



**MinRex Resources Limited and its Controlled Entities**

**ABN 81 151 185 867**

---

**ANNUAL REPORT**

**For the Year Ended 30 June 2018**

---

**CONTENTS**

**PAGE NO**

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	19
Corporate Governance Statement	23
Consolidated Statement of Comprehensive Income	30
Consolidated Statement of Financial Position	31
Consolidated Statement of Changes in Equity	32
Consolidated Statement of Cash Flows	33
Notes to the Financial Statements	34
Directors' Declaration	51
Independent Auditor's Report	52
ASX Additional Information	56

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Dr James Ellingford (Non-Executive Chairman)

Mr Simon Durack JP (Executive Director)

Mr Tim Wilson (Non-Executive Director)

### **COMPANY SECRETARY**

Miss Aida Tabakovic

### **REGISTERED OFFICE**

LinQ House

Level 1

17 Ord Street

West Perth WA 6005

Telephone: +61 8 9486 8806

Facsimile: +61 8 9321 3559

Website: [www.minrex.com.au](http://www.minrex.com.au)

### **SHARE REGISTRY**

Security Transfer Australia Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

### **INDEPENDENT AUDITORS**

Ernst & Young

The Ernst & Young Building

11 Mounts Bay Road

Perth WA 6000 Australia

### **STOCK EXCHANGE**

Australian Securities Exchange Limited

ASX Code: MRR

### **LEGAL ADVISORS**

HWL Ebsworth Lawyers

Level 11 Westralia Plaza, 167 St Georges Terrace

Perth WA 6000

Steinepreis Paganin

Level 4 The Read Buildings, 16 Milligan Street

Perth WA 6000

The Directors present their report for MinRex Resources Limited and its wholly owned subsidiaries ("MinRex" or "the Company" or "the Group") for the year ended 30 June 2018.

## **DIRECTORS**

The following persons were Directors of MinRex during the financial year and up to the date of this report. Directors were in office for the entire period, unless otherwise stated:

### **Dr James Ellingford - D.Mgt, MBA, Post Grad Corp Man (*Non-Executive Chairman*)**

Dr Ellingford previously served as International Executive President of a multi-billion dollar NASDAQ business in Take-Two Interactive Software with its headquarters in Geneva and New York (TTWO). He has decades of international business experience and has close ties with financial institutions and governments throughout the world. Dr Ellingford holds a Post Graduate degree in Corporate Management, Masters in Business Administration and a Doctorate in Management. Dr Ellingford has lectured MBA students in corporate governance, ethics and marketing at a leading Sydney University which are all areas he maintains a keen interest.

Appointment date	3 November 2017
Directorships of other ASX listed companies in last 3 years	Creso Pharma Limited (since 20 November 2015) Zyber Holdings Limited (9 January 2014 until 1 February 2016) Burrabulla Corporation Limited (18 May 2016 until 14 August 2017) Elysium Resources Limited (since 3 March 2017) Manalto Limited (since 15 September 2017) Victory Mines Limited (since 8 November 2011)
Interest in securities	Nil

### **Mr Simon Durack – B.Comm, Post Grad Dip Bus, FCA, FGIA, JP (*Executive Director*)**

Mr Durack is a Chartered Accountant and practicing Company Secretary, 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 brings a strong commercial and financial background to the Company.

Appointment date	30 May 2011
Directorships of other ASX listed companies in last 3 years	Nil
Interest in securities	125,001

### **Mr Timothy Wilson - AICD (*Non-Executive Director*)**

Mr Wilson is a Corporate Finance Associate with experience in managing and advising listing and unlisted companies, advising clients and settlement functions. Mr Wilson has delivered a broad range of services, including equity raisings, debt raisings and institutional placements and has worked in a broad range of industry and commercial sectors.

Appointment date	27 November 2017
Directorships of other ASX listed companies in last 3 years	Manalto Limited (since 15 September 2017)
Interest in securities	Nil

## **DIRECTORS (continued)**

**Mr Robert Hartley Downey B.Ed, LL.B (Hons) (Non-Executive Director)** – appointed 8 September 2014; resigned 29 January 2018

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.

**Mr David Ross Hannon BEc, FFin (Non-Executive Director)** – appointed 31 March 2016; resigned 27 November 2017

Mr Hannon commenced his commercial career as a stockbroker and investment banker in 1985, working with several firms. He later became a joint partner of a private investment bank specializing in venture capital with a focus on the mining sector. Mr Hannon operates a private investment bank, Chifley Investor Group Pty Limited. He held a directorship in Atlas Iron Limited from 6 August 2004 to 10 March 2015. Mr Hannon holds a Bachelor of Economics degree from Macquarie University and is a Fellow with the Financial Services Institute of Australasia.

## **COMPANY SECRETARY**

**Miss Aida Tabakovic** – appointed 28 August 2018

Miss Tabakovic is an accountant with over ten years' experience in the accounting and financial reporting of listed and unlisted companies. She has also had previous management experience in the luxury retail sector. Miss Tabakovic holds a Double Major Degree in Accounting and Finance and a Postgraduate Degree in Business Law. Miss Tabakovic assists clients with ASX and ASIC compliance, statutory reporting, company secretarial and financial accounting services. She has also been involved in the listing of a number of junior explorer companies on the ASX.

**Mrs Elizabeth Hunt** – appointed 12 February 2018; resigned 27 August 2018

Mrs Hunt has over fifteen years' corporate and accounting experience with a particular interest in governance. She has been involved in the IPO management, corporate advisory and company secretarial services, financial accounting and reporting and ASX and ASIC compliance management. Elizabeth holds a BSc degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management, and is a Graduate of the Australian Institute of Company Directors. Elizabeth is currently also Company Secretary of a number of ASX-listed entities.

**Mr Simon Durack** – resigned 12 February 2018

Refer to director's biography.

## **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 Limited for the year ended 30 June 2018 was \$1,550,702 (2017: net loss \$623,294).

	<b>2018</b>	<b>2017</b>	<b>% increase /</b>
	<b>\$</b>	<b>\$</b>	<b>(decrease)</b>
Revenue – interest income only	8,329	10,093	(17.5)
Loss before tax	(1,550,702)	(623,294)	149.0
Loss after income tax – tax benefit not recognised	(1,550,702)	(623,294)	149.0
Loss per share	(2.17) cents	(1.70) cents	27.6

The increase in the loss after income tax of 149% is primarily due to the increased exploration expenditure incurred as a result of the acquisition of the East Pilbara tenements during the year.

The financial performance and position of the Company is presented in the attached financial statements.

## **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 Limited and its controlled entities, namely East Pilbara Conglomerates Pty Ltd and SR (Sale Entity) Pty Ltd, are mining exploration companies which are incorporated and domiciled in Australia.

## **REVIEW OF OPERATIONS**

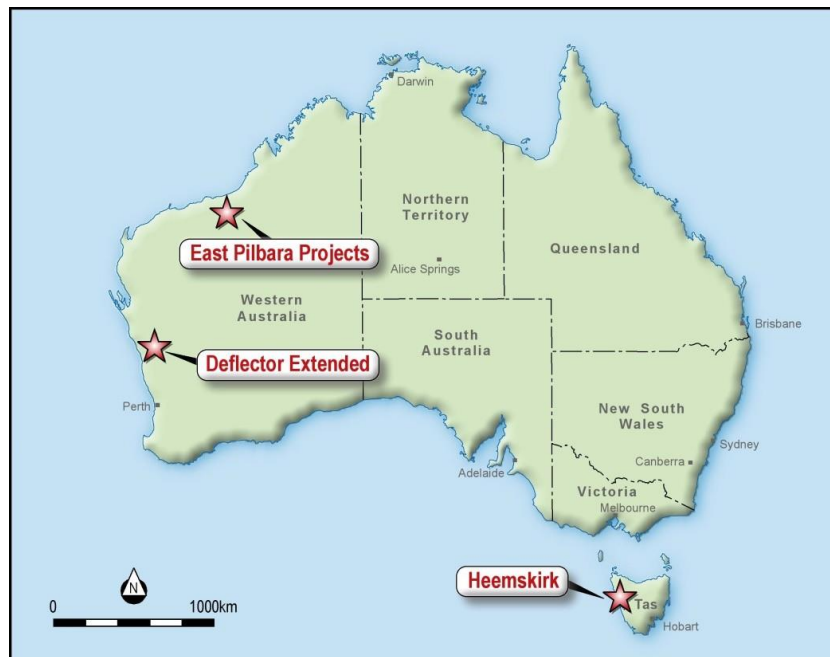
### **Overview**

MinRex Resources Limited is an exploration company, listed on the Australian Securities Exchange, with its present focus being the exploration of gold and base metal projects in Western Australia and a tin project in Tasmania. At the end of the 2017 financial year, MinRex held a 100% interest in its two original projects, the Deflector Extended Gold Project, at Gullewa in Western Australia (about 400km north of Perth), and the Heemskirk Tin Project on the west coast of Tasmania. On the 28 November 2017, MinRex announced that it had entered into a binding Heads of Agreement to acquire, through controlling entities, a 70% interest in five East Pilbara tenements, and the settlement of this acquisition was completed on the 26 February 2018. This year, the Company also carried out due diligence towards a proposed acquisition of cobalt-scandium-copper-nickel projects in NSW and WA, but decided not to proceed in June 2018. The Company continues to actively evaluate other exploration and corporate opportunities.

MinRex now holds six projects, four in the East Pilbara area of WA, approximately 1200 km NNE of Perth in the vicinity of Marble Bar, these are the Marble Bar North Gold Project, the Marble Bar South Gold Project, the Daltons Gold Project and the Bamboo Creek Gold Project; as well as the Deflector Extended Gold Project at Gullewa in Western Australia and the Heemskirk Tin Project on the west coast of Tasmania (Figure 1).

Acquisition of the East Pilbara Gold Projects provides MinRex with highly-prospective gold licences in Western Australia's Pilbara Region. The Pilbara Region is currently subject to significant investor interest due to the discovery of gold nuggets in Fortescue Group conglomerate and other sedimentary rocks and a general re-evaluation of the significance of gold deposits in the Pilbara Region (Figure 2).

REVIEW OF OPERATIONS (continued)



**Figure 1:** Location of current MinRex Project Areas

In summary of the past year, MinRex has completed an extensive surface exploration program at the Deflector Extended Gold Project, in November 2017, including geological mapping and the collection of 184 surface rock samples. Work completed on the East Pilbara Project areas includes a detailed technical due diligence, incorporating a field inspection and sampling program in December 2017, a large detailed surface geological evaluation and sampling program on these properties, near Marble Bar in the East Pilbara Region, during May 2018; followed by a third detailed field program of sampling, geological mapping and reconnaissance work in August 2018. In all seven gold nuggets have been recovered by metal detecting and a total of 470 surface rock samples been collected from within the four East Pilbara Project areas, since December 2017.

REVIEW OF OPERATIONS (continued)

