second half of 2012, MinRex commissioned a re-processing and analysis of the government airborne geophysical data (magnetic and radiometric) over the Heemskirk area. This reappraisal demonstrated that, regionally, the Heemskirk Granite generates a comparatively low magnetic profile, bounded by a strong magnetic aureole in surrounding country rocks. EL18/2011 lies wholly within the Heemskirk Granite outcrop; white granite occupies the western two-thirds of the EL, while the eastern third is underlain by red granite. Tin mineralisation is typically associated with the white phase of the granite. Larger tin deposits in northwest Tasmania are commonly associated with prominent magnetic anomalies, located peripherally to granite intrusions within their magnetic aureoles. However, the area covered by the Project does not extend beyond the granite outcrop and hence does not exhibit a strong magnetic aureole.

MinRex Resources NL Directors' Report

The re-processing and analysis of the government airborne geophysical data (magnetic and radiometric) over the Heemskirk area determined the following salient observations:

- There is a likely association of tin mineralisation in the area with subtle variations in the magnetic signature, linked to magnetite concentration within the more prospective white granite phase.
- Practical application of Tilt Derivative techniques could be employed to enhance subtle magnetic features within the granite.
- Identification of a 1.5 km long Tilt-enhanced anomaly near the Peripatetic Mine, together with subtle magnetic anomalies, to the east and south of Fisher and Smiths Section Workings.
- Identification of a radiometric high, proximal to known mineralisation at Fisher and Smiths Section Workings.
- The potential use of U/Th ratios as an exploration vector, together with the presence of low U/Th ratios along the northern sections of EL18/2011, encompassing the McGuinness and Peripatetic Mines.

