

# **MinRex Resources Limited**

**(formerly MinRex Resources NL)**

**ABN 81 151 185 867**

**ANNUAL REPORT**  
**For the Year Ended 30 June 2016**

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## CORPORATE DIRECTORY

### DIRECTORS

Mr Simon Durack (Executive Director)

Mr Robert Hartley Downey (Non-Executive Director)

Mr David Ross Hannon (Non-Executive Director) *appointed 4 April 2016*

Mr Emmanuel Heyndrickx (Non-Executive Director) *resigned 5 April 2016*

Mr Abraham Anthony Schildkraut (Non-Executive Director) *resigned 4 April 2016*

### COMPANY SECRETARY

Mr Simon Durack

### 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 Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

### AUDITORS

Ernst & Young

The Ernst & Young Building

11 Mounts Bay Road

Perth WA 6000 Australia

### STOCK EXCHANGE

Australian Securities Exchange Limited

ASX Code: MRR

# **MinRex Resources Limited**

## **Directors' Report**

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The Directors present their report for MinRex Resources Limited (“MinRex” or “the Company”) for the year ended 30 June 2016.

### **DIRECTORS**

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

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

Mr Durack is a Chartered Accountant, practicing Company Secretary and Director, with over 35 years commercial experience gained working in Australia, South East Asia and Europe. Mr Durack's commercial experience includes time worked in the Accounting profession with Coopers & Lybrand (now PricewaterhouseCoopers). He has also held many senior financial and secretarial roles with both large public and private entities. In these roles, Mr Durack has been responsible for providing managerial, secretarial and financial advisory input. Mr Durack has also acted as resident Director for several offshore companies with operations in Australia. Mr Durack is an Executive Director, Group Company Secretary and Chief Financial Officer for the LinQ Group of companies and brings a strong commercial and financial background to the Company.

#### **Mr Robert Hartley Downey B.Ed, LL.B (Hons) (*Non-Executive Director*)**

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 2016 Mr Downey established Dominion Legal and specialises as a corporate resources lawyer.

#### **Mr David Ross Hannon BEc, FFin (*Non-Executive Director*) – appointed 4 April 2016**

Mr Hannon was appointed as a Non-Executive Director of MinRex on 4 April 2016 to fill a casual vacancy. 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 from Macquarie University and is a Fellow with the Financial Services Institute of Australasia.

# MinRex Resources Limited

## Directors' Report

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**Mr Emmanuel Heyndrickx – Business Economics (M.Sc), Masters Financial Management (Non-Executive Director)**  
*– resigned 5 April 2016*

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

**Mr Abraham Anthony Schildkraut - B.Bus, ASA (Non-Executive Director) - resigned 4 April 2016**

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

### DIRECTORSHIPS OF OTHER LISTED COMPANIES

Name	Company
Simon Durack	Non-executive Director of Zambezi Resources Limited (appointed August 2009, resigned 31 May 2013); Non-executive Director of Millennium Minerals Limited (appointed February 2009, resigned 30 June 2013).
Emmanuel Heyndrickx	Non-executive Director of Zambezi Resources Limited (appointed November 2010, resigned 31 May 2013).
Robert Hartley Downey	Non-executive Chairman of AXG Mining Limited (appointed 8 September 2014).
Abraham Anthony Schildkraut	Nil
David Ross Hannon	Non-executive Director of Atlas Iron Limited (appointed 6 August 2004, resigned 10 March 2015).

### COMPANY SECRETARY

**Mr Simon Durack – B.Comm, Post Grad Dip Bus, FCA, JP**

Refer to director's biography.

# MinRex Resources Limited

## Directors' Report

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### INTERESTS IN THE SECURITIES OF THE COMPANY

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

Director	Fully paid ordinary shares
Simon Durack (direct & indirect interest)	43,751
Robert Hartley Downey	-
David Ross Hannon	5,583,639

### PRINCIPAL ACTIVITY

The principal activity of the Company is mineral exploration and development. The Company has also been active in pursuing other opportunities outside of the mining sector.

### RESULTS OF OPERATIONS

The Company's net loss attributable to the members of MinRex Resources Limited for the year ended 30 June 2016 was \$892,839 (2015 net loss \$759,392).

	2016	2015	% Increase /
	\$	\$	(decrease)
Revenue – interest income only	14,947	38,018	(60.7)%
Loss before tax	(892,839)	(759,392)	17.6%
Loss after income tax – tax benefit not recognised	(892,839)	(759,392)	17.6%
Loss per share	(3.87) cents	(3.33) cents	16.2%

In regards to its principal activity, the Company's only reported revenue is interest income, which has fallen in line with the decline in the Company's cash balances and the softening in interest rates.

The increase in the loss after income tax of 17.6% is primarily due to the increased cost of pursuing other corporate opportunities 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 is a mining exploration company, which is incorporated and domiciled in Australia.

# MinRex Resources Limited

## Directors' Report

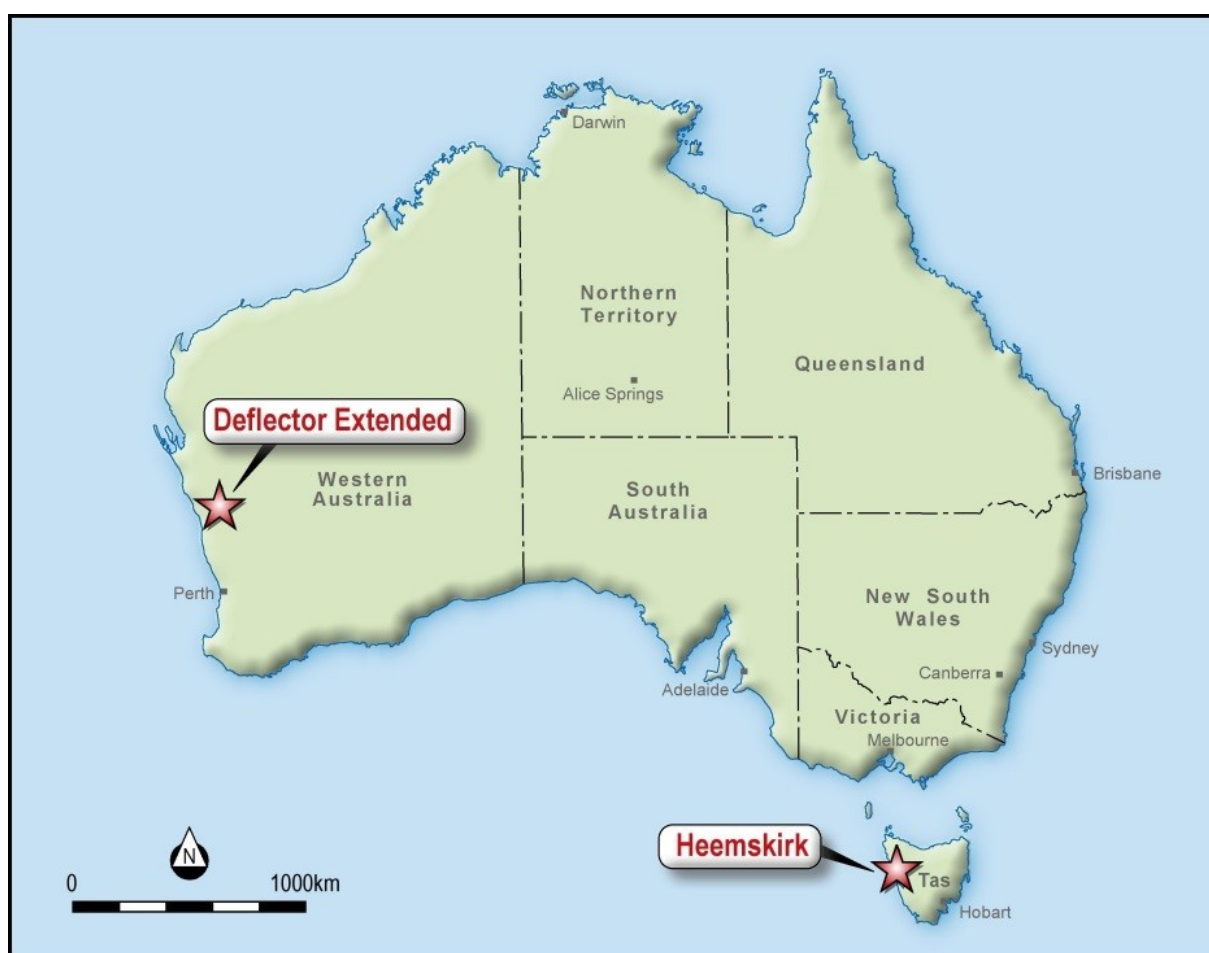
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### REVIEW OF OPERATIONS