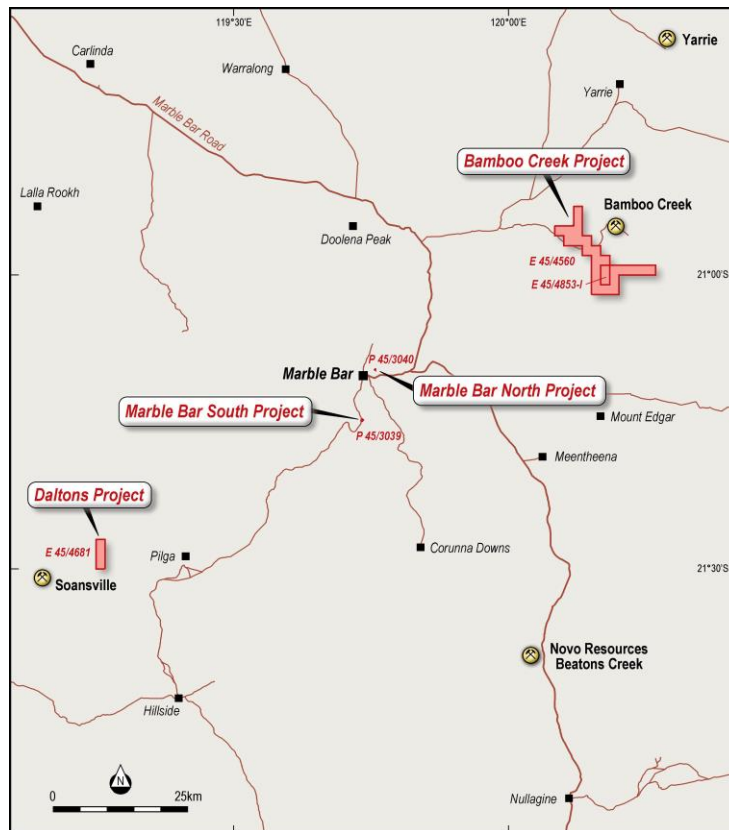


Figure 2: Plan showing the location of MinRex's four East Pilbara Project Areas

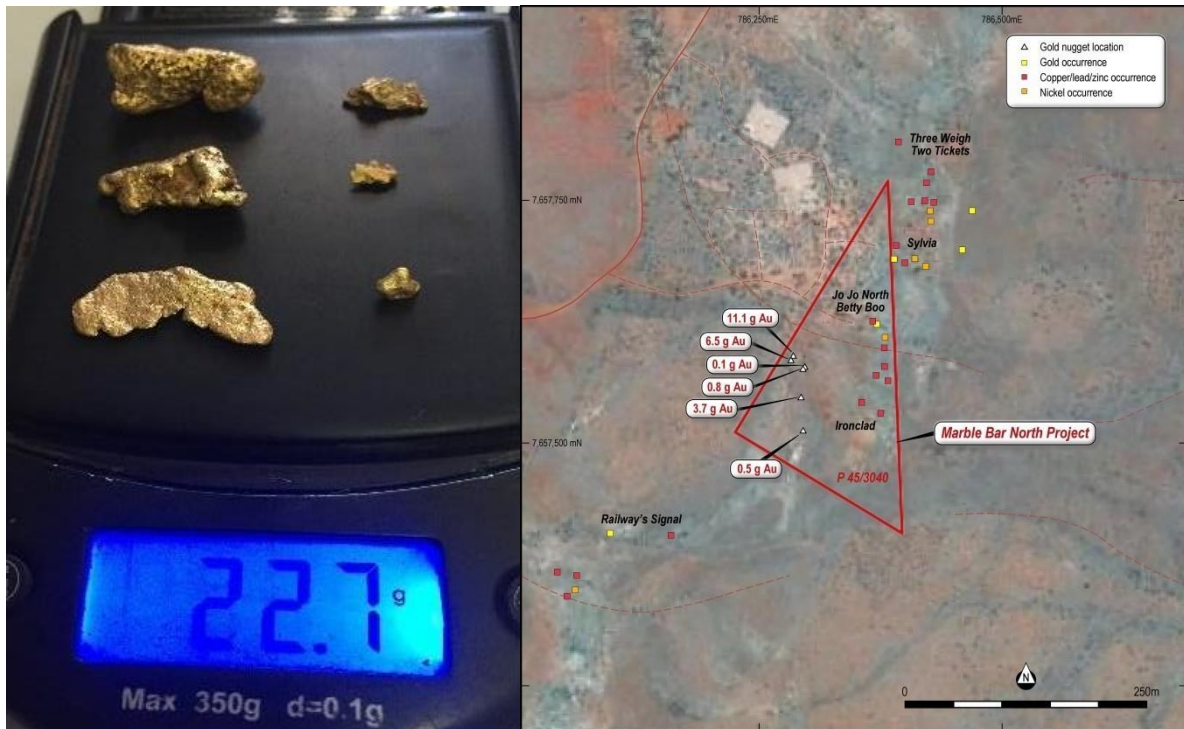
**Marble Bar North Gold Project**

The Marble Bar North Project (P45/3040) incorporates a large part of the old Ironclad Gold Mine workings, which were worked from the 1890's until 1933 and produced 1,451oz of gold from 2,843t of ore treated; a sizeable proportion of this production was from within the area now covered by the project area. The lease is 3km from Marble Bar Township, with a well-maintained track running to the old Ironclad mine-site and battery (Figure 3). The Marble Bar Group of gold mines contains a total of 29 gold occurrences, with a historic gold production of about 1,298kg, within a strike extent of about 4km.



Figure 3: View to the north (along strike) at the Ironclad Gold Mine workings in P45/3040





**Figure 4:** Left, six gold nuggets; right, plan showing the location of gold nuggets recovered from P45/3040

During the December 2017 site inspection, field trip evaluation and technical due diligence, a total of six gold nuggets totalling 22.7g were recovered from the Marble Bar North Project tenement (P45/3040) (Figure 4). The gold mineralisation in this area occurs as quartz veins in sheared and strongly carbonated mafic schists (greenstones) and associated alteration zones, in dolerite and other mafic rock types, close to the greenstone/granite contact. This lease has been worked extensively in the past and, within the lease, a line of old gold workings lies along the sheared lithological contact between metamorphosed mafic volcanic rocks and intrusive granite. This highly sheared contact trends north-south and hosts an extensive gold-bearing quartz vein system that dips shallowly to the west, within the encompassing shear zone (Figure 5).

In May 2018, a detailed exploration and sampling program at the Marble Bar North Project collected a total of 40 rock samples (MNR001-040) from the extensive old workings, variously named Ironclad, Jo Jo North and Betty Boo. The initial 40 rock samples were taken from the old mine workings, spoil piles and outcropping quartz veins, and were analysed for a total of 20 elements at Bureau Veritas in Perth; these included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. A few samples were anomalous in various elements but the outstanding results were in the gold assays which varied from 10ppb Au up to 42.9g/t Au, with an average for all 40 samples of 4.86g/t Au, with 17 of the 40 samples assaying over 1.0g/t Au (Figure 5). The full results were detailed in the ASX release of the 21 June 2018.

In August 2018, a second group of 20 rock samples (MNR041-060) were collected from scree areas, outcrops and the old workings at the Marble Bar North Project; generally seeking new areas and extensions to the known mineralisation. This brings to 60 the total number of rock samples collected by MinRex at the Marble Bar North Project. At this time the assay results for the last 20 rock samples remain outstanding and will be reported as they are received.

The next phase of field work at the Marble Bar North Project will comprise further rock sampling, soil sampling in colluvium and soil covered areas and detailed geological mapping to better understand this gold mineralised system. MinRex will be targeting the collection of a large number of rock chip samples from along the old workings and throughout the entire tenement as part of its exploration work in the East Pilbara. The large number of old workings and diggings in this area, in conjunction with the excellent assay results received from the initial rock samples is considered encouraging for the discovery of economic gold mineralisation in this area.

It is probable that this work will be completed in the next few months during the current field season in the East Pilbara.

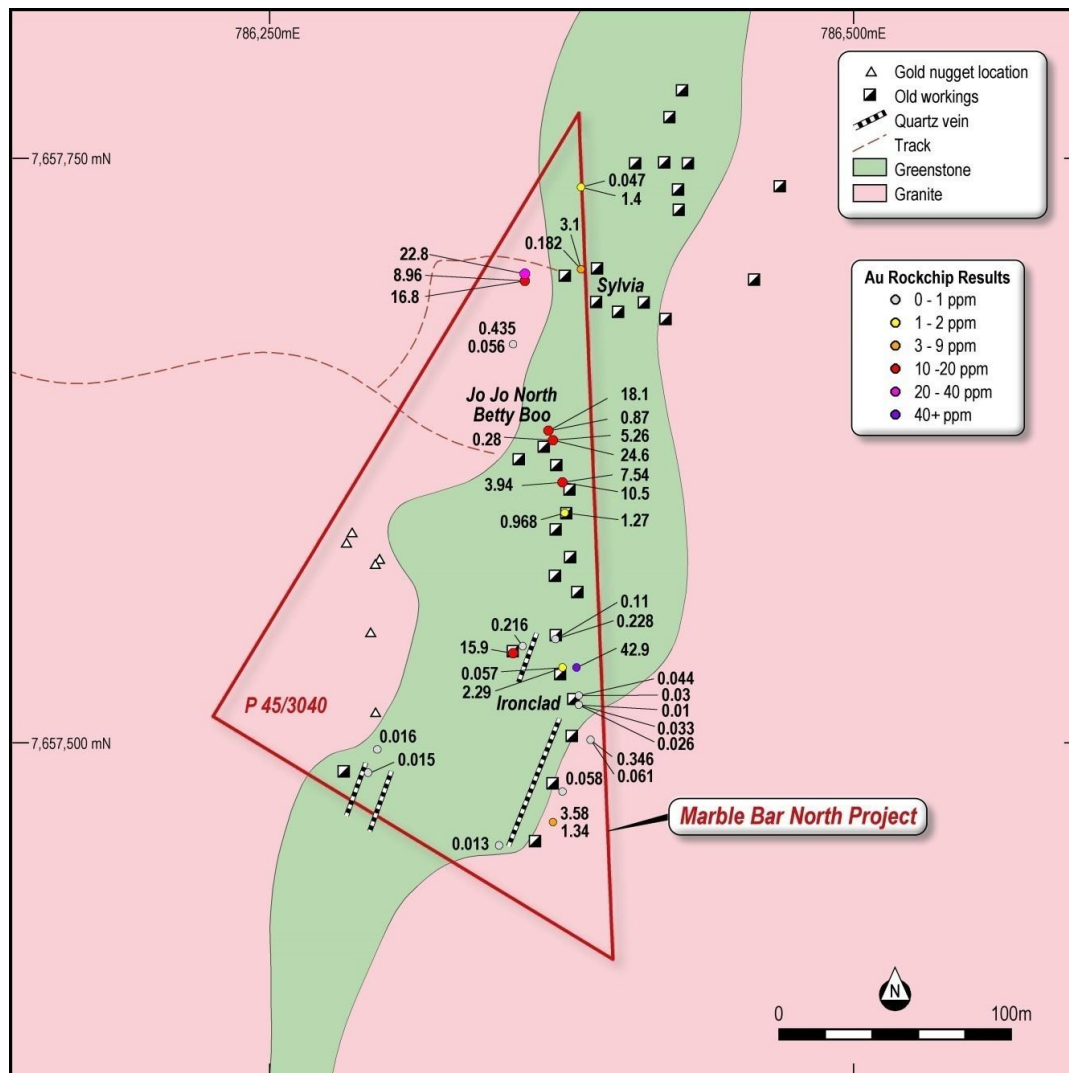


Figure 5: Marble Bar North Project P45/3040 showing workings and May-June 2018 gold assay results

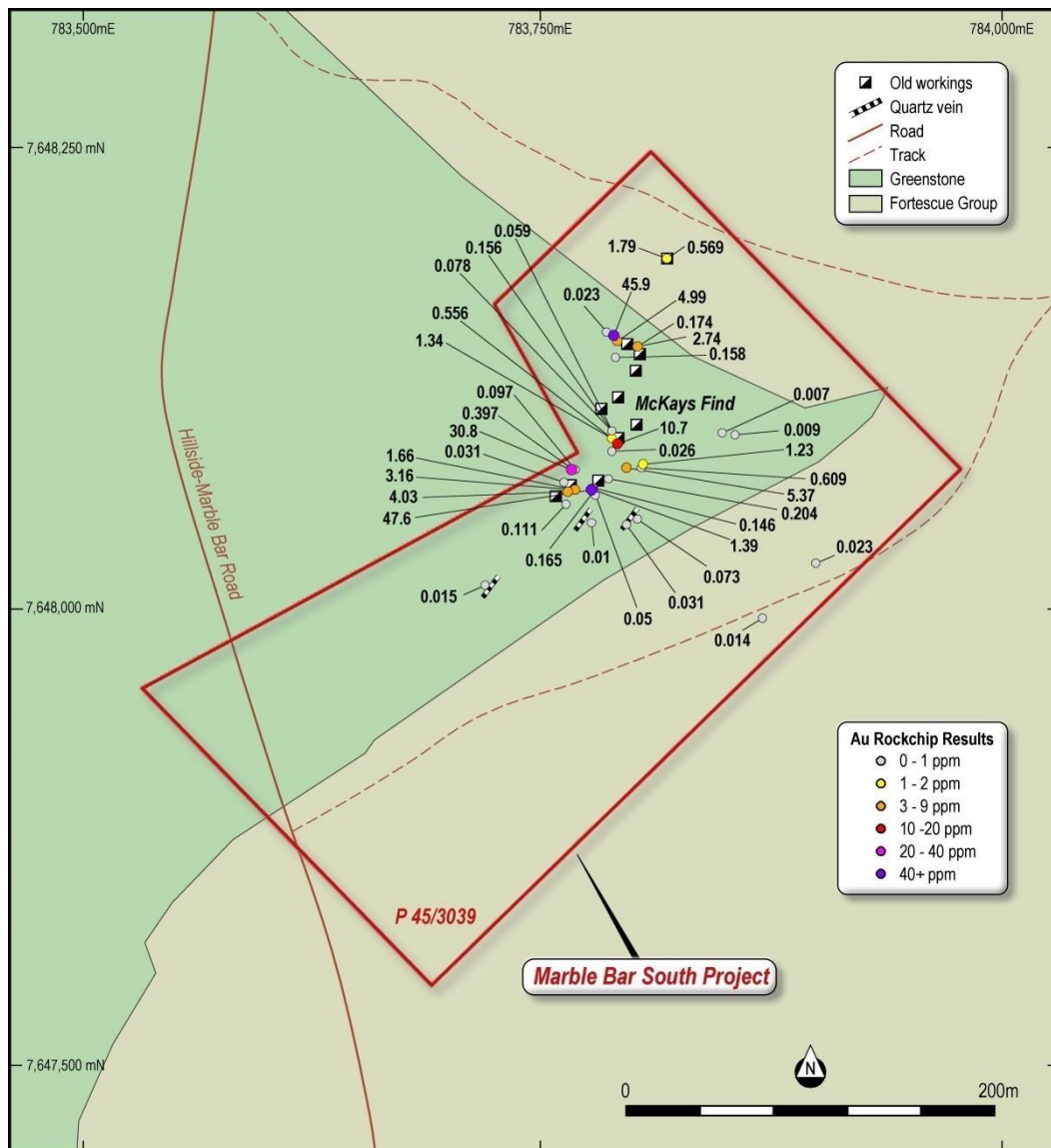
### Marble Bar South Gold Project

The Marble Bar South Project (P45/3039) contains a ridge along which lie a significant number of historical workings that are up to 10m deep. This old mine was known as McKays Find and the mineralisation occurs as a 2m wide zone of pyritic-fuchsite-carbonate rock, with associated quartz veining, in a line of old workings running along the 30-40m high ridge of greenstone rocks (Figure 6). The mined zone was 100m long, 0.5-2m wide, strikes at 010o and dips at 70-90o to the east, the ore shoot plunges east/southeast, parallel to the intersection of fracturing and regional schistosity. The lease is 11km from Marble Bar Township, on the main Marble Bar-Hillside Road, and has a weak old access track running through the lease.