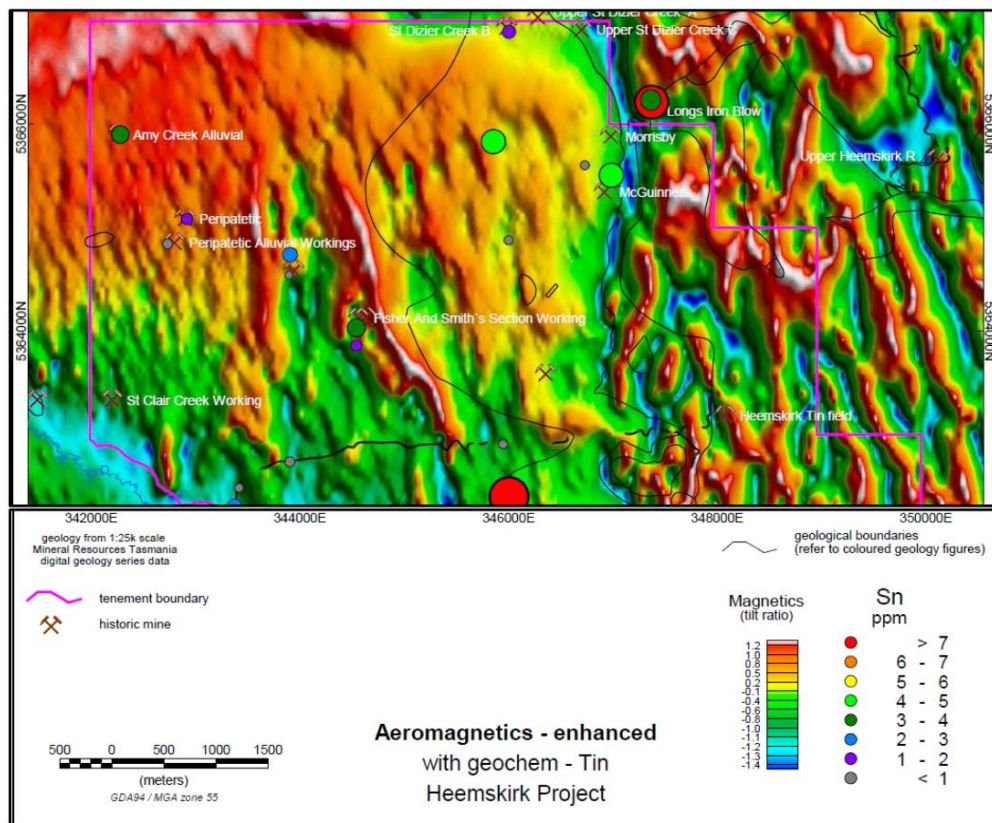


Figure 6: Heemskirk Project Aeromagnetic Image - enhanced

Whereas the significance of the refined magnetic and radiometric anomalies is not able to be determined at this stage, further follow-up activities are planned to test the precision of such magnetic exploration vectors.

This study also concluded that - given the low magnetic relief within the granite, the likely size of a deposit and the 200 m aeromagnetic line spacing, any magnetic response directly associated with tin mineralisation in the Heemskirk Tin Project area is likely to be both small and subtle.

Regionally, the Heemskirk Granite outcrop is associated with a stronger radiometric signal compared with surrounding country rock. Also the eastern half (red granite) exhibits a significantly higher radiometric signal compared with the western half (white granite). Individual drainage channels near the coast have stronger radiometric responses, consistent with selective erosion from radiometrically active portions of the granite and subsequent deposition in local drainages and along the adjacent coastline.

Uranium to thorium channel ratio analysis (U/Th) outlines a broad (1 km -2 km wide) diffuse zone of low U/Th ratios stretching across the northern section of EL18/2011, these might be indicative of zones more prospective for tin mineralisation.