#### Overview

MinRex Resources Limited (“MinRex”) is an exploration company, listed on the Australian Securities Exchange, with its present focus being the exploration of gold, base metal and tin projects in Western Australia and Tasmania. The Company is also actively evaluating other exploration and corporate opportunities.

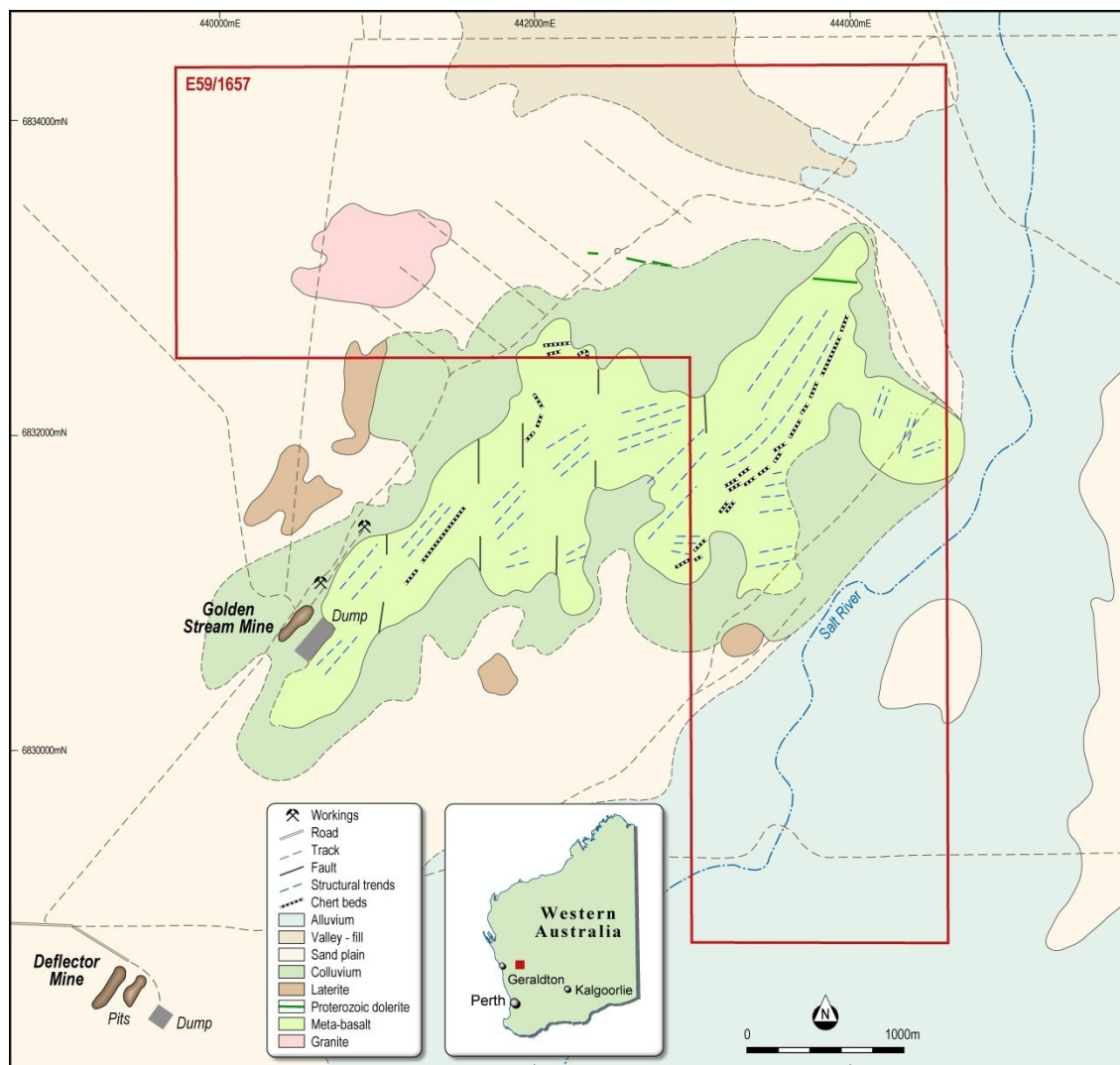
MinRex currently holds two projects, the Deflector Extended Gold Project at Gullewa in Western Australia (about 400km north of Perth) and the Heemskirk Tin Project on the west coast of Tasmania (Figure 1). Significantly, MinRex’s Deflector Extended Gold Project is along strike from Doray Minerals Limited’s Deflector Gold Mine, where open-cut and underground mining and ore processing has recently commenced at a new mine and plant complex. The Heemskirk Tin Project is in coastal north-western Tasmania and has been the site of tin, tungsten and base metals mining and exploration activities, for over 140 years, with the most substantial old workings being at the old Peripatetic Tin Mine.



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

#### Deflector Extended Gold Project

MinRex’s Deflector Extended Gold Project (E59/1657) lies to the northeast of the Deflector Gold Mine (Figure 2), where copper-gold mineralisation occurs in shear zones in meta-basalt, and also the Golden Stream open cut, which was mined for gold in shear zone-hosted quartz veins in meta-basalt. The Deflector Mine has recently been re-opened as an underground mining operation on extensions to the copper-gold sulphide lodes. Both deposits trend towards MinRex’s tenement, where deep alluvium and sand plain cover sequences have hindered previous exploration programs.