During the December 2017 visit to the Marble Bar South Project area, an initial 10 rock samples (MSR001-010) were collected from the tenement, as metal detecting was ineffective due to the presence of significant scrap metal on surface, from the old workings and infrastructure, within the tenement. The ten rock chip samples returned a highest gold value of 17.1g/t Au, while the average for all ten samples was 2.6g/t Au. Five of the samples had assay values in excess of 1g/t Au and the metallic elements other than gold were also elevated but not considered significantly anomalous.

In May 2018, a detailed sampling program at the Marble Bar South Project collected a second group of 40 rock samples (MSR011-050). The 40 samples were principally taken from the old McKays Find workings, along the ridge of greenstone rocks, and were analysed for a total of 20 elements at Bureau Veritas in Perth; these

included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. A few samples were anomalous in various elements but the outstanding results were in the gold assays which varied from 7ppb Au up to 47.6g/t Au, with an average for all 40 samples of 4.16g/t Au, and 14 of the 40 samples assaying over 1.0g/t Au. The assay results for gold, for all 50 rock samples, are shown on the plan below (Figure 6). The full results were detailed in the ASX release of the 21 June 2018.



**Figure 6: Marble Bar South Project P45/3039 showing workings and gold assays to June 2018**

In August 2018, a third batch of 20 rock samples (MSR051-070) were collected from conglomerate outcrop areas in the north of the licence, plus scree, mullock and some from the old workings, along the greenstone ridge. This licence area covers the contact of the basal Fortescue Group conglomerate and basalt with Archean greenstones and scattered conglomerate outcrop areas lie in the northern portion of the licence area (Figure 7). The field team were targeting the basal part of the conglomerate along strike from gold occurrences on the adjacent Haoma Mining tenements. This brings to 70 the total number of rock samples collected by MinRex at the Marble Bar South Project. At the present time the assay results for these last 20 rock samples remain outstanding and will be reported as they are received.





*Figure 7: View to the north from McKays Find into conglomerate outcrop area (P45/3039)*

The next phase of field work at the Marble Bar South Project will comprise further rock sampling, soil sampling in colluvium and soil covered areas and detailed geological mapping to better understand this gold mineralised system. MinRex will be targeting the collection of a large number of rock chip samples from along this ridge line and throughout the entire tenement as part of its exploration work in the East Pilbara. The large number of old workings and diggings in this area, in conjunction with the excellent assay results received from the initial rock samples is considered encouraging for the discovery of economic gold mineralisation in this area.

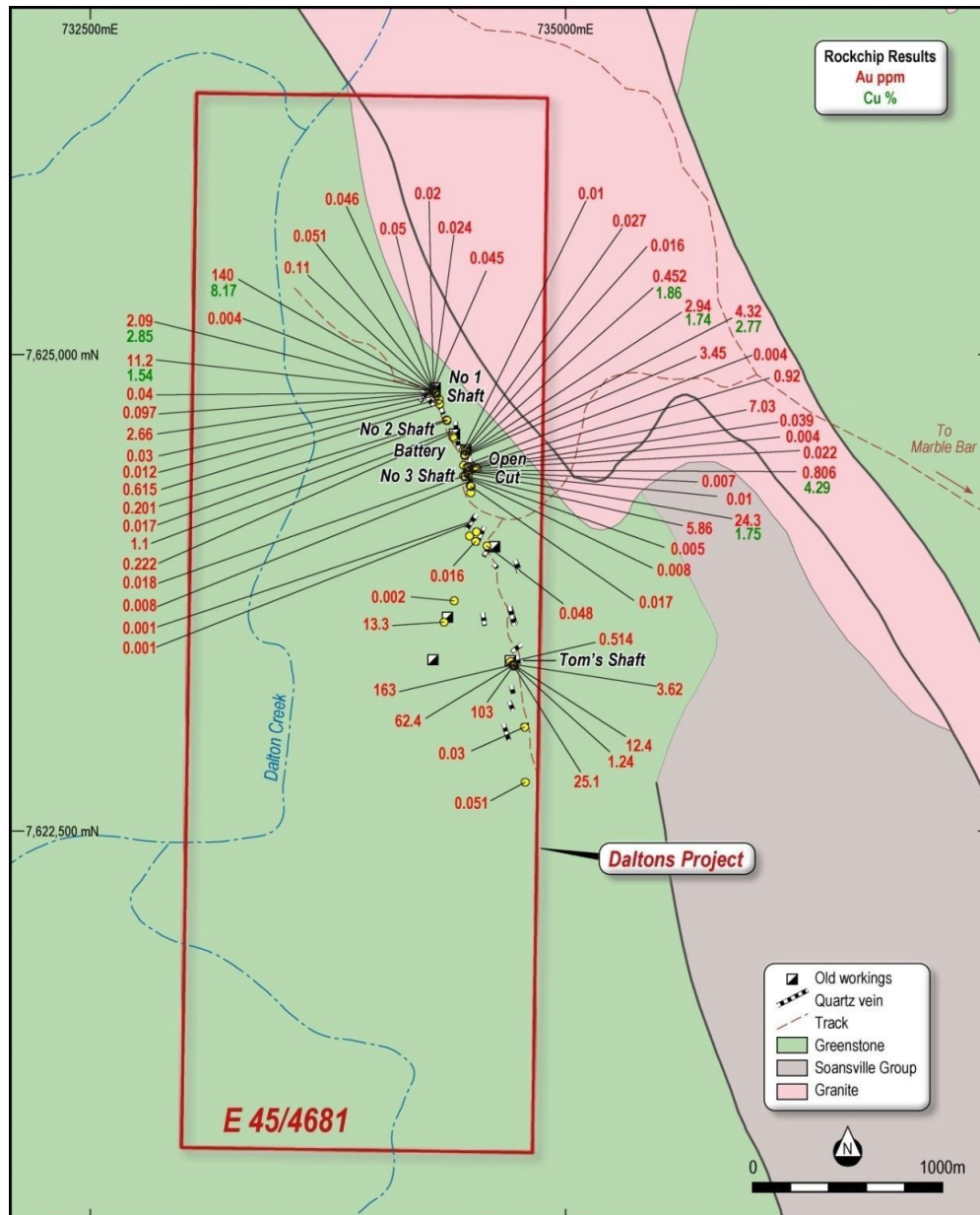
### **Daltons Gold Project**

The Daltons Gold Project (E45/4681) includes the old Dalton Mining Centre, which contains extensive old workings, variously named Daltons, McLeods Reward, Thomas, Eclipse and Corona. These old gold workings are located along a north-northwest-trending line of quartz and quartz-carbonate veins which have developed within the foliation of mafic greenstone schist and associated alteration zones in dolerite and other mafic rock types. The geology strikes north-northwest, is steeply dipping and layered with bands of jaspilite, quartzite, ultramafic, felsic, mafic and amphibolite rocks. There are many structurally complex areas, numerous shear zones and steeply plunging fold axes, with dips being between steeply east-dipping and vertical (Figure 8).

The Daltons gold workings can be traced for about 1500m along strike, with the main quartz lode marked by workings for about 700m, the maximum width is up to 10m and the strike is 170°. Recorded production was 5.543kg of gold from 409.5t of ore, for an average grade of 13.54g/t Au. The quartz reefs are principally parallel to the schistosity within the greenstones. There are several shafts, two of which extend to depths of about 20m and some open cutting – there are copper minerals associated with the gold mineralisation in the workings.

During the December 2017 visit to the Daltons Project area, the old workings were examined and one small gold nugget (0.1g) was recovered adjacent to historical workings in the licence. The extreme heat and isolation of the area prevented a more detailed assessment at that time.

This lease area is large and holds the remains of an old battery, with old tracks that provide access to most of the workings. The mineralisation occurs as gold-copper in quartz veins with the highest copper content (shown by green malachite and red cuprite minerals in the quartz) being associated with the highest gold grades. The lease is remote and accessed by driving about 89km to the southwest of Marble Bar via various unsealed roads and tracks – about 2 ½ hours travel from Marble Bar.



**Figure 8: Daltons Project E45/4681 showing workings and May-June 2018 gold assay results**

In May 2018, a detailed sampling program at the Daltons Gold Project collected 60 rock samples from the old mine workings, spoil piles and outcropping quartz veins. The samples were analysed for a total of 20 elements at Bureau Veritas in Perth; these included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. The outstanding results were in the gold and copper assays which were up to 163g/t Au and 8.17% Cu, with the average grade of all 60 samples being 9.9g/t Au and 0.49% Cu, and 19 of the 60 samples assaying over 1.0g/t Au. The gold results are shown on the plan above (Figure 8). The full results were detailed in the ASX release of the 21 June 2018.

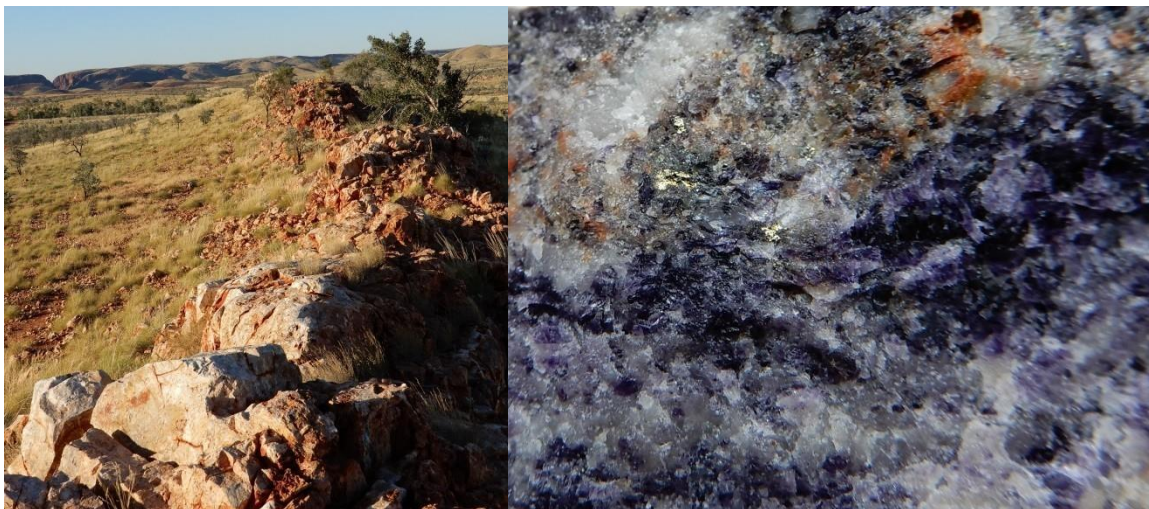
The Daltons Gold Project was not visited during the August 2018 exploration program due to its remote location and the presence of burning off operations in the area at the time. This remote tenement area is earmarked for a large detailed exploration, geological mapping and sampling program on the occasion of the next East Pilbara exploration program – probably in October or November 2018.



## **Bamboo Creek Project**

The Bamboo Creek Project (E45/4560 & 4853) is prospective for gold mineralisation of the Bamboo Creek style, the Bamboo Creek goldfield lies just 5-10km to the east, and along strike within the Warrawoona Group Greenstones that occur in the northern portion of the exploration licence. There is also potential for the base metal and molybdenum mineralization of the Coppin Gap (Spinifex Ridge) style, with the Spinifex Ridge Mo-Cu deposit lying just 2km to the west of the northern portion of the exploration licence, within a porphyry intrusion into the same Warrawoona Group Greenstone sequence. There is also potential for chrome-nickel mineralization in ultramafic bodies; as well as anomalism in other, as yet unidentified, mineralization styles.