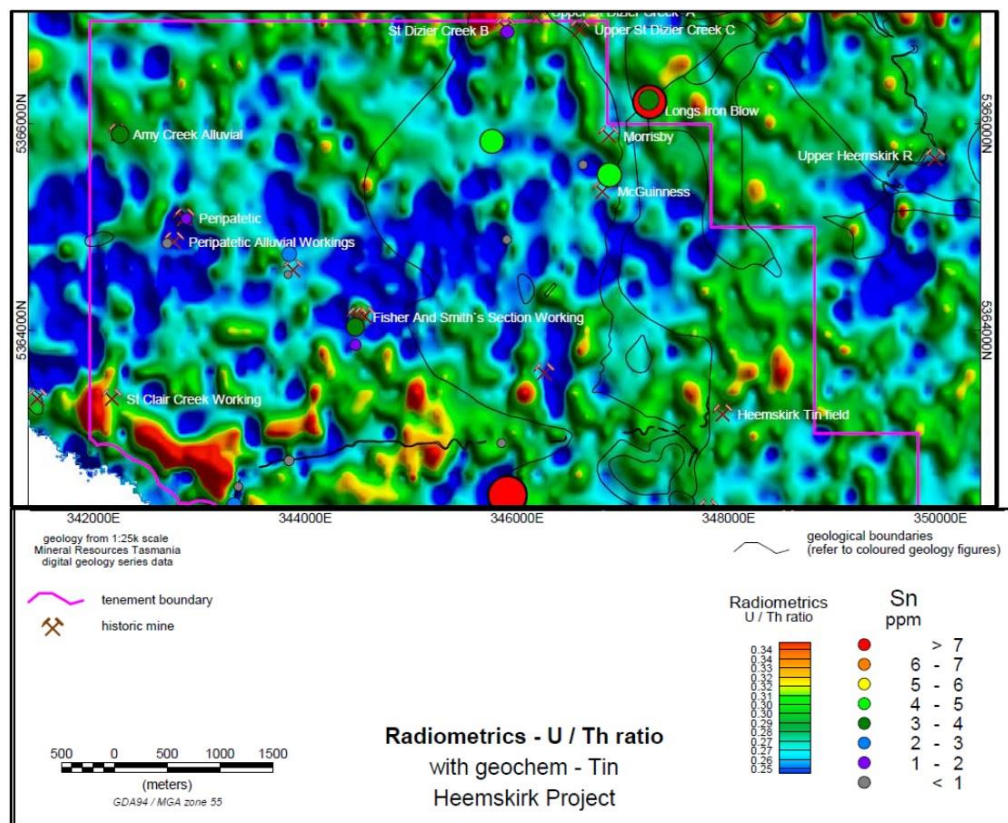


Figure 7: Heemskirk Tin Project Radiometrics – U/Th ratio

In addition to the literature review, discussed above, an initial reconnaissance exploration of the Heemskirk Tin Project (EL18/2011) was commissioned by MinRex. This field work included several days in the field locating, examining and sampling historic workings and geology. The area has contained many small, but rich, tin oxide bodies associated with various vein types. Many old workings were located and examined, with these generally are thought to date from between 1876 and 1900.

In the initial program, 13 rock chip and 10 stream sediment samples were collected, with these all being analysed for gold, silver, copper, molybdenum, nickel, lead, tin, titanium, tungsten and zinc. This was intended to be an initial reconnaissance and determination of background anomalism levels. Vein hosted and replacement mineralisation was noted at the McGuinness and Iron Blow workings and a large area of sericitic alteration was seen immediately to the west of South Gap Creek. These areas having been specifically identified as worthy of further inspection and having the potential to be associated with larger mineralised systems. It was concluded from this work that future exploration activities should be concentrated on the McGuinness, Iron Blow and South Gap areas, specifically for tin, silver and molybdenum mineralisation.

Subsequently, a follow-up detailed stream sediment sampling program was undertaken, starting with drainages surrounding historic workings, including the Peripatetic and McGuinness Mines. This second exploration sampling program aimed to confirm the effectiveness of these sampling techniques and establish a statistical base from which to distinguish background from anomalous tenors for a range of metallic elements. A total of 30 additional stream sediment samples were collected and analysed for gold, silver, arsenic, molybdenum, tin and tungsten. A third phase of follow up surface sampling has yet to commence.