**Figure 2: Geology of E59/1657 showing the Deflector Mine and Golden Stream pit**

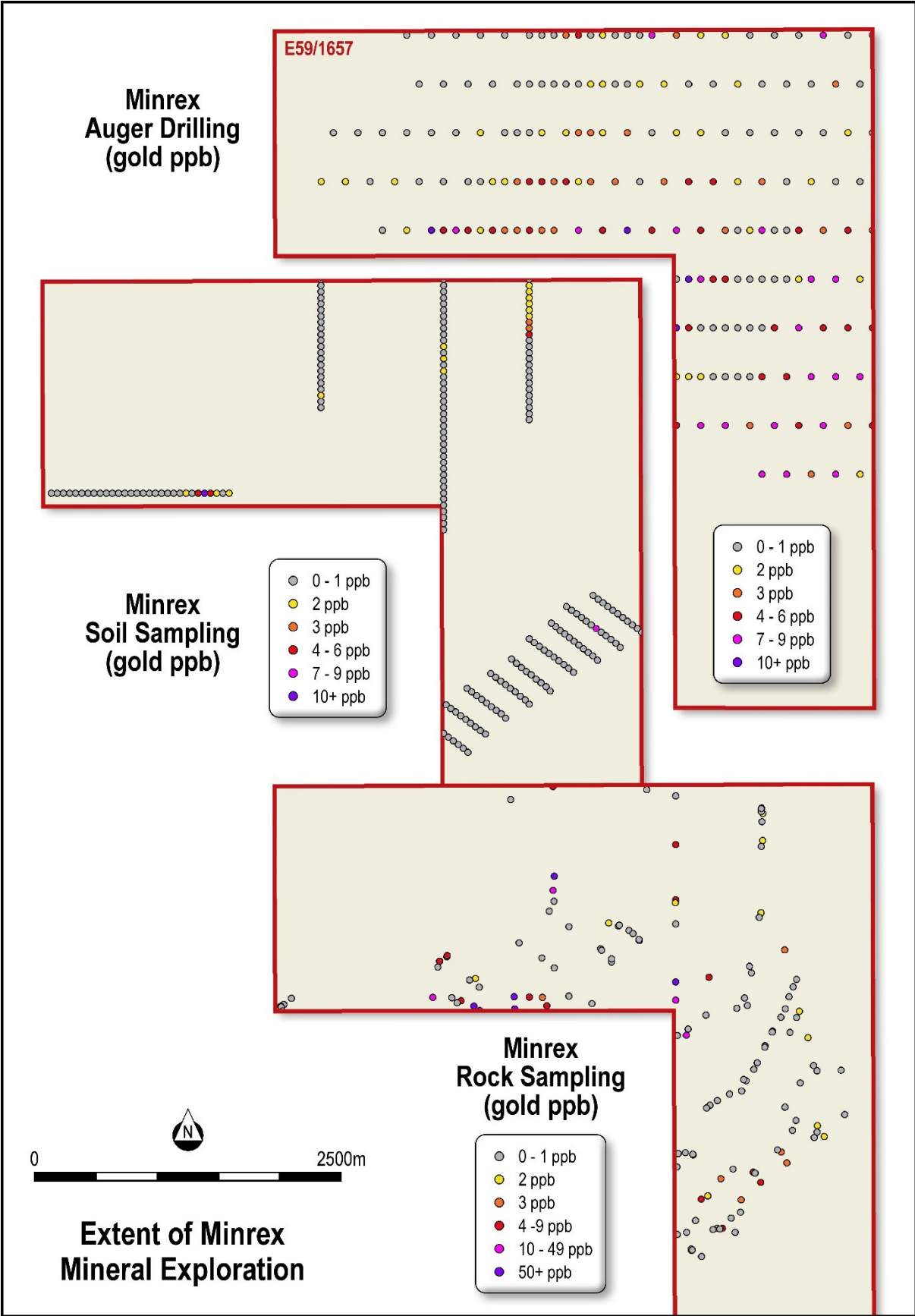
The area of E59/1657 consists of about 15% outcrop of mafic meta-basalt in the Cagacaro Hills area, and about 85% younger cover sediments (plus one or two small areas of granite and laterite). MinRex has been actively exploring the tenement (E59/1657) since 2011. This exploration has sought to use surface sampling and geology to hone in to buried mineralized structures and favourable settings for gold mineralization.

While there is clearly potential for buried gold mineralisation in extensions to either of the two gold mineralisation types in the area, the pattern drilling and sampling completed in the past have not adequately tested the tenement. There is remaining prospectivity for gold in structures or along lithological contacts, under the cover sequences in the tenement, and MinRex has continued its exploration programs in E59/1657 in the past year.

The geomorphology of the Deflector Extended Gold Project area indicates that the area has been more deeply eroded in the past and then infilled with younger sediments, up to 30m deep in places. The ephemeral Salt River flows through the south eastern corner of the tenement and this has undoubtedly been a major river system in the past. A drying climate has resulted in the river system being choked with alluvial sediments and the floodplain areas being infilled with valley-fill alluvium and colluvium. Colluvial scree deposits surround the outcropping Cagacaro Hills meta-basalt, and loose wind-blown sand is also common, overlying these other deposits, principally in the west and north (Figure 2).

The large areas of alluvial and valley-fill sediments have now been fixed for a considerable period, demonstrated by the formation within them of near-surface, calcrete-cemented horizons. These calcrete horizons are thought to have formed through the vertical and horizontal movement of solutions and soluble elements within the sedimentary sequence. MinRex is now using detailed surface soil sampling in an attempt to delineate deeper buried structures in the underlying bedrock through the detection of low-level geochemical haloes above the structures. Once clear geochemical targets are defined then these will be drilled to test for mineralisation in the structures.





**Figure 3:** Plans showing the extent of MinRex auger, soil and rock sampling results, in E59/1657

Previously, a shallow, auger drilling program of 157 holes was completed at 200 x 400m spacing (and some at 100 x 400m) to a maximum depth of 3.2m and an average depth of 1.7m. This wide-spaced program aimed to sample the cover sediments, below the immediate surface, to test for broad haloes of anomalism, using multiple elements (Figure 3).

# MinRex Resources Limited

## Directors' Report

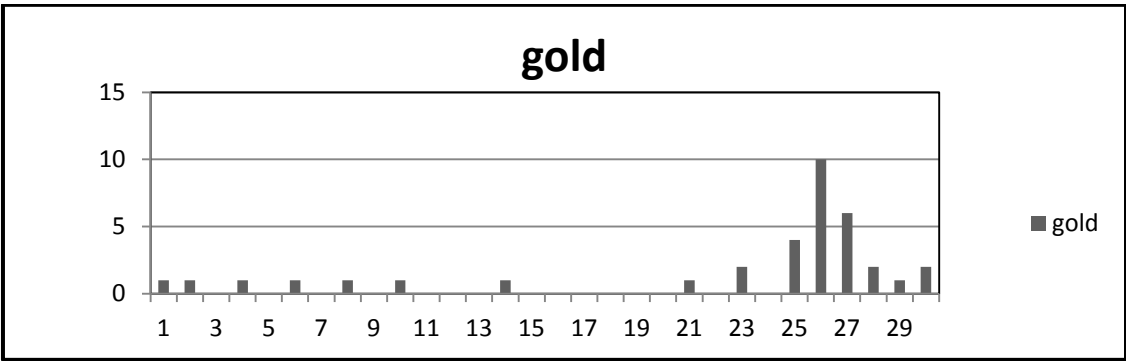
Subsequently, four surface sampling programs have been completed by MinRex, within the tenement area, utilizing surface grab samples of outcropping rocks, float and colluvium, chips within unconsolidated sediments, calcrete, ferricrete and sediment (Figure 3). A number of lines of close-spaced, surface soil sampling lines have also been completed, with samples at 50m spacing (Figure 4).