The Bamboo Creek gold mining centre was discovered in the 1890's, before the gold mines at Marble Bar, and has been active, on and off, for over 120 years, currently being operated by Haoma Mining Ltd. The first gold battery was established at the centre in 1892 and a State gold battery followed in 1913, the centre was historically one of the major gold producers in the Pilbara region, with over 250,000 oz gold discovered and mined. Eight major mines, including the Bulletin Mine and the Bamboo Queen Mine, were developed along the Main Line Reef, with multiple other smaller operations also occurring throughout the area. The Spinifex Ridge molybdenum-copper porphyry deposit also occurs in this area and contains a major JORC compliant mineral resource of molybdenum and copper.



**Figure 9:** View of the BC07 prospect area and close-up of fluorite-rich sulphide mineralisation from BC07

The December 2017 due diligence visit to the Bamboo Creek Project was limited to short traverses and did not collect new samples or complete metal detecting activities within the two exploration licences.

In May 2018, the detailed sampling program at the Bamboo Creek Project collected a total of 50 rock samples, including several samples from some of the previously named prospects, including Norms Find, BC07 and Nobb Well, as well as various outcropping quartz veins and breccia zones. There are no old workings in MinRex's Bamboo Creek Project area but the 50 samples collected at previously identified gold, copper, chrome, nickel and polymetallic prospects, returned assay values of up to 7.8g/t Au, 42g/t Ag, 14.3% Cu, 0.18% Cr, 0.11% Ni, 0.12% Pb and 0.09% Zn. Some of the gold, copper, nickel and chrome results are shown on the plans below (Figures 10 & 11), while the full results were detailed in an ASX release on the 21 June 2018.

Gold mineralisation in the Bamboo Creek area is associated with quartz veins within ultramafic and mafic rocks, while Norms Find is a copper-gold prospect (containing the copper mineral malachite), BC07 is a quartz vein in granite, associated with sulphide minerals and a high fluorite content (Figure 9), and Nobb Well is a large intrusive ultramafic body with elevated nickel and chrome contents.

Previous explorers of the Norms Find prospect identified gossanous structures and malachite-staining within this northerly striking, sub-vertical quartz vein structure; while previous work at the BC07 prospect area identified chalcopyrite, pyrite, molybdenite and fluorite at this large quartz vein system, which strikes north-northeast.

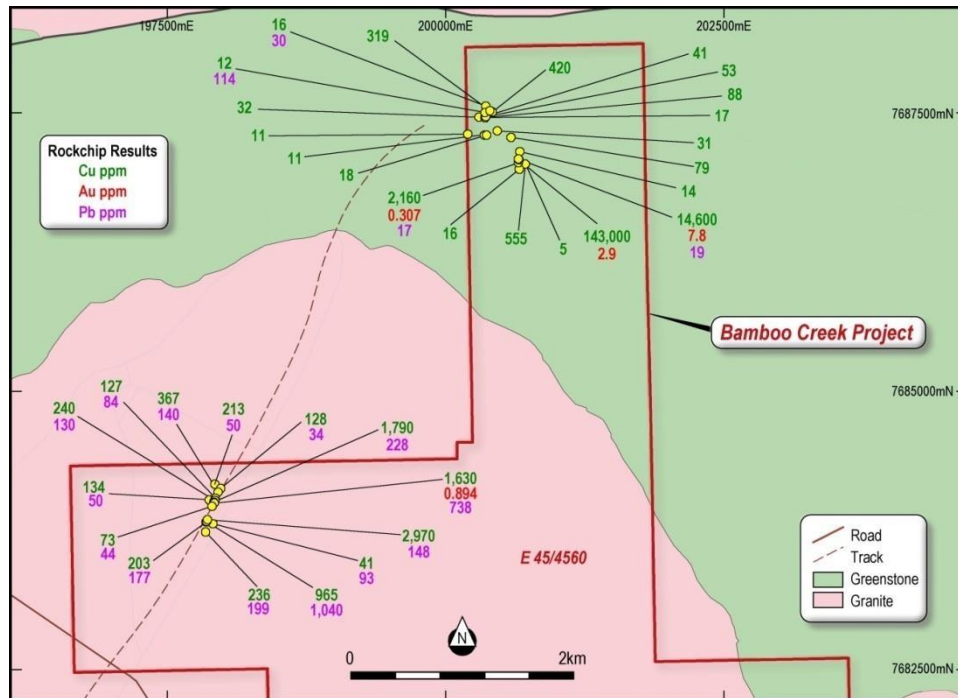


Figure 10: Northern part of the Bamboo Creek Project with Norms Find and BC07 prospect areas

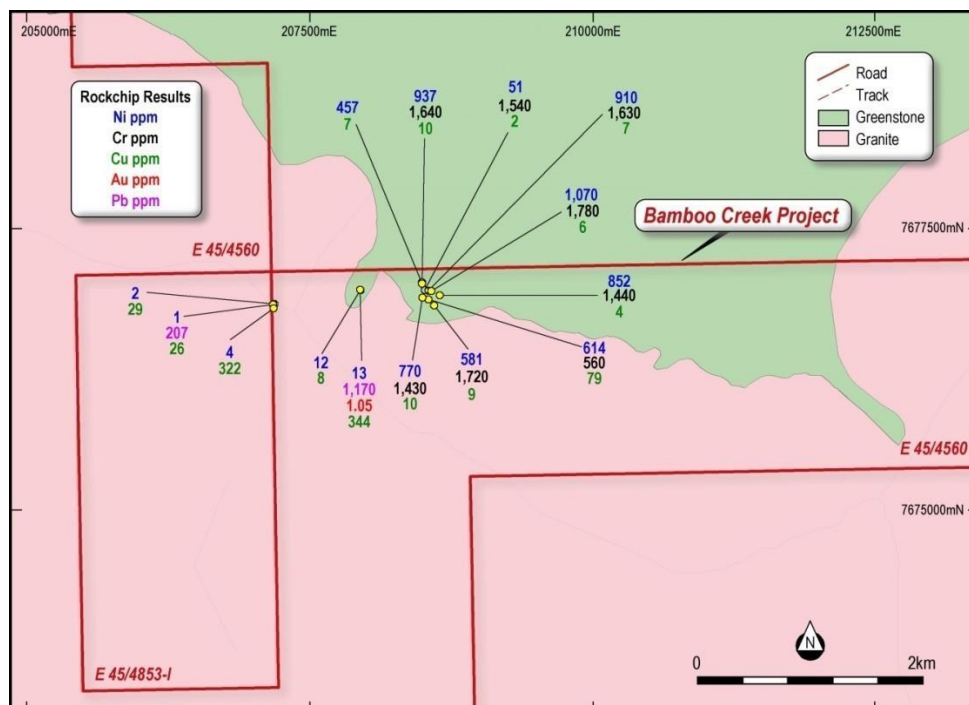


Figure 11: Central part of the Bamboo Creek Project with the Nobb Well prospect area

In August 2018, exploration within the main Bamboo Creek Project exploration licence (E45/4560) collected an additional 160 rock samples (BBR051-210), from multiple areas, including some of the named prospects, such as Norms Find, BC07 and Nobb Well, as well as various float and scree zones. At the smaller Bamboo Creek Project exploration licence (E45/4853) a total of 70 rock samples (BBC001-070) were collected, principally from the locations of two previously defined geophysical target areas. This brings to 280 the total number of rock samples collected by MinRex in the Bamboo Creek Project area. At the present time the assay results for the last 230 rock samples remain outstanding and will be reported as they are received.

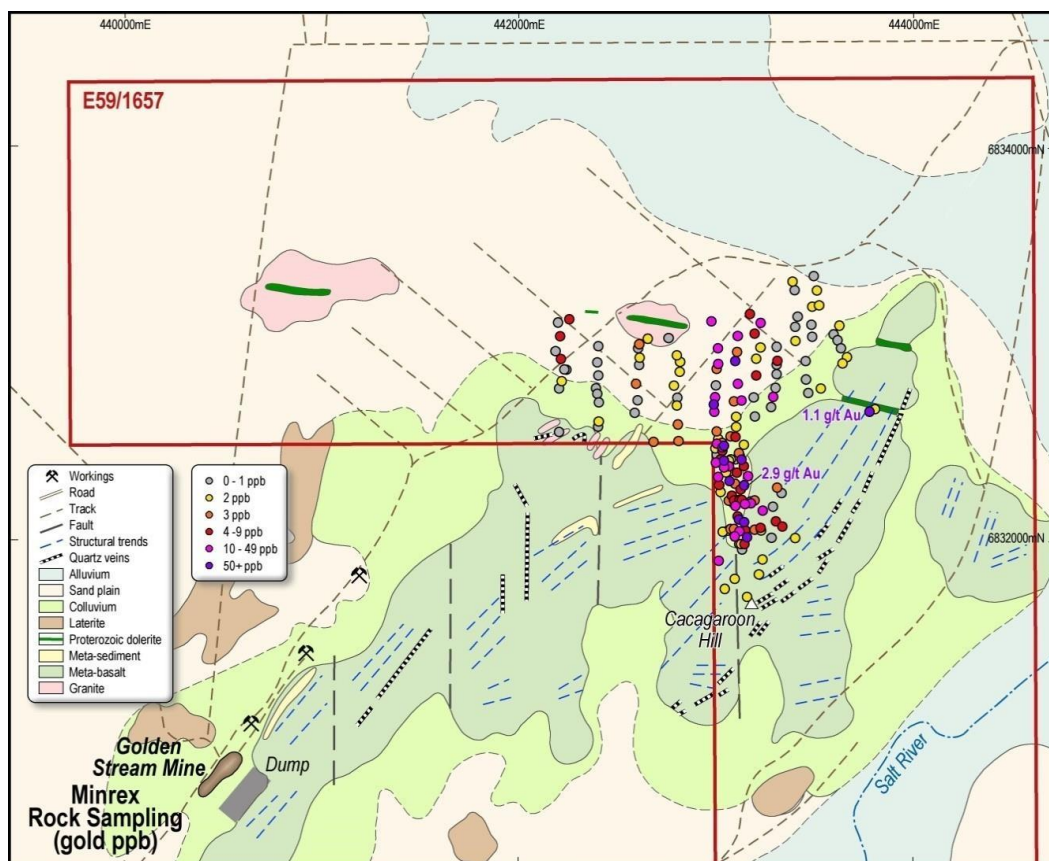
The Bamboo Creek Project is large, being several times the size of all the other East Pilbara Project areas combined, it has reasonable access via the unsealed road to Coppin Gap and various station tracks; however, the tracks are limited, and it is generally necessary to complete foot traverses to the various prospects due to the rocky undulating terrain.

The next phase of field work in the Bamboo Creek Project area will again incorporate visits to all of the prospect areas in the two exploration licences and follow up work on any anomalous results returned by the yet to be received assay results. More detailed rock sampling, soil sampling in colluvium and soil covered areas and detailed geological mapping will be utilised to better understand these gold, base metal and poly-metallic mineralised systems. It is probable that this work will be completed in the next few months during the current field season in the Pilbara.

### **Deflector Extended Gold Project**

MinRex's Deflector Extended Gold Project (E59/1657) lies to the northeast of the Doray Minerals Limited ("Doray") Deflector Mine, where copper-gold mineralisation occurs in shear zones in meta-basalt, and also the Golden Stream open cut, where gold was produced from shear zone-hosted quartz veins in meta-basalt. Both deposits trend towards MinRex's tenement, where deep cover sequences have hindered previous exploration work. The Deflector Mine was opened in May 2016, as an underground mining operation on copper-gold sulphide lodes; Doray is also actively exploring its Deflector area tenements, with drilling at the Deflector Mine and other mines and prospects in the area.

About 85% of the area of E59/1657 is covered by sand, colluvium, scree and alluvium, with only about 15% outcrop of mafic meta-basalts in the Cagacaroon Hills area, and other small areas of granite and dolerite. Minrex has been actively exploring the Project area since 2011, utilising surface sampling and geological mapping to hone in to buried mineralized structures and favourable settings for mineralization.