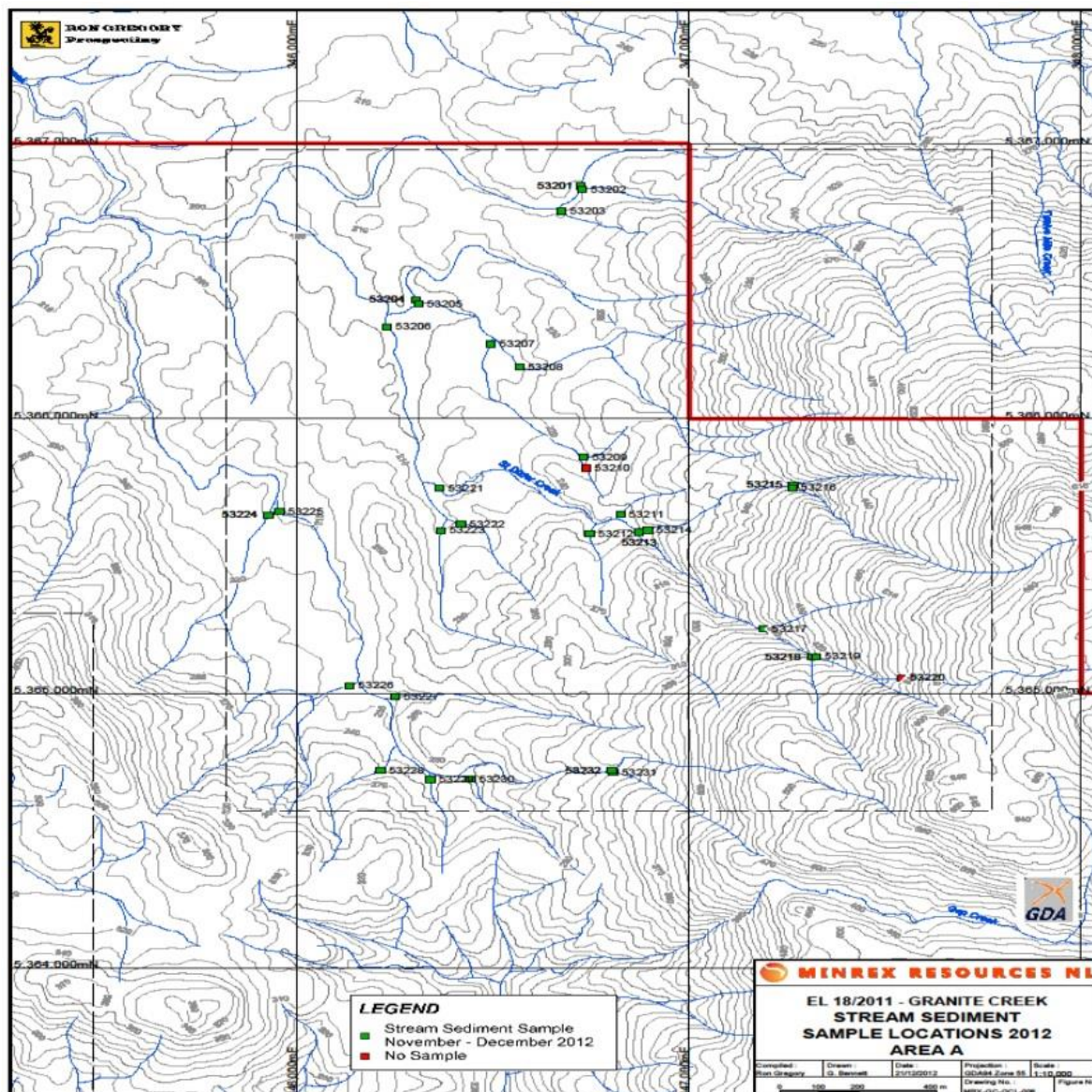


Figure 8: Heemskirk Project Stream Sediment Locations

In summary, in the first year of exploration activities at the Heemskirk Tin Project, MinRex has completed a literature review, re-processing and analysis of the government airborne magnetic and radiometric geophysical data, surface reconnaissance, mapping and evaluation of old workings and collected and analysed some 53 rock and stream sediment samples, for multiple metallic elements.

In the next year of the exploration program, the Company plans to:-

- continue the surface stream sediment sampling, especially around old workings;
- conduct more detailed mapping in old workings and known alteration zones;
- seek out more definitive geophysical or remote sensing methods that will allow better definition of potential mineralised zones and structures; and
- review other mineralisation models for potential granite-hosted mineralisation.

Follow-up Exploration Activities:

Exploration activities planned by the Company in the next year for its Project areas in Western Australia and Tasmania are given below.

MinRex Resources NL

Directors' Report

Deflector Extended Gold Project

Results from the recent sampling program have been assessed and further field work will be completed to follow up in the areas with anomalous results. This aims to better delineate potential targets prior to consideration being given to a drilling and sampling program on target zones within the Deflector Extended Gold Project area.

Heemskirk Tin Project

Assessment of the results received to date has been made and follow up field sampling is now being planned. It is considered that the prospectivity of the area warrants further work and a follow-up sampling program is being designed to further test the Heemskirk Tin Project area.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In the opinion of the directors there were no significant changes in the state of affairs of the Company other than those referred to in this financial report.

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 2013.

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.

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. Richard Procter	7	7	2	-
Mr. Simon Durack	7	7	2	-
Mr. Emmanuel Heyndrickx	7	7	2	-

MinRex Resources NL

Directors' Report

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.

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 below.

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 2013, 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
18 September 2013

MinRex Resources NL

Directors' Report

SHARE OPTIONS

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

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 Richard Procter	Non-executive Chairman
Mr Simon Durack	Executive Director
Mr Emmanuel Heyndrickx	Non-Executive Director

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

MinRex Resources NL

Directors' 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:

2013	Annual Remuneration	
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
2012	Annual Remuneration	
Director	Directors Fees	Total
Mr Richard Procter	\$13,000	\$13,000
Mr Simon Durack	\$13,000	\$13,000
Mr Emmanuel Heyndrickx	\$11,000	\$11,000

There were no other executive officers of the Company during the financial years ended 30 June 2013. 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 and Mr Emmanuel Heyndrickx are 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. This amount may only be increased with the approval of Shareholders at a general meeting.