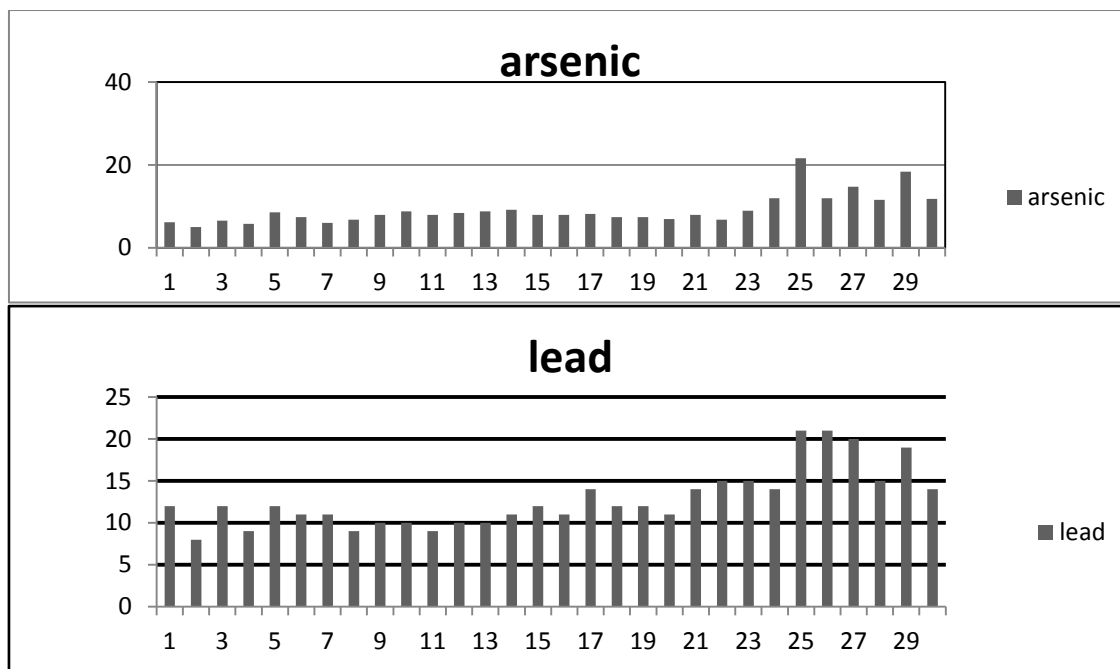


**Figure 4:** Photos of typical geology in E59/1657 showing: top left, soil sampling over deep valley-fill sediments; top right, sand plain sediments; bottom left, mafic colluvium; and bottom right, mafic meta-basalt outcrop in the Cagacaroon Hills

The assay results from these detailed soil sampling lines have been analysed to allow interpretation of the position of underlying geological contacts and structures (Figure 5). All of this work has been designed with geological input and completed under close geological supervision, and with regard to past exploration work and the available geological and geophysical databases.

The graphs below (Figure 5) show assay results from a 1.5km line (6,832,600N) of surface soil sampling, at 50m spacing, across an area of sandplain, overlying deeper valley-fill cover.





**Figure 5:** Graphs showing elemental values along soil sampling line 6832600N, in E59/1657 (Gold in ppb, other elements in ppm)

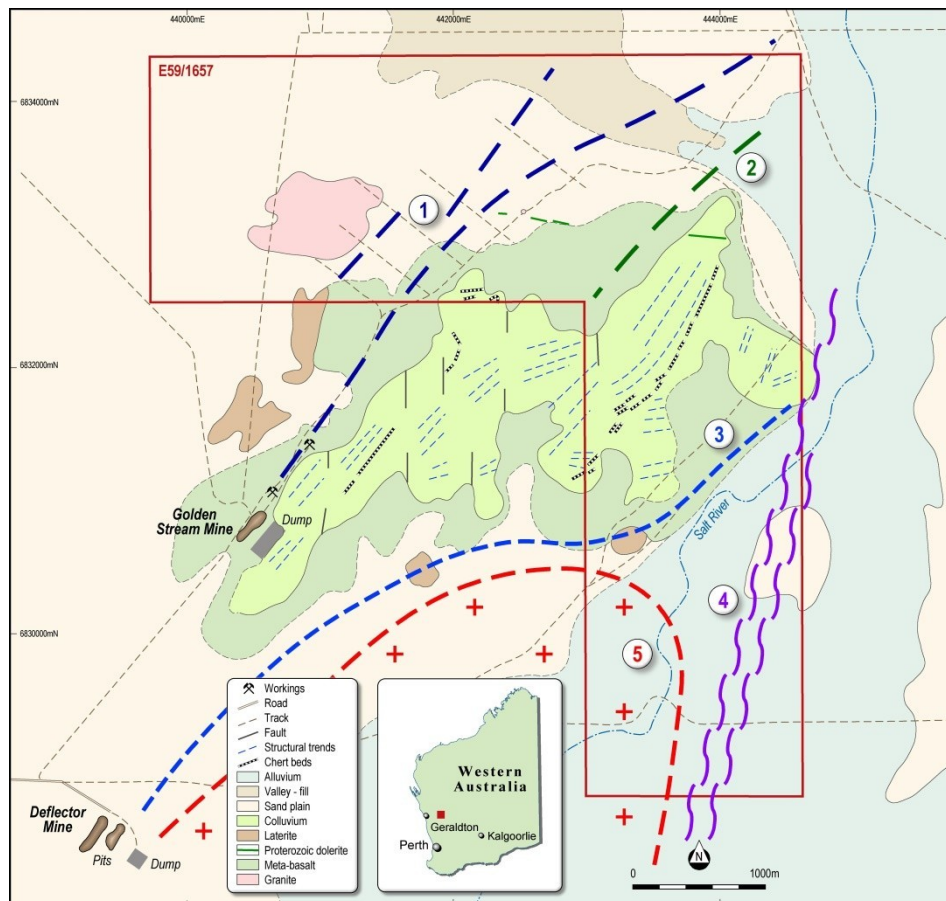
While the values are low, the graphs demonstrate that gold rises sharply over a 100-200m interval, indicating the probable location of the buried Golden Stream structure; lead and arsenic also rise, but over a wider interval. MinRex plans to complete detailed soil sampling over many more lines to confirm the location of major structures. Infill of the sampling to less than 50m is also planned in prospective areas.

These results are seen as encouraging, as they demonstrate a concurrence of the highest elemental values, geological contacts and fault zones, all within buried structures, and along strike from, the Golden Stream and Deflector Gold Mines.

The current exploration aim is to use surface sampling, primarily close-spaced soil sampling, within geomorphologically defined domains, in conjunction with geological traverses, examination of float rocks, drainage sediments and other geological factors, in combination with the available geophysical and geological data, to vector in towards potential mineralisation.