**Figure 12:** Plan showing the geology and recent (November 2017) rock sample results, in E59/1657

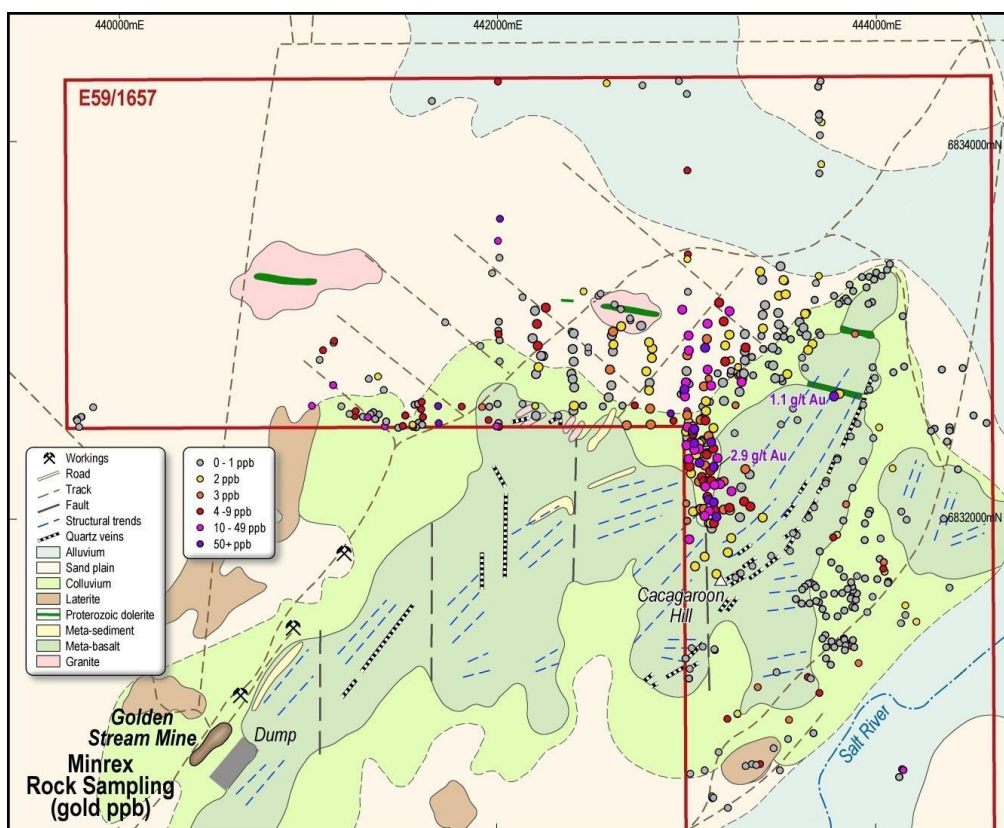
During November 2017, an extensive field program was conducted at MinRex's Deflector Extended Gold Project, including geological mapping and the collection of 184 new surface rock samples, with the results from these new samples being shown above on Figure 12. The full results from this program were reported in an ASX announcement on 11 December 2017.



Two of these latest samples returned assay results exceeding 1.0g/t Au, with the highest being 2.9g/t Au from a small sub-crop of vein quartz and goethite, that also returned an assay of 0.1% copper. The second highest assay was from quartz float material that assayed 1.1g/t Au and 0.09% Cu and 1.0% lead. Four other samples assayed over 0.1g/t Au, all in quartz vein float material in areas of cover and scree.

MinRex has now collected a total of 534 surface rock, scree and float samples in the Deflector Extended Gold Project area, along with soil samples and auger drill results, which have defined significant anomalous zones for further examination and sampling. There have also been prior programs of RAB drilling, aircore drilling and soil sampling, by earlier explorers of the area, the results from which support the definition of these anomalous zones. The full results from all 534 rock samples to date are shown below in Figure 13.

The best results are from an area, now known as Corner Creek, where a number of anomalous surface assay values (up to 2.9g/t Au) cluster in a distinct scree-covered area, adjacent to mafic meta-basalt and an interpreted fault zone, near the central corner of the lease. The prevalence of higher gold values in rock and soil values in areas of mafic colluvium suggests that concealed mineralisation may lie below the blanket of scree surrounding the Cagacaroon Hills meta-basalt outcrop area, especially immediately to the north.



**Figure 13:** Plan showing the geology and all 534 rock sample results to date, in E59/1657

It is anticipated that the next stage of work at the Deflector Extended Gold Project will comprise a shallow, vertical aircore drilling program of lines of holes within this anomalous area. Commencement of the heritage survey process, with archaeological and ethnographic surveys over the proposed drilling areas will commence in 2018, along with the collection of further surface rock and soil samples, with a view to further pin pointing the most anomalous areas for subsequent drilling. This work will concentrate on the defined anomalous zones, but also include some further reconnaissance work elsewhere in the Deflector Extended Gold Project.

### **Heemskirk Tin Project**

The Heemskirk Tin Project lies in exploration licence EL18/2011, on the west coast of Tasmania. MinRex has now held its Heemskirk Tin Project since 2012 and has been successful in identifying a number of the old tin workings, dating from the 1870's-1880's, and has collected a total of 129 stream sediment concentrate samples, 99 rock

chip samples and 78 soil samples, for a total of 306 samples (Figure 14), in a search for large low-grade, or smaller, high to medium-grade tin deposits

Work is now on-going to collate the exploration results to date and plan for the next stage of exploration, with a new field program expected to commence in the summer months. This new program is likely to include extending the stream sediment concentrate sampling into the north-western zone of the project area.

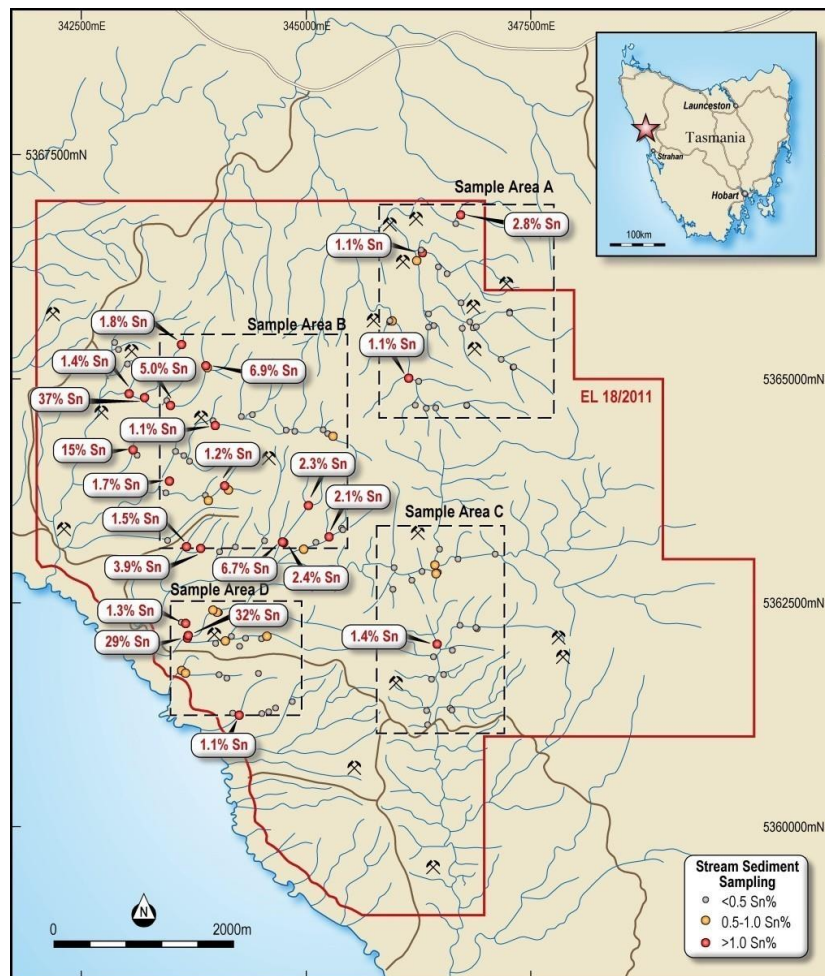


Figure 14: Plan of all Panned-Concentrate Stream Sediment Assay Values from Heemskirk

### Clean Power Resources Projects

On the 26 March 2018, MinRex announced that it was proposing to acquire Clean Power Resources Pty Ltd, an exploration company with three project areas in NSW and WA, considered prospective for nickel, copper, cobalt and scandium mineralisation. These projects were the Pacific Express Nickel-Cobalt-Scandium Project in north-eastern NSW, and the Dragon and Knight Nickel-Cobalt Projects, about 50km to the west of Leonora in WA. These projects were to be acquired by MinRex in order to secure, explore and develop prospective areas with known cobalt, scandium and nickel mineralisation.

Due diligence and detailed studies of these project areas continued throughout the June 2018 Quarter). On 21 June 2018, MinRex announced that following completion of the due diligence work, the Company decided not to proceed with the acquisition of Clean Power Resources Pty Ltd, and had terminated the binding Heads of Agreement in accordance with its terms.

**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, a Competent Person who is 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 is employed as an independent geological consultant by MinRex and 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**

- On 27 August 2018, Mrs Elizabeth Hunt resigned as the Company Secretary.
- On 28 August 2018, Miss Aida Tabakovic was appointed as the Company Secretary.

In the opinion of directors, there were no other significant changes in the state of affairs of the Company that occurred during the period under review not otherwise disclosed in this report or in the financial report.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Company will continue with its exploration activities, whilst at the same time, will continue to review other corporate opportunities to drive shareholder wealth.

**ENVIRONMENTAL REGULATIONS AND PERFORMANCE**

The Company holds participating interests in various 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 2018.

**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 Corporations 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.

## **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:

<b>Director</b>	<b>Board Meetings Held</b>	<b>Board Meetings Attended</b>	<b>Remuneration Committee Meetings Held</b>	<b>Remuneration Committee Meetings Attended</b>	<b>Nomination Committee Meeting Held</b>	<b>Nomination Committee Meeting Attended</b>
Simon Durack	7	7	1	1	1	1
James Ellingford	7	6	-	-	1	1
Tim Wilson	7	4	-	-	-	-
Robert Downey	7	2	1	1	1	1
David Hannon	7	3	1	1	-	-

## **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**

A total of 60 million options, exercisable at \$0.144 on or before 26 February 2020, were issued during the year.

No options were exercised during the year.

No options have been granted or exercised subsequent to the end of the year and up to the date of this report.

## **CORPORATE GOVERNANCE**

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of MinRex 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 is in compliance with those guidelines to the best 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**

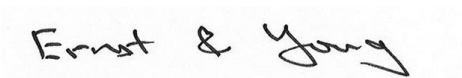
Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of MinRex with an Independence Declaration in relation to the audit of the full year financial report. A copy of this declaration appears on page 19 of this financial report.

Non-audit services were provided by the Company's auditor. Ernst & Young Australia received a total of \$3,000 for the provision of tax compliance services (refer note 11). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that the auditor independence was not compromised.

## Auditor's Independence Declaration to the Directors of MinRex Resources Limited

As lead auditor for the audit of MinRex Resources Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



T G Dachs  
Partner  
Perth  
27 September 2018

## **REMUNERATION REPORT (AUDITED)**

This report outlines the remuneration arrangements in place for the Directors of MinRex Resources Limited 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. The 2017 Remuneration Report was approved and adopted by shareholders at the Company's Annual General Meeting held on 16 November 2017.

### **Details of Key Management Personnel**

Dr James Ellingford	Non-Executive Chairman – <i>appointed 3 November 2017</i>
Mr Simon Durack	Executive Director
Mr Tim Wilson	Non-Executive Director – <i>appointed 27 November 2017</i>
Mr Robert Downey	Non-Executive Director – <i>resigned 29 January 2018</i>
Mr David Hannon	Non-Executive Director – <i>resigned 27 November 2017</i>

### **Remuneration Policy**

The Remuneration Committee of the Board is responsible for determining and reviewing compensation arrangements for the Directors. The Remuneration Committee 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.

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 Remuneration Committee 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 in the last five years:

	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2016</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Loss per share during the year (cents)	<b>(2.17)</b>	<b>(1.70)</b>	<b>(1.70)</b>	(restated) (3.33)*	(restated) (1.91)*
Share price per share as at year end	<b>\$0.041</b>	<b>\$0.054</b>	<b>\$0.054</b>	\$0.085	\$0.16

\*The weighted average number of ordinary shares in 2016 has been adjusted for the bonus element of the shares subscribed for on 4 July 2016. As a result, the loss per share amounts from prior years were restated.

## **Remuneration Policy (continued)**

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

<b>2018</b>	<b>Short term benefits</b>		
<i>Director</i>	<i>Directors' Fees</i>	<i>Consulting Fees</i>	<i>Total</i>
Mr Simon Durack	\$63,990	\$84,000*	\$147,990
Dr James Ellingford	\$51,780	-	\$51,780
Mr Tim Wilson	\$21,400	-	\$21,400
Mr Robert Downey	\$21,000	\$10,000	\$31,000
Mr David Hannon	\$14,663	-	\$14,663
<b>Total</b>	<b>\$172,833</b>	<b>\$94,000</b>	<b>\$266,833</b>
<b>2017</b>	<b>Short term benefits</b>		
<i>Director</i>	<i>Directors' Fees</i>	<i>Consulting Fees</i>	<i>Total</i>
Mr Simon Durack	\$36,000	\$9,000	\$45,000
Mr Robert Downey	\$36,000	-	\$36,000
Mr David Hannon	\$36,000	-	\$36,000
<b>Total</b>	<b>\$108,000</b>	<b>\$9,000</b>	<b>\$117,000</b>

\*From 1 July 2017, the Company engaged Mr Durack's private company, Advanced Management Services Australia Pty Ltd, to provide Company Secretarial and CFO services to the Company. This engagement concluded in February 2018 when Mining Corporate Pty Ltd was engaged to assume these roles for the Company.