END OF REMUNERATION REPORT (AUDITED)



Richard Procter
Chairman

18 September 2013

Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Kieron Munro, Consulting Geologist. Mr Munro is employed as a consultant for MinRex and is also a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 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.

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 2013 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 Richard Procter	Chairman – Non- Executive	Independent
Mr Simon Durack	Executive Director	Independent
Mr Emmanuel Heyndrickx	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 Richard Procter (Non-executive Chairman)

Mr Simon Durack

Mr Emmanuel Heyndrickx

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 Richard Procter

Mr Simon Durack

Mr Emmanuel Heyndrickx

MinRex Resources NL

Corporate Governance Statement

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 Richard Procter

Mr Simon Durack

Mr Emmanuel Heyndrickx

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.

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:

MinRex Resources NL

Corporate Governance Statement

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 2013**

		30-Jun-13	For the period from incorporation on 30 May 2011 to 30 June 2012
	Note	\$	\$
Revenue from ordinary activities			
Interest Income		84,852	70,012
Depreciation and amortisation		(5,903)	(40)
Corporate expenses		(169,637)	(189,791)
Business development expenses		(2,420)	(197,960)
Management and administration expenses	4	(200,356)	(102,057)
(Loss) from ordinary activities before income tax expense		(378,316)	(489,848)
Income tax expense	5	-	-
Net (loss) attributable to the members of Minrex Resources NL		(293,464)	(419,836)
Total comprehensive loss for the year		(293,464)	(419,836)
Basic loss per share attributable to the ordinary equity holders of the company	14	(1.60)	(3.81)
Diluted loss per share attributable to the ordinary equity holders of the company	14	(1.60)	(3.81)

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

**Statement of Financial Position
As at 30 June 2013**

		30-Jun-13	30-Jun-12
		\$	\$
Current Assets	Note		
Cash and cash equivalents	6	2,556,853	2,945,321
Other receivables	7	25,755	17,713
Prepayment		2,937	2,058
Total Current Assets		2,585,545	2,965,092
Non-Current Assets			
Exploration, evaluation and development expenditure	8	160,901	89,810
Property, plant and equipment		24,469	277
Total Non-Current Assets		185,370	90,087
Total Assets		2,770,915	3,055,179
Current Liabilities			
Trade and other payables	9	29,601	20,401
Total Current Liabilities		29,601	20,401
Total Liabilities		29,601	20,401
Net Assets		2,741,314	3,034,778
Equity			
Contributed equity	10	3,454,614	3,454,614
Accumulated losses	11	(713,300)	(419,836)
Total Equity		2,741,314	3,034,778

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 2013

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
30 June 2012			
Net loss for the period	-	(419,836)	(419,836)
Comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(419,836)	(419,836)
Transaction with owners recorded directly in equity			
Share issued	3,675,000	-	3,675,000
Share issue costs	(220,386)	-	(220,386)
Balance at 30 June 2012	3,454,614	(419,836)	3,034,778
30 June 2013			
Balance at 1 July 2012	3,454,614	(419,836)	3,034,778
Net loss for the year	-	(293,464)	(293,464)
Comprehensive income for the period	-	-	-
Total comprehensive loss for the year	-	(293,464)	(293,464)
Transaction with owners recorded directly in equity			
Shares issued	-	-	-
Share issue costs	-	-	-
Balance at 30 June 2013	3,454,614	(713,300)	2,741,314