MinRex proposes to continue with its mineral exploration programs at the Deflector Extended Gold Project, with the initial aim being to infill the detailed soil sampling lines (with multi-element low-level assays) to at least 500m spacing over the deeply covered areas of the tenement. Further infill, to 250m spacing, with samples at 25m intervals along the lines, will also be completed over the areas already indicated as potential extensions to the known mineralized structures. Depending upon the results from that work further infill will then probably be required to hone in onto precise locations for any gold mineralised structures – prior to drilling of the most prospective zones.

The main potential target areas at the Deflector Extended Gold Project area are summarised in the following plan (Figure 6).



**Figure 6: E59/1657 Potential Mineralised Structures and Targets**

1. Extensions of the Golden Stream mineralisation to the northeast.
2. Off-set continuations to the Golden Stream mineralisation.
3. Continuations to the Deflector structure and mineralisation.
4. Mineralisation in the Salt River Shear Zone.
5. Deposits on the margin of the buried Gearless Well Intrusion.

### **Heemskirk Tin Project**

Over the past hundred and forty years a number of small, rich tin deposits have been worked in the Heemskirk area of Tasmania, with most of this mining and prospecting having been completed prior to 1900 (Figures 7 & 8). MinRex has now held this area since 2012 and has been successful in identifying a number of the known old workings (Peripatetic (Figure 8), McGuiness, St Dizier, Fisher & Smith, Morrisby, etc.) and has collected a total of 173 samples from four prospective zones (Areas A-D) within the tenement for analysis for multiple elements, including tin and tungsten.

The April 2015 field program collected 49 stream sediment samples from Areas B and C, in addition to the 30 samples collected in Area A in 2012; and these samples were awaiting assay results at the time of the 2015 Annual Report. Earlier analyses had used an acid digest which had understated the contained tin values due to a failure of the acid to fully digest the tin mineral cassiterite. When analysed using a total-fusion laser-ablation method, 11 of the total 79 samples from Areas A, B and C, had values over 1% tin and another 11 had values between 0.5 and 1% tin, for a total of 22 (or 28%) of the samples being over 0.5% tin.

A follow-up program was then designed to sample the remaining Area D and to also to complete infill sampling in those areas of Area B which returned the highest results in the 2015 sampling program.



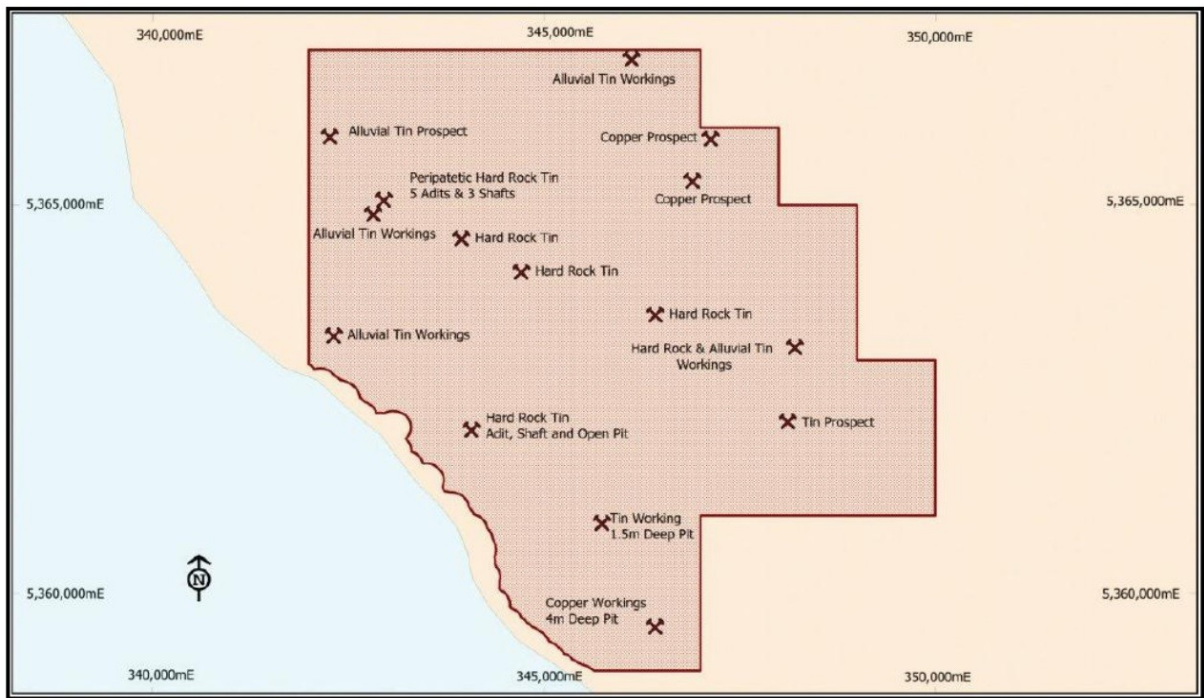


Figure 7: Plan of the known old tin workings in the Heemskirk Project area



Figure 8: Old workings at the Peripatetic Mine in Area B within EL18/2011, during 2016



## MinRex Resources Limited

### Directors' Report

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In April-May 2016, a new field sampling program was completed over the remaining Area D and also infill sampling in the Area B zone in the Heemskirk Tin Project area. Stream sediment sampling in Area D collected 25 samples, while infill sampling in Area B collected 18 stream sediment samples. A total of 28 rock samples were also collected during the 17 days of field work and sampling. The 71 samples were then packaged and dispatched to Perth for examination and geological logging before being submitted to the Bureau Veritas Laboratory in Perth. Prior to receipt of the assay results, geological examination of the samples demonstrated that some of both the stream sediment and rock samples could be seen to contain tin minerals (Figure 9).

The new sampling program has, again, returned strong assay results. From the total of 43 panned concentrate stream sediment samples, 10 have values over 1% tin and another 7 have values between 0.5 and 1% tin, for a total of 17 (or 40%) of the samples being over 0.5% tin. The highest sample grade was 37% tin (by weight) with the sample plainly containing a very high percentage of the tin oxide mineral cassiterite (Figure 9). The results from all of the stream sediment concentrate sampling (122 samples to date) are presented below in Figure 11, with the new results over 1% tin highlighted in red.