There were no other Executive officers of the Company during the financial year ended 30 June 2018. Given the nature of the Company's present activity, no remuneration is performance related.

### **Directors' fees**

#### **Executive Director**

The Executive Chairman, Mr Simon Durack, is paid Directors' fees on a monthly basis.

#### **Non-Executive Directors**

The Non-Executive Directors, Dr James Ellingford and Mr Tim Wilson (and formerly Mr Robert Downey and Mr David Hannon), are paid Directors' fees on a monthly basis.

The aggregate fee remuneration for Directors has been set at an amount not to exceed \$350,000 per annum as detailed in the Company's new Constitution which was adopted by shareholders at the Annual General Meeting, which was held on 23 November 2015. This amount may only be increased with the approval of Shareholders at a general meeting.

### **Consulting fees**

As there are no full-time executives engaged by the Company, and all Directors' fees charged have been historically very low, the Board of Directors resolved to pay each and any Director the sum of \$250 per hour, plus GST, in consulting fees for any work performed in the pursuit of other corporate opportunities, as fair compensation for the professional work undertaken.

**Directors' interests held in MinRex Resources Limited**

**Shares**

	<b>1 July 2017</b>	<b>Net change during the year</b>	<b>30 June 2018</b>
<b>Directors</b>			
Mr Simon Durack	125,001	-	125,001
Dr James Ellingford	_**	-	-
Mr Tim Wilson	_**	-	-
Mr Robert Downey	-	-	_*
Mr David Hannon	9,820,649	-	9,820,649*
	<b>9,945,650</b>	<b>-</b>	<b>9,945,650</b>

\* At resignation date

\*\* At appointment date

**Other transactions with Key Management Personnel**

-Advanced Management Services Australia Pty Ltd, a company of which the Executive Director, Simon Durack is a director, was paid an aggregate amount of \$4,000 for consulting services. This amount has been included in the remuneration table in Director's Report.

-Dominion Legal, a company of which former Non-Executive Director, Robert Downey is a director, was paid an aggregate amount of \$10,000 for consulting services. This amount has been included in the remuneration table in Directors' Report.

-EverBlu Capital Pty Ltd, a company of which Non-Executive Director, Tim Wilson is a director, was paid an aggregate amount of \$122,823 for capital raising fees, research report fees, marketing and promotional fees during the financial year.

There were no other transactions with Key Management Personnel, other than the consulting fees paid during the year to the Directors of the Company to pursue and review other corporate activities, as disclosed in the Remuneration Short Term Benefits table in the Remuneration Report.

**END OF REMUNERATION REPORT (AUDITED)**



**Simon Durack**  
**Executive Director**

West Perth  
27 September 2017



The Board of Directors of MinRex Resources Limited 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.

The Company's corporate governance policies and procedures are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principles and Recommendations" (the Recommendations). In accordance with the 3<sup>rd</sup> Edition of the Recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the reporting 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 the Corporate Governance Plan on our website: [www.minrex.com.au](http://www.minrex.com.au).

This Corporate Governance Statement is current as at 13 September 2018 and has been approved by the Board.

### **Corporate Governance Compliance**

During the year MinRex Resources Limited complied with each of the 8 Corporate Governance Principles and Recommendations, other than in relation to where the Company has disclosed departures from the Recommendations as set out in the table below:

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
<b>1.</b>	<b><i>Lay solid foundations for management and oversight</i></b>		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	YES	The Company's Board Charter sets out the roles and responsibilities of members of the Board. This charter can be found at Schedule 1 of the Company's Corporate Governance plan, which is located on the Company's website.  At present, the Company has not employed any executive management, as the size and scope of the Company's operations has not warranted the cost of such appointments.
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	YES	Appropriate checks are undertaken by members of the Board, prior to the appointment of any new Directors.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	Formal agreements have been drawn up at time of appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all	YES	Refer to the Board Charter.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	matters to with the proper functioning of the board.		
1.5	<p>A listed entity should:</p> <p>(a) Have a diversity policy which includes requirements for the board or relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) Disclose that policy or a summary of it; and</p> <p>(c) Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	PARTIAL	<p>The Board has adopted a formal Gender Diversity policy, which can be found at Schedule 11 to the Company's Corporate Governance Plan, which is located on the Company's website.</p> <p>This policy contains a framework for the Company to work towards gender diversity, however, no measurable objectives have been set</p> <p>The Company is committed to workplace diversity and recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.</p> <p>As at 30 June 2018, the only female engaged by the Company is the Company Secretary. Currently, the Company has not appointed any female Directors.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>The Nomination Committee of the Company is responsible for evaluating the performance of all Directors on annual basis, as provided for in the Board Charter.</p> <p>During the financial year, a general review of the Board occurred to ensure structure and composition suitable to the Company's status as a listed entity are in place.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was</p>	NOT APPLICABLE	<p>Since inception, the Company has not employed an executive management team.</p>

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	undertaken in the reporting period in accordance with that process.		
<b>2.</b>	<b><i>Structure the board to add value</i></b>		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director;</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	YES	<p>The Board of the Company has a Nomination Committee, whose members are Tim Wilson (Chair), James Ellingford and Simon Durack. James Ellingford is considered as an independent Director.</p> <p>Attendance at this committee's meeting is recorded in the Directors' Report in the Company's 2018 Annual Report.</p> <p>A copy of its Charter can be found at Schedule 5 of the Company's Corporate Governance Plan, which is located on the Company's website.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	YES	Refer to the Charter of the Nomination Committee.
2.3	<p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p>	YES	<p>The Company considers that James Ellingford is the only independent director.</p> <p>Simon Durack has served on the Board since the Company was incorporated in May 2011 and is not considered to be an independent director.</p> <p>Tim Wilson is not considered to be an independent director due to Mr Wilson's directorship position with the Company's corporate advisor.</p> <p>James Ellingford was appointed on 3 November 2017 and Tim Wilson on 27 November 2017.</p>

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
2.4	A majority of the board of a listed entity should be independent directors.	YES	<p>The Board currently comprises a total of 3 directors, of whom 1 is independent. As such, independent directors are not currently in the majority.</p> <p>The Board does not currently consider an independent majority of the Board to be appropriate given the nature and size of the Company and the related party/vendor stake of some directors. The Company will keep this principle under review and will change over time as required.</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	YES	The current chair of the board is James Ellingford, who is an independent director and not the CEO.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	YES	All current Board members are experienced company Directors, with many years of commercial experience and hold relevant qualifications. Each member of the Board adheres to professional development. All new Directors are formally briefed and inducted into the Company.
<b>3.</b>	<b><i>Act ethically and responsibly</i></b>		
3.1	<p>A listed entity should:</p> <p>(a) Have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Disclose that code or a summary of it.</p>	YES	The Board has established a formal Corporate Code of Conduct, which can be found at Schedule 2 of the Company's Corporate Governance Plan, located on the Company's website. The Company's Corporate Code of Conduct provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.
<b>4.</b>	<b><i>Safeguard integrity in corporate reporting</i></b>		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times</p>	YES	<p>The Company has established an Audit and Risk Committee. 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.</p> <p>The Audit and Risk Committee is made up of Simon Durack (Chair), James Ellingford and Tim Wilson. James Ellingford is an independent director. The Chair of the committee, Simon Durack is not an independent director and consequently not consistent with the Corporate Governance Council recommendations. Should additional directors be appointed, the composition of the committee may change.</p> <p>The qualifications and experience of these committee members is outlined in the Directors' Report, contained in this Annual Report.</p> <p>Directors' attendance at committee meetings is also detailed in the Directors' Report.</p>

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Charter of the Audit and Risk Committee can be found at Schedule 3 of the Company's Corporate Governance Plan, located on the Company's website.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.	YES	A section 295A declaration is received by the Board prior to its approval every year of the Company's Annual Financial Statements.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company is audited by Ernst & Young. A representative of the Auditors is present at every Annual General Meeting of the Company.
<b>5.</b>	<b><i>Make timely and balanced disclosure</i></b>		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	The Board has developed a Continuous Disclosure policy which is designed to ensure compliance with the ASX Listing Rules and ensure accountability at a Board level for compliance. This policy can be found at Schedule 7 of the Company's Corporate Governance Plan, located on the Company's website.
<b>6.</b>	<b><i>Respect the rights of security holders</i></b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	YES	The Board of the Company has developed a Shareholder Communications Strategy, which can be found at Schedule 10 of the Corporate Governance Plan, which can be found on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	Refer to explanation at 6.1 above.
6.3	A listed entity should disclose the policies and processes it has in place	YES	All shareholders are sent notices of all General Meetings of the Company and are encouraged to attend.

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	to facilitate and encourage participation at meetings of security holders.		
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Company's Share Registry provides this service.
<b>7.</b>	<b><i>Recognise and manage risk</i></b>		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	YES	<p>The Board has established a risk management policy which is included in the Company's Corporate Governance Plan, which can be found on the Company's website.</p> <p>It is the responsibility of the Audit &amp; Risk Committee to implement the risk management system.</p> <p>The Audit and Risk Committee is made up of Simon Durack (Chair), James Ellingford and Tim Wilson. James Ellingford is an independent director. The Chair of the committee, Simon Durack and Tim Wilson are not independent directors and consequently not consistent with the Corporate Governance Council recommendations. Should additional directors be appointed, the composition of the committee may change.</p> <p>The Charter for this committee can be found at Schedule 3 of the Company's Corporate Governance Plan, which can be found on the Company's website.</p> <p>Attendance at these committee meetings can be found in the Directors' Report in this Annual Report of the Company.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	YES	The Board is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system and monitors the effectiveness of management systems and reports on them. A review of these systems occurs twice yearly at half year and annual reporting periods.
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	The Company is not of the size or scale to warrant the cost of an internal audit function. This function is overseen by the Audit & Risk Committee, which is laid out in the Charter of this committee, which can be found at Schedule 3 of the Company's Corporate Governance Plan, located on the Company's website.



PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	The Company is not exposed to any material economic, environmental and social sustainability risks.
<b>8.</b>	<b><i>Remunerate fairly and responsibly</i></b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>The Board has established a Remuneration Committee which is comprised of James Ellingford (Chair), Tim Wilson and Simon Durack. Only one member of this committee is an independent director.</p> <p>The Remuneration Committee Charter is disclosed in Schedule 4 of the Company's Corporate Governance Plan, which can be found on the Company's website.</p> <p>Attendance details of the meetings of this committee, can be found in the Directors' Report in this Annual Report.</p>
8.2	A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	YES	<p>The Company does not differentiate between the remuneration of the executive and non-executive directors. No senior executives are employed by the Company.</p> <p>Details of the remuneration of the Directors of the Company, can be found in the Remuneration Report in this Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	N/A	The Company does not operate an equity-based remuneration scheme.