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 2013

			For the period from incorporation on 30 May 2011 to 30 June 2012
	Note	30-Jun-13 \$	June 2012 \$
Cash Flows From Operating Activities			
Interest received		84,374	69,797
Payments to suppliers and employees		(371,920)	(493,736)
Net cash used in operating activities	6	<u>(287,546)</u>	<u>(423,939)</u>
 Cash flows From Investing Activities			
Payments for plant and equipment		(30,095)	(317)
Payments for security deposit		-	(10,000)
Payments for exploration, evaluation and development expenditure		<u>(70,827)</u>	<u>(75,037)</u>
Net cash provided by investing activities		<u>(100,922)</u>	<u>(85,354)</u>
 Cash Flows From Financing Activities			
Proceeds from issue of shares		-	3,675,000
Share issue costs		-	(220,386)
Net cash provided by financing activities		<u>-</u>	<u>3,454,614</u>
 Net increase/(decrease) in cash and cash equivalents		(388,468)	2,945,321
Cash and cash equivalents at the beginning of the year		2,945,321	-
Cash and cash equivalents at the end of the year	6	<u>2,556,853</u>	<u>2,945,321</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 2013

1. Corporate Information

The financial report of MinRex Resources NL for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 18 September 2013.

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 the following new and amended Australia Accounting Standard as of 1 July 2012.

- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income

These adoptions did not have any effect on the financial position and performance of the Company.

(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 2013:

- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
- AASB 2012-9 Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039
- AASB 1053 Application of Tiers of Australian Accounting Standards (application date of 1 July 2013)
- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (application date of 1 January 2014)

- AASB 9 Financial Instruments (application date of 1 January 2015)
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] (application date of 1 July 2013)

The above standards and interpretations are applicable for financial years beginning on or after 1 January 2013 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. The Company does not expect the adoption of any of these standards or amendments to have a material effect of its financial statements.

(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 due to be settled within 12 months of the statement of financial position date are recognised in respect of employees' 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.

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2013

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 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-13	30-Jun-12
	\$	\$
Audit and compliance	22,367	14,947
Bank charges	659	1,033
General office expenses	114,669	37,242
Legal and Professional Support	62,381	43,296
Marketing	280	5,539
	<u>200,356</u>	<u>102,057</u>

5. Income Tax	30-Jun-13	30-Jun-12
	\$	\$

(a) Income tax expense

Major component of tax expense for the year:

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(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 Group's applicable tax rate is as follows:

(Loss) before income tax expense	(293,464)	(419,836)
Tax at the company rate of 30%	(88,039)	(125,951)
Non-taxable income	(22,512)	23,933
Movement of income tax benefit not brought to account	110,551	102,018
Income tax expense / (benefit)	<u>-</u>	<u>-</u>

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2013

	30-Jun-13	30-Jun-12
	\$	\$
(c) Deferred tax		
The following temporary differences existed at the balance sheet date:		
<i>Deferred tax asset</i>		
Accruals	1,288	1,037
Unused tax losses	259,551	127,924
Offset against deferred tax liabilities	(48,270)	(26,943)
Deferred tax assets not recognised	(212,569)	(102,018)
Net deferred tax asset balance	-	-
<i>Deferred tax liabilities</i>		
Exploration asset	(48,270)	(26,943)
Offset against deferred tax assets	48,270	26,943
	-	-

The Company has \$706,070 in losses for income tax purposes. The aggregate deferred tax benefit of \$213,990 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.

6. Cash and cash equivalents	30-Jun-13	30-Jun-12
	\$	\$
Reconciliation of Cash and Cash Equivalents		
Cash comprises of:		
Cash at bank	2,556,853	2,945,321
Reconciliation of operating loss after tax to the cash flows from operations		
Loss from ordinary activities after tax	(293,464)	(419,836)
Non cash items		
Depreciation	5,903	40
Change in assets and liabilities		
Prepayment	(879)	(2,058)
Decrease/(increase) in trade and other receivables	(8,042)	(7,713)
Increase/(decrease) in trade creditors and accruals	8,936	5,628
Net cash outflow from operating activities	(287,546)	(423,939)

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2013

7. Other receivables	30-Jun-13	30-Jun-12
	\$	\$
Term deposit	10,693	10,000
GST refundable	8,787	7,498
Security bond	4,100	-
Other receivable	2,175	-
Accrued interest	-	215
	<u>25,755</u>	<u>17,713</u>

Accrued interest, goods and services tax and other receivables are non-interest bearing and generally receivable on 30 day terms. The balances are neither past due nor impaired and are fully collectible. Due to the short term nature, their carrying value is assumed to approximate their fair value.