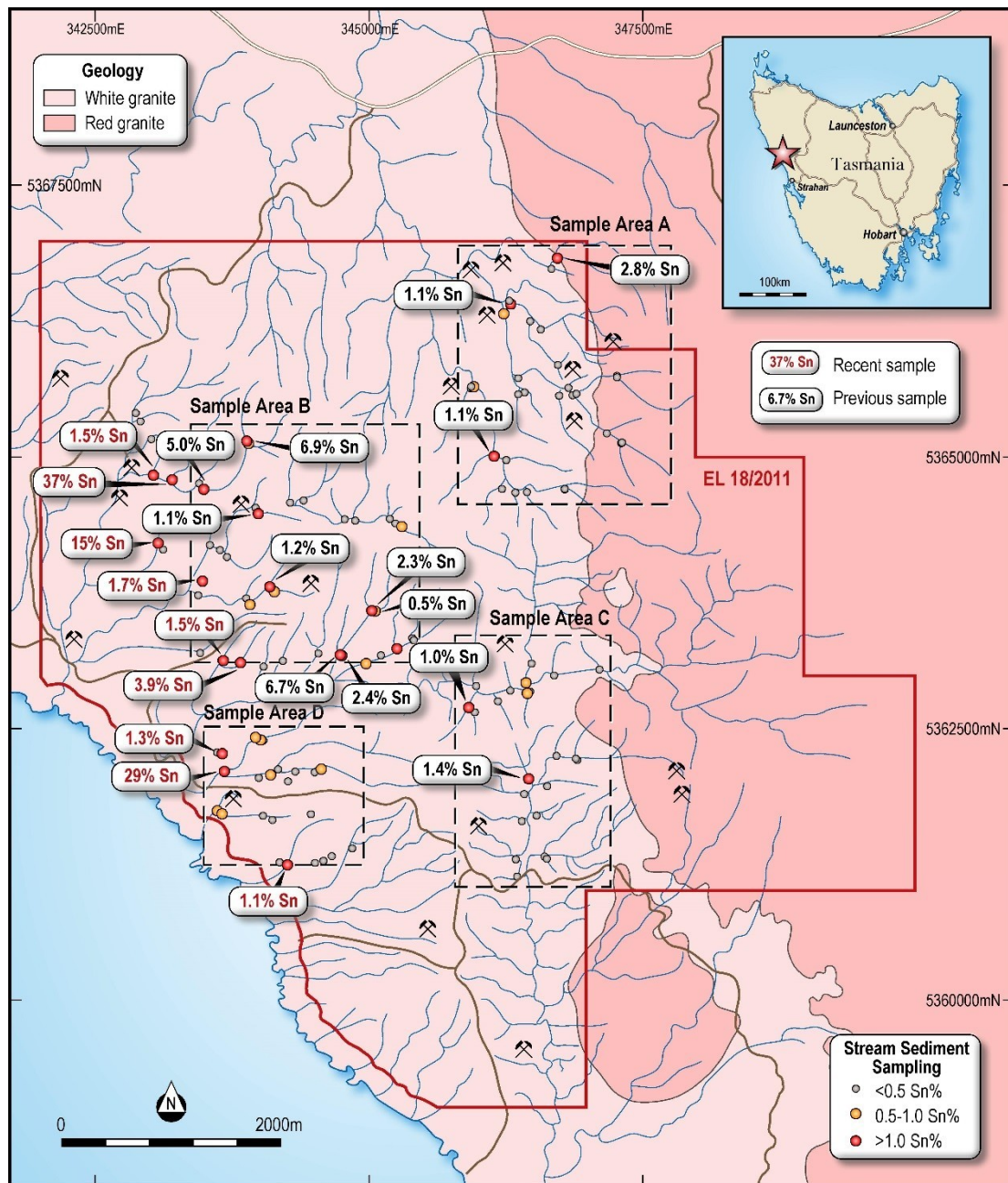


**Figure 9:** Photographs of Sample 53319 (15.4% tin)-left- and Sample 53320 (37% tin) - right

The samples are panned concentrate samples and are therefore higher grade than the actual in-situ stream sediments; nonetheless, it is thought that the higher grade samples will be directly relatable to the bedrock areas with the highest distribution of contained tin minerals (cassiterite).



**Figure 10:** Overview of the Heemskirk tenement area, during the 2016 sampling program



**Figure 11: Plan of the Panned-Concentrate Assay Grades from Stream Sampling at Heemskirk**

These new exploration results are now being assessed and the next stage of the exploration program is being planned.

#### **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.*

# **MinRex Resources Limited**

## **Directors' Report**

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### **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

The rights issue of 15,848,438 fully paid ordinary shares at \$0.06 per share, closed fully subscribed on 4 July 2016. MinRex raised a total of \$950,906, before costs.

The 16,625,000 options (exercise price \$0.20 each) issued in November 2015, lapsed on 11 July 2016 without any options being exercised.

No other significant issues have occurred since the reporting date.

### **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 two exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the Company's environmental conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2016.

### **INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

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

### **INDEMNIFICATION OF AUDITORS**

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



# MinRex Resources Limited

## Directors' Report

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### DIRECTORS' MEETINGS

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

Director	Number of Board Meetings Eligible to Attend	Number of Board Meetings Attended	Audit & Risk Committee Meetings Attended	Remuneration Committee Meeting Attended	Nomination Committee Meeting Attended
Mr. Simon Durack	16	16	1	1	1
Mr. Emmanuel Heyndrickx	10	9	1	-	-
Mr. Robert Downey	16	12	2	1	1
Mr. Abraham Schildkraut	10	10	1	-	-
Mr David Ross Hannon	4	4	1	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

On 7 December 2015, MinRex issued a total of 16,625,000 options to the former holders of the partly paid shares, which had been consolidated to purchase ordinary shares at \$0.20 per share. These options lapsed on 11 July 2016 without being exercised.

On 1 June 2016, MinRex issued rights entitlements to 15,848,438 fully paid ordinary shares, at a cost of \$0.06 per share. The rights issue closed fully subscribed on 4 July 2016.

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of MinRex Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that MinRex Resources Limited 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 Resources Limited with an Independence Declaration in relation to the audit of the full year financial report. A copy of this declaration appears on page 16 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 12). 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 2016, 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  
16 September 2016

# MinRex Resources Limited

## Directors' Report

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### REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for 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.

#### Details of Key Management Personnel

Mr Simon Francis Durack	Executive Director
Mr Emmanuel Heyndrickx	Non-Executive Director – <i>resigned 5 April 2016</i>
Mr Robert Hartley Downey	Non-Executive Director
Mr Abraham Anthony Schildkraut	Non-Executive Director – <i>resigned 4 April 2016</i>
Mr David Ross Hannon	Non-Executive Director – <i>appointed 4 April 2016</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 since incorporation in May 2011:

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Loss per share during the year (cents)	<b>(3.87)</b>	<b>(restated) (3.33)</b>	<b>(restated) (1.91)</b>	<b>(restated) (1.29)</b>	<b>(restated) (3.07)</b>
Share price per share as at period end	<b>\$0.11</b>	\$0.085	\$0.16	\$0.075	\$0.14

The weighted average number of ordinary shares 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.

# MinRex Resources Limited

## Directors' Report

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>2016</b>	<b>Short term benefits</b>		
Director	Directors Fees	Consulting Fees	Total
Mr Simon Francis Durack	<b>\$18,000<sup>(1)</sup></b>	<b>\$86,318</b>	<b>\$104,318</b>
Mr Emmanuel Heyndrickx	<b>\$9,167</b>	<b>\$3,864</b>	<b>\$13,031</b>
Mr Robert Hartley Downey	<b>\$18,000<sup>(1)</sup></b>	<b>\$6,300</b>	<b>\$24,300</b>
Mr Abraham Anthony Schildkraut	<b>\$9,000</b>	<b>\$12,000</b>	<b>\$21,000</b>
Mr David Ross Hannon	<b>\$8,600<sup>(1)</sup></b>	-	<b>\$8,600</b>
<b>Total</b>	<b>\$62,767</b>	<b>\$108,482</b>	<b>\$171,249</b>
<b>2015</b>	<b>Short term benefits</b>		
Director	Directors Fees	Consulting Fees	Total
Mr Simon Durack	\$12,000	-	\$12,000
Mr Emmanuel Heyndrickx	\$12,000	\$15,959	\$27,959
Mr Robert Hartley Downey	\$9,750	-	\$9,750
Mr Abraham Anthony Schildkraut	\$9,750	-	\$9,750
Mr Errol Bome	\$2,000	-	\$2,000
<b>Total</b>	<b>\$45,500</b>	<b>\$15,959</b>	<b>\$61,459</b>

- (1) On 1 April 2016, Directors' fees were increased from \$1,000 per month for each and every Director, to \$3,000 per month for each and every Director.