# Consolidated Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
<b>Revenue from ordinary activities</b>			
Interest Income		8,329	10,093
<b>Expenditure</b>			
Depreciation and amortisation		(2,849)	(6,154)
Corporate expenses		(567,237)	(247,639)
Exploration and evaluation expenditure	7	(516,012)	(128,856)
Management and administration expenses	3	(168,304)	(250,738)
Marketing and promotional expenses		(303,561)	-
Finance costs		(1,068)	-
<b>Total expenditure</b>		<u>(1,559,031)</u>	<u>(633,387)</u>
<b>Loss from ordinary activities before income tax expense</b>		(1,550,702)	(623,294)
Income tax expense	4	-	-
<b>Net loss attributable to the members of MinRex Resources Limited</b>		<u>(1,550,702)</u>	<u>(623,294)</u>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income		-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<u>(1,550,702)</u>	<u>(623,294)</u>
<b>Basic loss per share attributable to the ordinary equity holders of the Company (cents)</b>	13	(2.17)	(1.70)
<b>Diluted loss per share attributable to the ordinary equity holders of the Company (cents)</b>	13	(2.17)	(1.70)

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



**Consolidated Statement of Financial Position**  
**For the year ended 30 June 2018**

		<b>30-Jun-18</b>	<b>30-Jun-17</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>	<b>Note</b>		
Cash and cash equivalents	5	1,540,302	1,129,876
Other receivables	6	54,274	24,236
Prepayments		7,523	7,184
<b>Total Current Assets</b>		<b>1,602,099</b>	<b>1,161,296</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	7	5,656,000	-
Plant and equipment		6,138	1,939
<b>Total Non-Current Assets</b>		<b>5,662,138</b>	<b>1,939</b>
<b>Total Assets</b>		<b>7,264,237</b>	<b>1,163,235</b>
<b>Current Liabilities</b>			
Trade and other payables	8	310,450	37,313
<b>Total Current Liabilities</b>		<b>310,450</b>	<b>37,313</b>
<b>Total Liabilities</b>		<b>310,450</b>	<b>37,313</b>
<b>Net Assets</b>		<b>6,953,787</b>	<b>1,125,922</b>
<b>Equity</b>			
Contributed equity	9	8,773,949	4,551,382
Share-based payment reserve	10	3,156,000	-
Accumulated losses		(4,976,162)	(3,425,460)
<b>Total Equity</b>		<b>6,953,787</b>	<b>1,125,922</b>

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

**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2018**

	Contributed equity	Share-based payment reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$
<b>30 June 2017</b>				
<b>Balance at 1 July 2016</b>	3,609,573	-	(2,802,166)	807,407
Net loss for the year	-	-	(623,294)	(623,294)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(623,294)	(623,294)
<b>Transaction with owners recorded directly in equity</b>				
Shares issued	950,906	-	-	950,906
Share issue costs	(9,097)	-	-	(9,097)
Balance at 30 June 2017	4,551,382	-	(3,425,460)	1,125,922
<b>30 June 2018</b>				
<b>Balance at 1 July 2017</b>	4,551,382	-	(3,425,460)	1,125,922
Net loss for the year	-	-	(1,550,702)	(1,550,702)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(1,550,702)	(1,550,702)
<b>Transaction with owners recorded directly in equity</b>				
Shares issued	4,294,902	-	-	4,294,902
Share-based payment	-	3,156,000	-	3,156,000
Share issue costs	(72,335)	-	-	(72,335)
<b>Balance at 30 June 2018</b>	8,773,949	3,156,000	(4,976,162)	6,953,787

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

**Consolidated Statement of Cash Flows****For the year ended 30 June 2018**

	<b>Note</b>	<b>30-Jun-18</b>	<b>30-Jun-17</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows used in operating activities</b>			
Interest received		8,177	9,533
Payments for exploration and evaluation expenses		(516,012)	-
Payments to suppliers and employees		(796,192)	(673,759)
<b>Net cash used in operating activities</b>	<b>5</b>	<b>(1,304,027)</b>	<b>(664,226)</b>
<b>Cash flows used in investing activities</b>			
Payments for exploration and evaluation assets		(750,000)	-
Payments for plant and equipment		(7,049)	-
<b>Net cash used in investing activities</b>		<b>(757,049)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Issue of shares - private placement net of costs		2,472,566	941,809
<b>Net cash from financing activities</b>		<b>2,472,566</b>	<b>941,809</b>
 Net increase in cash and cash equivalents held		 411,490	 277,583
 Cash and cash equivalents at the beginning of the financial year		 1,129,876	 852,293
Effect of forex on cash and cash equivalents		(1,064)	-
 <b>Cash and cash equivalents held at the end of the financial year</b>	 <b>5</b>	 <b>1,540,302</b>	 <b>1,129,876</b>

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

**1. Corporate Information**

MinRex Resources Limited and its controlled entities (“the Company” or “the Group”) is a for profit company domiciled in Australia and publicly listed on the Australian Securities Exchange (ASX). The nature of the operations and the principal activities of the Company are described in the Directors’ Report. The financial report for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 27 September 2018.

**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 2001, 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) Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, MinRex Resources Limited, and all of its wholly-owned subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the wholly-owned subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.

**(d) Going concern**

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

**(d) Going concern (continued)**

The Company has incurred a net loss of \$1,550,702 during the year ended 30 June 2018, and experienced net cash outflows from operating activities of \$1,304,027. At the end of the reporting year, the Directors recognise the need to raise additional funds via equity raising to fund future planned exploration activities.

The Directors have reviewed the Company's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the entity will be successful in securing additional funds through equity issues.

Should the Company not achieve the matters set out above, there is significant uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the ordinary course of business and the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

**(e) Changes in accounting policies**

From 1 July 2017 the Company has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2017 applicable to the Company. The application of these Standards and Interpretations' does not have any material impact on the financial position or performance of the Company.

Reference	Summary	Application Date for Company
<b>AASB 2016-2</b>	<b>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</b> The amendments to AASB 107 <i>Statement of Cash Flows</i> are part of the IASB's Disclosure Initiative to help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).	1 July 2017

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Company for the annual reporting period ending 30 June 2018.

The Company has reviewed these standards and interpretations, the potential effect of these standards and interpretations is yet to be fully determined, unless otherwise disclosed. These are outlined in the following table:

Reference	Summary	Application Date for Company
AASB 9, and relevant amending standards	<p><b>Financial Instruments</b></p> <p>AASB 9 replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.</p> <p>Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.</p> <p>There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.</p> <p>Equity instruments are generally measured at FVTPL.</p> <p>However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.</p> <p>For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.</p> <p>All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO.</p> <p>The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9.</p> <p>The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.</p> <p>The Company has assessed that the new standard will not materially impact the financial statements.</p>	1 July 2018

Reference	Summary	Application Date for Company
AASB 15, and relevant amending standards	<p><b>Revenue from Contracts with Customers</b></p> <p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i>, AASB Interpretation 13 <i>Customer Loyalty Programmes</i>, AASB Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, AASB Interpretation 18 <i>Transfers of Assets from Customers</i> and AASB Interpretation 131 <i>Revenue – Barter Transactions Involving Advertising Services</i>) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 <i>Leases</i>, once applied).</p> <p>The core principle of AASB 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 an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"> <li>▶ Step 1: Identify the contract(s) with a customer</li> <li>▶ Step 2: Identify the performance obligations in the contract</li> <li>▶ Step 3: Determine the transaction price</li> <li>▶ Step 4: Allocate the transaction price to the performance obligations in the contract</li> <li>▶ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.</li> </ul> <p>The Company has assessed that the new standard will not materially impact the financial statements.</p>	1 July 2018
AASB 16	<p><b>Leases</b></p> <p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 <i>Leases</i>. The Standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (eg, personal computers) and short-term leases (eg, leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (eg, the lease liability) and an asset representing the right to use the underlying asset during the lease term (eg, the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (eg, a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p> <p>The Company is in the process of assessing the impact of the new lease standard.</p>	1 July 2019

**(f) 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**

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

#### **Plant and equipment**

Each class of 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 profit or loss 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.

### **Depreciation and amortisation (continued)**

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 Consolidated 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 and annual leave expected to be wholly settled within 12 months of the Consolidated Statement of Financial Position date are recognised in respect of employees' services rendered up to the Consolidated 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 Consolidated 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 high quality corporate bond rates at the Consolidated 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 Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows 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 Limited.

### **Earnings per share**

Basic earnings per share ("EPS") is calculated by dividing the net profit/(loss) 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/(loss), 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.

## **2. 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 consolidated 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.

3. Management and administration expenses	30-Jun-2018	30-Jun-2017
	\$	\$
Audit and compliance	37,893	50,906
Bank charges	750	637
General office expenses	31,314	184,913
Legal and professional support	98,347	14,282
	<b>168,304</b>	<b>250,738</b>

4. Income tax	30-Jun-2018	30-Jun-2017
	\$	\$

**(a) Income tax expense**

Major component of tax expense for the year:

Current tax	-	-
Deferred tax	-	-
	<b>-</b>	<b>-</b>

**(b) Numerical reconciliation between aggregate tax expense recognised in the Consolidated 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	(1,550,702)	(623,294)
Tax at the company rate of 27.5% (2017: 27.5%)	(426,443)	(171,406)
Tax losses and temporary differences not recognised	426,443	171,406
Income tax expense	<b>-</b>	<b>-</b>

**(c) Deferred tax**

The following temporary differences existed at the balance sheet date:

*Deferred tax asset*

Accruals	9,573	8,128
Unrecognised tax losses	1,376,352	931,375
Section 40-880 deductions	72,336	68,217
Deferred tax assets not recognised	<b>1,458,261</b>	<b>1,007,720</b>

#### **4. Income tax (continued)**

##### *Deferred tax liability*

There was no deferred tax liability as at 30 June 2018 (2017: \$nil).

The Company has \$5,004,917 in losses for income tax purposes. The aggregate deferred tax benefit of \$1,458,261 has not been carried forward as an asset in the Consolidated 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.

#### **5. Cash and cash equivalents**

<b>30-Jun-2018</b>	<b>30-Jun-2017</b>
<b>\$</b>	<b>\$</b>

##### **Reconciliation of cash and cash equivalents**

Cash comprises of:

Cash at bank	1,540,302	1,129,876
--------------	-----------	-----------

##### **Reconciliation of operating loss after tax to the cash flows from operations**

Loss from ordinary activities after tax	(1,550,702)	(623,294)
---	-------------	-----------

##### **Non-cash items**

Depreciation	2,849	6,154
Movement in exploration and evaluation expenditure	-	(15,327)

##### **Change in assets and liabilities**

(Increase)/decrease in prepayments	(338)	(1,914)
Decrease/(increase) in trade and other receivables	(29,890)	6,867
(Decrease)/increase in trade & other payables	274,054	(36,712)

<b>Net cash used in operating activities</b>	<b>(1,304,027)</b>	<b>(664,226)</b>
--	--------------------	------------------

<b>6. Other receivables</b>	<b>30-Jun-2018</b>	<b>30-Jun-2017</b>
	<b>\$</b>	<b>\$</b>
Term deposit	12,064	12,064
GST refundable	41,926	12,037
Other receivable	284	135
	<b>54,274</b>	<b>24,236</b>

The carrying amount of these receivables approximates their fair value and are not considered to be impaired.

<b>7. Exploration and evaluation expenditure</b>	<b>30-Jun-2018</b>	<b>30-Jun-2017</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets	-	-
(a) Area of interest		
Deflector Extended Gold Project - Western Australia	-	-
Heemskirk Tin Project – Tasmania	-	-
East Pilbara – Western Australia <sup>1</sup>	5,656,000	-
Carrying amount at end of year	<b>5,656,000</b>	-
(b) Reconciliation		
Carrying amount at beginning	-	-
Additions	6,172,012	128,856
Less write-off of exploration and evaluation expenditure <sup>2</sup>	(516,012)	(128,856)
Carrying amount at end of year	<b>5,656,000</b>	-

<sup>1</sup> On 27 February 2018, the Company announced that it had settled the acquisition of a 70% interest in the highly prospective East Pilbara tenements, on the terms previously announced to the market on 27 November 2017.

The acquisition has been treated as an asset acquisition via the issue of cash and equity under AASB 2 Share-based Payments ("AASB 2"). There is a rebuttable presumption that the fair value of assets received can be estimated reliably. The Company determined that it could not reliably estimate the fair value of the assets acquired on the basis they were early stage exploration assets. As such, the Company measured the fair value of the assets received, and the corresponding increase in equity, by reference to the fair value of the equity instruments granted. Refer to Notes 9 and Note 10.

#### **Consideration**

	<b>\$</b>
Non-refundable cash deposit	100,000
Cash component	650,000
14,583,334 ordinary shares issued to the vendors	1,750,000
60,000,000 unlisted options issued to advisers of the acquisition	3,156,000
Total consideration paid	<b>5,656,000</b>

<sup>2</sup> Included in exploration expenditure written off are \$225,916 worth of costs associated with the acquisition of Clean Power Resources that was announced to market on 26 March 2018. However, on 21 June 2018, following completion of due diligence, the Company announced it was not proceeding with the acquisition. As a result, all Clean Power acquisition costs have been expensed accordingly.

<b>8. Trade and other payables</b>	<b>30-Jun-2018</b>	<b>30-Jun-2017</b>
	<b>\$</b>	<b>\$</b>
Trade payables	265,500	1,459
Accruals	27,288	35,854
Other	17,662	-
	<b>310,450</b>	<b>37,313</b>

<b>9. Contributed equity</b>	<b>30-Jun-18</b>	<b>30-Jun-18</b>	<b>30-Jun-17</b>	<b>30-Jun-17</b>
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Ordinary Shares				
Issued and fully paid	92,711,060	8,773,948	36,979,684	4,551,382
Partly paid shares	-	-	-	-
	<b>92,711,060</b>	<b>8,773,948</b>	<b>36,979,684</b>	<b>4,551,382</b>
Movements in ordinary shares on issue	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
At beginning of year	36,979,684	4,551,382	21,131,251	3,609,573
Private Placement	5,546,952	277,348	-	-
Rights Issue	10,782,844	539,142	15,848,433	950,906
Rights issue shortfall	17,568,246	878,412		
Placement	6,250,000	750,000		
Vendor shares – East Pilbara acquisition	14,583,334	1,750,000		
Deposit shares (non-refundable) – Clean Power Resources	1,000,000	100,000		
Share issue costs	-	(72,335)	-	(9,097)
At end of year	<b>92,711,060</b>	<b>8,773,949</b>	<b>36,979,684</b>	<b>4,551,382</b>

<b>10. Share-based payments reserve</b>	<b>30-Jun-2018</b>	<b>30-Jun-2017</b>
	<b>\$</b>	<b>\$</b>
Share-based payment to advisers – East Pilbara acquisition	3,156,000	-
	<b>3,156,000</b>	<b>-</b>

The share-based payments reserve records the fair value of options issued to employees, directors and suppliers.