8. Exploration, evaluation and development expenditure	30-Jun-13	30-Jun-12
	\$	\$
Exploration, evaluation and development assets (a)	160,901	89,810
(a) Area of Interest		
Deflector Extended Gold Project- Western Australia	100,848	68,471
Heemskirk Tin Project - Tasmania	60,053	21,339
Carrying amount at end of year ¹	<u>160,901</u>	<u>89,810</u>
(b) Reconciliation		
Carrying amount at beginning	89,810	-
Additions	71,091	89,810
Carrying amount at end of year ¹	<u>160,901</u>	<u>89,810</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.

On 18 July 2011, the Company acquired the Deflector Extended Gold Project license located in Western Australia. The total cost of the acquisition was \$10,248 and comprised a cash payment to the vendor. On 12 July 2012, legal title of the license was transferred to the Company.

On 3 April 2012, the Company was granted an exploration licence for Heemskirk in Tasmania for a \$1,000 cash payment. The total area of the Licence Area is 44 sq.km, and is located on the west coast of Tasmania.

9. Trade and Other Payables	30-Jun-13	30-Jun-12
	\$	\$
Trade payables	21,361	167
Accruals	8,240	20,234
	<u>29,601</u>	<u>20,401</u>

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2013

10. Contributed Equity

	30-Jun-13 No.	30-Jun-13 \$	30-Jun-12 No.	30-Jun-12 \$
Ordinary Shares				
Issued and fully paid	17,500,001	3,500,000	17,500,001	3,500,000
Partly paid	17,500,000	175,000	17,500,000	175,000
	35,000,001	3,675,000	35,000,001	3,675,000

Fully paid shares carry one vote per share and carry the right to dividends.

Partly paid shares at an issue price of \$0.20 have been paid to 1 cent and carry a proportionate right to vote and dividends.

Movements in ordinary shares on issue	No.	\$	No.	\$
At beginning of year	35,000,001	3,454,614	-	-
Shares issued for cash on incorporation (i)	-	-	1	-
Seed capital (ii)	-	-	17,500,000	175,000
Issue of ordinary shares for cash (iii)	-	-	17,500,000	3,500,000
Cost of Issue	-	-		(220,386)
At end of year	35,000,001	3,454,614	35,000,001	3,454,614

(i) 1 share was issued for cash on incorporation.

(ii) On 5 July 2011, 17,500,000 shares at an issue price of \$0.20 have been paid to 1 cent for cash.

(iii) On 25 October 2011, 17,500,000 fully paid shares were issued.

Capital risk management

The Company's capital comprises share capital less accumulated losses amounting to \$2,741,314 at 30 June 2013 (2012 \$3,034,778). The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Company was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 15 for further information on the Company's financial risk management policies.

	30-Jun-13 \$	30-Jun-12 \$
11. Accumulated losses		
Movements in accumulated losses were as follows:		
At beginning of the period	(419,836)	-
Loss during the year	(293,464)	(419,836)
At 30 June	(713,300)	(419,836)

MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2013

	30-Jun-13	30-Jun-12
	\$	\$

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	5,250	5,045
-other services	3,750	-
	<u>9,000</u>	<u>5,045</u>

13. Key Management Personnel Disclosures

(a) Details of Key Personnel

Mr Richard Procter	Non-executive Chairman
Mr Simon Durack	Director and Company Secretary
Mr Emmanuel Heyndrickx	Non-Executive Director

(b) Remuneration of Key Management Personnel

	30-Jun-13	30-Jun-12
	\$	\$
Compensation of key management personnel of the Group		
Short Term Employee benefits	<u>36,000</u>	<u>37,000</u>

(c) 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 Simon Durack	1	-	-	-	1	-
	<u>165,001</u>	<u>165,000</u>	<u>-</u>	<u>-</u>	<u>165,001</u>	<u>165,000</u>

(d) Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel.