There were no other Executive officers of the Company during the financial year ended 30 June 2016. Given the nature of the Company's present activity, no remuneration is performance related.

### Directors' fees

#### *Executive Director*

The Executive Director, Mr Simon Durack, is paid Director's fees on a monthly basis.

#### *Non-Executive Directors*

The Non-Executive Directors, Mr Emmanuel Heyndrickx (resigned 5 April 2016), Mr Robert Hartley Downey, Mr Abraham Anthony Schildkraut (resigned 4 April 2016) and Mr David Ross Hannon (appointed 4 April 2016) were 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.

# MinRex Resources Limited

## Directors' Report

### Directors' Interests held in MinRex Resources Limited

Shares	Beginning of Year		Net Change during year		End of Year	
	Ordinary Shares	Partly paid shares	Ordinary Shares	Partly paid shares	Ordinary Shares	Partly paid shares
<b>Directors</b>						
Mr Simon Durack	15,001	-	10,000	-	25,001	-
Mr Robert Downey	-	-	-	-	-	-
Mr David Ross Hannon	3,190,651	-	-	-	3,190,651	-
Mr Emmanuel Heyndrickx	15,000	15,000	750	(15,000)	15,750	-
Mr Abraham Schildkraut	-	-	-	-	-	-
	3,220,652	15,000	10,750	(15,000)	3,231,402	-

### Options

#### Directors

Mr Simon Durack	-	-	-	-	-	-
Mr Robert Downey	-	-	-	-	-	-
Mr David Ross Hannon	-	-	-	-	-	-
Mr Emmanuel Heyndrickx	-	-	14,250	-	14,250	-
Mr Abraham Schildkraut	-	-	-	-	-	-
	-	-	14,250	-	14,250	-

### Rights

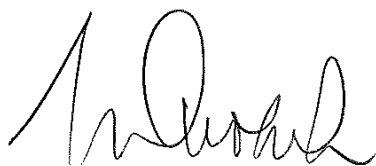
#### Directors

Mr Simon Durack	-	-	18,750	-	18,750	-
Mr Robert Downey	-	-	-	-	-	-
Mr David Ross Hannon	-	-	2,392,988	-	2,392,988	-
	-	-	2,411,738	-	2,411,738	-

### Other transactions with Key Management Personnel

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

16 September 2016

# MinRex Resources Limited

## Corporate Governance Statement

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.

Upon listing the Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "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 30 June 2016 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 disclose: (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 matters to with the proper functioning of the board.	YES	Refer to the Board Charter.

# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>1.5 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>	YES	<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.</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 2016, there was one female employee of the Company, who is the only employee of the Company at the date of this Annual Report. Currently, the Company has not appointed any female Directors.</p>
<p>1.6 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>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the</p>	NOT APPLICABLE	<p>Since inception, the Company has not employed an executive management team.</p>

# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was 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> <ul 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; and disclose:</li> <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> </ul> <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 Robert Downey (Chair), Simon Durack and David Ross Hannon. Robert Downey and David Ross Hannon are independent Directors.</p> <p>Attendance at this committee's meeting is recorded in the Directors' Report in the Company's 2016 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	A listed entity should disclose:	YES	The Company considers that Robert Downey and David Ross Hannon are independent Directors.



# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	(a) The names of the directors considered by the board to be independent directors; (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 (c) The lengthy of service of each director.		Simon Durack has served on the Company's Board since it was incorporated in May 2011. Robert Downey joined the Board on 8 September 2014 and David Ross Hannon on 4 April 2016.
2.4	A majority of the board of a listed entity should be independent directors.	YES	Two of the three directors are independent.
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	No chair of the Board is currently appointed. At the date of this Corporate Governance Statement, a Chair has not been nominated. The Company will, in accordance with its Corporate Governance Plan (available on the Company's website), appoint a Director to the position of Chairperson, where required. If the Chairperson ceases to be an independent Director then the Board will consider appointing a lead independent Director.
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 accounting and legal 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	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	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	The board of a listed entity should: (a) have an audit committee which:	YES	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

# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<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>matters of significance affecting financial reporting and compliance.</p> <p>The Audit and Risk Committee is made up of Robert Downey (Chair), David Ross Hannon and Simon Durack, of which two are independent non-executive Directors. The qualifications and experience of these committee members is outlined in the Directors' Report, contained in the Company's 2016 Annual Report.</p> <p>Their attendance at committee meetings is also detailed in the Directors' Report.</p> <p>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.</p>
<p>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.</p>	<p>YES</p>	<p>A section 295A declaration is received by the Board prior to its approval every year of the Company's Annual Financial Statements.</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is</p>	<p>YES</p>	<p>The Company is audited by Ernst &amp; Young. A representative of the Auditors is present at every Annual General Meeting of the Company.</p>

# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	available to answer questions from security holders relevant to the audit.		
<b>5.</b>	<b><i>Make timely and balanced disclosure</i></b>		
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	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 to facilitate and encourage participation at meetings of security holders.	YES	All shareholders are sent notices of all General Meetings of the Company and are encouraged to attend. Regular phone calls are made in the lead up to General Meetings to facilitate shareholder attendance at such meetings of the Company.
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>	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. This committee is made up of Robert Downey (Chair), David Ross Hannon and Simon Durack. Two members of this committee are independent non-executive Directors. 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>

# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	<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>		Attendance at these committee meetings can be found in the Directors' Report in the 2016 Annual Report of the Company.
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.
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.	NOT APPLICABLE	The Company is not materially 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>	YES	The Board has established a Remuneration Committee which is comprised of David Ross Hannon (Chair), Robert Downey and Simon Durack. Two of the three members of this committee are independent directors.