#### 10. Share-based payments reserve (continued)

A summary of the movements of all options issued is as follows:

	30-Jun-18 No.	30-Jun-18 \$	30-Jun-17 No.	30-Jun-17 \$
Opening Balance	-	-	-	-
Issued	60,000,000	3,156,000	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
<b>Closing Balance</b>	<b>60,000,000</b>	<b>3,156,000</b>	<b>-</b>	<b>-</b>

The options issued during the year were calculated using a Binomial option pricing model with the following inputs:

	<b>Options Granted</b>
Grant date	19 January 2018
Expected volatility (%)	100
Risk free interest rate (%)	1.95
Weighted average expected life of options (years)	2.0
Expected dividends	Nil
Option exercise price (\$)	0.144
Share price at grant date (\$)	0.11
Fair value of option (\$)	0.0526
Number of options	60,000,000
Expiry date	26 February 2020

The options issued were deemed to vest immediately and there were no other vesting conditions.

#### 11. Auditor's remuneration

30-Jun-2018  
\$

30-Jun-2017  
\$

The auditor of MinRex Resources Limited 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	34,350	32,870
- other services	3,000	3,000
	<b>37,350</b>	<b>35,870</b>



## 12. Key management personnel disclosures

### (a) Details of Key Management Personnel

Dr James Ellingford	Non-Executive Chairman
Mr Simon Durack	Executive Director
Mr Tim Wilson	Non-Executive Director
Mr Robert Downey	Non-Executive Director (resigned 29 January 2018)
Mr David Hannon	Non-Executive Director (resigned 27 November 2017)

### (b) Remuneration of Key Management Personnel

	30-Jun-2018	30-Jun-2017
	\$	\$
<b>Compensation of key management personnel of the Group</b>		
Short term employee benefits		
Director fees	172,883	108,000
Consulting fees	80,000	9,000
Short term employee benefits	<b>252,883</b>	<b>117,000</b>

### (c) Other transactions with key management personnel

There were no other transactions with Key Management Personnel, with the exception of that disclosed in 12 (e) below.

### (d) Outstanding balances

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

In 2018 \$Nil in Directors' and Consulting fees were payable to Directors of the Company (2017 \$Nil).

### (e) Related party transactions

-Advanced Management Services Australia Pty Ltd, a company of which the Executive Director, Simon Durack is a director, was paid an aggregate amount of \$4,000 for consulting services. This amount has been included in the remuneration table in Director's Report.

-Dominion Legal, a company of which former Non-Executive Director, Robert Downey is a director, was paid an aggregate amount of \$10,000 for consulting services. This amount has been included in the remuneration table in Directors' Report.

-EverBlu Capital Pty Ltd, a company of which Non-Executive Director, Tim Wilson is a director, was paid an aggregate amount of \$122,823 for capital raising fees, research report fees, marketing and promotional fees during the financial year.

There were no other transactions with Key Management Personnel.

13. Loss per share	2018 cents per share	2017 cents per share
Basic loss per share	(2.17)	(1.70)
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	71,583,136	36,632,321
Effect of dilution: Nil	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	71,583,136	36,632,321

**14. 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. Risk management is carried out by executive management with guidance from the Audit & Risk Committee. Primary responsibility for the identification and management of financial risks rests with the Board.

**(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 2018 and 30 June 2017, 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.

#### 14. Financial risk management (continued)

##### Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's Consolidated 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)
	2018	2018	2017	2017
	\$	\$	\$	\$
Increase 50 basis points	7,701	7,701	5,650	5,650
Decrease 50 basis points	(7,701)	(7,701)	(5,650)	(5,650)

A sensitivity of 50 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 Consolidated Statement of Financial Position.

At 30 June 2018, the Company held cash at bank. The cash was 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 2018 (2017: Nil).

##### (d) Fair value

The carrying value of the financial instruments as at 30 June 2018 approximates their fair value due to their short term nature.

#### 15. Contingent liabilities

The Company is currently seeking advice on the stamp duty implications from the acquisition of the East Pilbara tenements as referred to in note 8. The amount of which is yet to be determined.

#### 16. Capital commitments

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

	30-Jun-2018	30-Jun-2017
Not longer than 12 months	75,572	120,400
Between 12 months and 5 years	291,055	70,400
	<u>366,627</u>	<u>190,800</u>

**17. Events subsequent to reporting date**

- On 27 August 2018, Mrs Elizabeth Hunt resigned as the Company Secretary.
- On 28 August 2018, Miss Aida Tabakovic was appointed as the Company Secretary.

In the opinion of directors, there were no other significant changes in the state of affairs of the Company that occurred during the period under review not otherwise disclosed in this report or in the financial report.

**18. Parent information**

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>30-Jun-2018</b>	<b>30-Jun-2017</b>
<b>ASSETS</b>		
Current assets	1,599,176	1,161,296
Non-current assets	5,690,456	1,939
<b>TOTAL ASSETS</b>	<b>7,289,632</b>	<b>1,163,235</b>
<b>LIABILITIES</b>		
Current liabilities	306,218	37,313
Non-current liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>306,218</b>	<b>37,313</b>
<b>NET ASSETS</b>	<b>6,983,414</b>	<b>1,125,922</b>
<b>EQUITY</b>		
Contributed equity	8,773,949	4,551,382
Share-based payment reserve	3,156,000	-
Accumulated losses	(4,946,535)	(3,425,460)
<b>TOTAL EQUITY</b>	<b>6,983,414</b>	<b>1,125,922</b>
Loss for the year	(1,521,075)	(623,294)
Other comprehensive income	-	-
Total comprehensive loss	<b>(1,521,075)</b>	<b>(623,294)</b>

**19. Interests in controlled entities**

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Country of incorporation	Date of incorporation	Equity holding	
			30 June 2018	30 June 2017
East Pilbara Conglomerates Pty Ltd	Australia	17 November 2017	100%	-
SR (Sale Entity) Pty Ltd	Australia	17 November 2017	100%	-

**MinRex Resources Limited**  
**DIRECTORS' DECLARATION**

---

In accordance with a resolution of the Directors of MinRex Resources Limited, 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 2018 and of its performance, for the year 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); and
  - (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 2018.

On behalf of the Board



**Simon Durack**  
**Executive Director**

West Perth  
27 September 2018

# Independent auditor's report to the members of MinRex Resources Limited

## Report on the audit of the financial report

### Opinion

We have audited the financial report of MinRex Resources Limited ("the Company") its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

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

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

### Material uncertainty related to going concern

We draw attention to Note 2 (d) in the financial report which describes the principal conditions that raise doubt about the Company's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

## Carrying value of capitalised exploration and evaluation expenditure

Why significant	How our audit addressed the key audit matter
<p>Capitalised exploration and evaluation assets are the Group's largest asset. The carrying value of exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has title and tenure to the licenses, will be able to perform ongoing exploration and evaluation expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group determined that there had been no indicators of impairment.</p> <p>Refer to Note 7 - Exploration and evaluation expenditure.</p>	<p>We evaluated the Group's assessment of the carrying value of exploration and evaluation expenditure. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▶ Assessed the Group's determination of acquisition costs relating to the acquisition of the East Pilbara tenements, including involving our actuarial specialists in reviewing the valuation of the unlisted options issued as part of the consideration.</li> <li>▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and tenement registers from the Government of Western Australia's Department of Mines, Industry Regulation and Safety.</li> <li>▶ Considered the Group's intention to carry out significant exploration on the tenements held which included an assessment of the Group's cash flow forecast models and enquiries with the Directors as to the intentions and strategy of the Group.</li> <li>▶ Considered whether there was sufficient data that indicated the carrying value of the capitalised exploration and evaluation expenditure would not be recovered in full from successful development or by sale.</li> <li>▶ Assessed the Company's ability to fund any planned future exploration and evaluation activity.</li> </ul>

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information in the Company's 2018 Annual Report, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

## Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the audit of the remuneration report**

### **Opinion on the remuneration report**

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of MinRex Resources Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

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



Ernst & Young



T G Dachs  
Partner  
Perth  
27 September 2018

## 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 7 September 2018.

## (a) Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	22	6,018
1,001 - 5,000	42	151,191
5,001 - 10,000	120	1,055,855
10,001 - 100,000	267	10,347,893
100,001 and over	95	81,150,103
<b>Total</b>	<b>546</b>	<b>92,711,060</b>

The number of shareholders holding less than a marketable parcel is 51.

## Top Twenty Shareholders

	Holder name	Securities	%
1	Chifley Portfolios PL <David Hannon A/C>	10,154,511	10.95
2	Franklin International Holdings PL <Franklin Intl Hldg>	8,183,334	8.83
3	Seewald Schneur Zalman	5,300,000	5.72
4	Anglo Menda PL	4,255,141	4.59
5	Peshing Aust Nom PL <Indian Ocean A/C>	4,200,000	4.53
6	Suburban Hldgs PL <Suburban S/F A/C>	3,315,198	3.58
7	Israel Teleshevsky	3,043,631	3.28
8	John Wardman & Assoc PL <Wardman S/F A/C>	2,500,000	2.70
9	Getmeoutofhere PL <Sinking Ship S/F A/C>	2,413,262	2.60
10	Artemis Res Ltd	2,083,333	2.25
11	Nautical Hldgs WA PL <Abandon Ship S/F A/C>	1,926,412	2.08
12	Sorrento Res PL	1,825,000	1.97
13	Horatio Street PL <Horatio Street Fam>	1,800,000	1.94
13	Kobia Holdings PL	1,800,000	1.94
14	Aust Share Nom PL <Austsn Hldg AC>	1,400,000	1.51
15	Blue Bone PL	1,350,000	1.46
16	Peregrine Corp Ltd	1,000,000	1.08
17	Jamber Inv PL <Amber Schwarz Fam>	935,564	1.01
18	Elite4Fitness PL	889,489	0.96
19	Craig & Mary Raymond <Craig & Mary Raymo>	800,990	0.86
20	Shanhong Xu	760,000	0.82
	<b>Total</b>	<b>59,935,865</b>	<b>64.66</b>

**(b) Schedule of Interests in Mining Tenements**

Region	Project	Tenement	Area approx.	Grant Date	Expiry Date	MinRex Interest
East Pilbara	Daltons	E45/4681	9 km <sup>2</sup>	13-07-17	12-07-22	70%
East Pilbara	Bamboo Creek	E45/4560	69 km <sup>2</sup>	27-10-17	26-10-22	70%
East Pilbara	Bamboo Creek	E45/4853	6 km <sup>2</sup>	11-10-17	10-10-22	70%
East Pilbara	Marble Bar South	P45/3039	8.26 ha	02-07-18	01-07-22	70%
East Pilbara	Marble Bar North	P45/3040	3.03 ha	02-07-18	01-07-22	70%
Murchison	Deflector Extended	E59/1657	15 km <sup>2</sup>	12-07-11	11-07-21	100%
Tasmania	Heemskirk	EL18/2011	9 km <sup>2</sup>	03-04-11	02-04-19	100%

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

	Holder name	Securities	%
1	Chifley Portfolios PL <David Hannon A/C>	10,154,511	10.95
2	Franklin International Holdings PL <Franklin Intl Hldg>	8,183,334	8.83
3	Seewald Schneur Zalman	5,300,000	5.72

**(d) Class of Shares and Voting Rights**

There is only one class of share. All ordinary shares carry one vote per share.

**(e) Unquoted option securities**

The Company has the following classes of unquoted options on issue.

Number	Issue date	Expiry Date	Exercise price
60,000,000	26 February 2018	26 February 2020	\$0.144

**(f) Restricted Securities**

Nil

**(g) On-Market Buy Back**

There is no current on-market buy back of ordinary shares.

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MINREX RESOURCES LIMITED

ABN / ARBN:

81 151 185 867

Financial year ended:

30 JUNE 2018

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☒ These pages of our annual report: 23 to 29
- ☐ This URL on our website: [www.minrex.com.au](http://www.minrex.com.au) – Company Profile – Corporate Governance

The Corporate Governance Statement is accurate and up to date as at 27 September 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 27 September 2018

Name of Director authorising lodgement: Simon Durack

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at [insert location] <b>www.minrex.com.au</b></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location] <b>NOT APPLICABLE</b></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location] <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <b>www.minrex.com.au</b></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i> <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <b>www.minrex.com.au</b></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <b>www.minrex.com.au</b></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <b>Not Applicable</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <b>www.minrex.com.au</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <b>www.minrex.com.au</b></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <b>www.minrex.com.au</b></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at [insert location] <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at [insert location] <b>NOT APPLICABLE</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>