(e) Outstanding Balances

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

2013 Nil (2012 Current payables – Director's fees \$1,000)

- (f) Related Party transactions
There were no related party transactions.

14. Loss per Share

	2013	2012
	cents per	
	share	cents per share
Basic loss Per Share	(1.60)	(3.81)
Weighted Average number of ordinary shares used in calculating basic earnings/(loss) per share:	18,375,001	11,022,356
Effect of dilution:		
Partly paid shares	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	18,375,001	11,022,356

There is no impact on diluted loss per share of the 17,500,000 partly paid shares outstanding at 30 June 2013 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 2013 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	Effect on Equity Including accumulated Losses	Effect on Post Tax Earnings	Effect on Equity Including accumulated losses
	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
	2013	2013	2012	2012
	\$	\$	\$	\$
Increase 100 basis points	25,569	25,569	29,553	29,553
Decrease 100 basis points	(25,569)	(25,569)	(29,553)	(29,553)

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 2013, 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 2013 (2012 Nil).

16. Contingent Liabilities

As at the date of this report, no contingent liabilities had been identified in relation to the reporting period ended 30 June 2013.

17. Capital commitments

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

- 1) Deflector Extended Gold project (E59/1657): \$15,000
- 2) Heemskirk Tin Project (EL 18/2011): \$26,000 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,

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 2013 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 2013.

On behalf of the Board



Richard Procter
Chairman

18 September 2013



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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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 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 2013 and of its performance for the year 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 pages 14 to 15 of the directors' report for the year ended 30 June 2013. 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 year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
18 September 2013

MinRex Resources NL

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 13 September 2013.

(a) Distribution of Share Holders

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	2	4
1,001 - 5,000	0	0
5,001 - 10,000	51	510,000
10,001 - 100,000	63	2,097,576
100,001 and over	33	14,892,421
Total	149	17,500,001

The number of shareholders holding less than a marketable parcel is 2.

Top Twenty Share Holders

	Holder name	Securities	%
1	LION SUPER PL	1,876,000	10.72%
2	CHIFLEY PORTFOLIOS PL	1,546,651	8.84%
3	JOHN WARDMAN & ASSOC PL	1,500,000	8.57%
4	CAREY D G + CAREY-DOMINGU	1,250,000	7.14%
5	SILVA PL	1,000,000	5.71%
6	BOME ERROL + MELANIE	930,000	5.31%
7	WHIDDON GLENN ROSS	670,000	3.83%
8	TRANSCONTINENTAL INV PL	500,000	2.86%
9	SOUDELIDES GEORGE	500,000	2.86%
10	DOYLE A M + MORETTI L H	500,000	2.86%
11	NAUTICAL HLDGS WA PL	374,770	2.14%
12	HSBC CUSTODY NOM AUST LTD	370,000	2.11%
13	LOCOPE PL	275,000	1.57%
14	MAIN PETER ROBERT + K G	250,000	1.43%
15	EIGHTNINE PL	250,000	1.43%
16	PEARSON JAMES F + K P	250,000	1.43%
17	WILLOW HLDGS PL	200,000	1.14%
18	MORGAN-HUNN C J	200,000	1.14%
19	FRANCIPANE SAM	200,000	1.14%
20	MCKEAN IAIN RICHARD C	200,000	1.14%
	Total	12,842,421	73.37%

(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 13 September 2013**

	Holder name	Securities	%
1	LION SUPER PL	1,876,000	10.72%
2	CHIFLEY PORTFOLIOS PL	1,546,651	8.84%
3	JOHN WARDMAN & ASSOC PL	1,500,000	8.57%
4	CAREY D G + CAREY-DOMINGU	1,250,000	7.14%
5	SILVA PL	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

17,500,000 partly paid shares of \$0.01 each and which the escrow period for 800,000 partly paid shares ended on 5 July 2012. The period for the remaining 16,700,000 ends 24 months from date of quotation being 11 November 2013.

(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.