# MinRex Resources Limited

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<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>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 of this 2016 Annual Report of the Company.</p>
<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.</p>	<p>YES</p>	<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 2016 Annual Report of the Company.</p>
<p>8.3 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>NOT APPLICABLE</p>	<p>The Company does not operate an equity-based remuneration scheme.</p>

**Statement of Comprehensive Income**  
**For the year ended 30 June 2016**

	<b>Note</b>	<b>30-Jun-2016</b> \$	<b>30-Jun-2015</b> \$
<b>Revenue from ordinary activities</b>			
Interest Income		14,947	38,018
<b>Expenditure</b>			
Depreciation and amortisation		(6,199)	(11,110)
Corporate expenses		(201,317)	(177,892)
Write-off of exploration, evaluation & development expenditure	8	(113,358)	(297,832)
Management and administration expenses	4	(586,912)	(310,576)
<b>Total expenditure</b>		<b>(907,786)</b>	<b>(797,410)</b>
<b>(Loss) from ordinary activities before income tax expense</b>		<b>(892,839)</b>	<b>(759,392)</b>
Income tax expense	5	-	-
<b>Net loss attributable to the members of MinRex Resources Limited</b>		<b>(892,839)</b>	<b>(759,392)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year</b>		<b>(892,839)</b>	<b>(759,392)</b>
<b>Basic loss per share attributable to the ordinary equity holders of the company</b>		<b>(3.87) cents</b>	<b>(3.33) cents</b>
<b>Diluted loss per share attributable to the ordinary equity holders of the company</b>	14	<b>(3.87) cents</b>	<b>(3.33) cents</b>

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

**Statement of Financial Position  
For the year ended 30 June 2016**

		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>	<b>Note</b>		
Cash and cash equivalents	6	<b>852,293</b>	1,526,014
Other receivables	7	<b>31,103</b>	26,132
Prepayment		<b>5,270</b>	7,589
<b>Total Current Assets</b>		<b>888,666</b>	1,559,735
<b>Non-Current Assets</b>			
Exploration, evaluation and development expenditure	8	-	-
Property, plant and equipment		<b>8,093</b>	12,072
<b>Total Non-Current Assets</b>		<b>8,093</b>	12,072
<b>Total Assets</b>		<b>896,759</b>	1,571,807
<b>Current Liabilities</b>			
Trade and other payables	9	<b>89,352</b>	26,520
<b>Total Current Liabilities</b>		<b>89,352</b>	26,520
<b>Total Liabilities</b>		<b>89,352</b>	26,520
<b>Net Assets</b>		<b>807,407</b>	1,545,287
<b>Equity</b>			
Contributed equity	10	<b>3,609,573</b>	3,454,614
Accumulated losses	11	<b>(2,802,166)</b>	(1,909,327)
<b>Total Equity</b>		<b>807,407</b>	1,545,287

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

**Statement of Changes in Equity  
For the year ended 30 June 2016**

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<b>30 June 2015</b>			
<b>Balance at 1 July 2014</b>	<b>3,454,614</b>	<b>(1,149,935)</b>	<b>2,304,679</b>
Net loss for the year	-	<b>(759,392)</b>	<b>(759,392)</b>
Comprehensive income for the period	-	-	-
Total comprehensive loss for the year	-	<b>(759,392)</b>	<b>(759,392)</b>
<b>Transaction with owners recorded directly in equity</b>			
Shares issued	-	-	-
Share issue costs	-	-	-
<b>Balance at 30 June 2015</b>	<b>3,454,614</b>	<b>(1,909,327)</b>	<b>1,545,287</b>
<b>30 June 2016</b>			
<b>Balance at 1 July 2015</b>	<b>3,454,614</b>	<b>(1,909,327)</b>	<b>1,545,287</b>
Net loss for the year	-	<b>(892,839)</b>	<b>(892,839)</b>
Comprehensive income for the period	-	-	-
Total comprehensive loss for the year	-	<b>(892,839)</b>	<b>(892,839)</b>
<b>Transaction with owners recorded directly in equity</b>			
Shares issued	<b>165,365</b>	-	<b>165,365</b>
Share issue costs	<b>(10,406)</b>	-	<b>(10,406)</b>
<b>Balance at 30 June 2016</b>	<b>3,609,573</b>	<b>(2,802,166)</b>	<b>807,407</b>

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



**Statement of Cash Flows**  
**For the year ended 30 June 2016**

	Note	30-Jun-2016 \$	30-Jun-2015 \$
<b>Cash Flows From Operating Activities</b>			
Interest received		14,939	37,653
Payments to suppliers and employees		(743,368)	(481,095)
<b>Net cash used in operating activities</b>	6	<b>(728,429)</b>	<b>(443,442)</b>
 <b>Cash flows From Investing Activities</b>			
Payments for plant and equipment		(2,220)	-
Return / (Payment) of security deposit		-	15,000
Payments for exploration, evaluation and development expenditure		(98,031)	(93,309)
<b>Net cash used in investing activities</b>		<b>(100,251)</b>	<b>(78,309)</b>
 <b>Cash flows from Financing Activities</b>			
Issue of shares – private placement, net of costs		154,959	-
<b>Net cash provided by Financing Activities</b>	6	<b>154,959</b>	<b>-</b>
 Net decrease in cash held		<b>(673,721)</b>	<b>(521,751)</b>
Cash at the beginning		1,526,014	2,047,765
<b>Cash held at the end of the year</b>		<b>852,293</b>	<b>1,526,014</b>

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

# MinRex Resources Limited

## *Notes to the financial statements for the year ended 30 June 2016*

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### **1. Corporate Information**

The financial report of MinRex Resources Limited for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 16 September 2016.

MinRex Resources Limited was incorporated on 30 May 2011 and is domiciled in Australia. It is a for profit mining exploration company limited by shares, whose shares are publicly traded on the Australian Securities Exchange.

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

### **2. Summary of Significant Accounting Policies**

#### **(a) Basis of Preparation**

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 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) New Accounting Standards and Interpretations**

##### *(i) Changes in accounting policy*

The following amendments to the standards have been adopted as at 1 July 2015. The nature and impact of each new amendment is described below.

Reference	Title
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i> .
AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i> The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

# MinRex Resources Limited

## Notes to the financial statements for the year ended 30 June 2016

### (ii) Accounting Standards issued but not yet effective.

The following standards and interpretations have been issued by the AASB but are not yet effective for the year ended 30 June 2016.

Reference	Title	Summary	Application date for MinRex
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p> <p>Classification and measurement</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.</p> <p>The main changes are described below.</p> <p><i>Financial assets</i></p> <ol style="list-style-type: none"> <li>Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</li> <li>Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</li> <li>Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</li> </ol> <p><i>Financial liabilities</i></p> <p>Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.</p> <p>Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> </ul>	1 January 2018

Reference	Title	Summary	Application date for MinRex
		<p>► The remaining change is presented in profit or loss</p> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p> <p><b>Impairment</b></p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p><b>Hedge accounting</b></p> <p>Amendments to AASB 9 (December 2009 &amp; 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>	
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	<p>AASB 116 <i>Property Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	1 January 2016

Reference	Title	Summary	Application date for MinRex
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 <i>Revenue from Contracts with Customers</i> replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related Interpretations (Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, Interpretation 131 <i>Revenue—Barter Transactions Involving Advertising Services</i> and Interpretation 1042 <i>Subscriber Acquisition Costs in the Telecommunications Industry</i>). AASB 15 incorporates the requirements of IFRS 15 <i>Revenue from Contracts with Customers</i> issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). 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 the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> <li>(a) Step 1: Identify the contract(s) with a customer</li> <li>(b) Step 2: Identify the performance obligations in the contract</li> <li>(c) Step 3: Determine the transaction price</li> <li>(d) Step 4: Allocate the transaction price to the performance obligations in the contract</li> <li>(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</li> </ul> <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i> amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.</p>	1 January 2018

Reference	Title	Summary	Application date for MinRex
AASB 1057	Application of Australian Accounting Standards	<p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible.</p> <p>The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.</p>	1 January 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <ul style="list-style-type: none"> <li>(a) A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not)</li> <li>(b) A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</li> </ul> <p>AASB 2014-10 also makes an editorial correction to AASB 10.</p> <p>AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.</p>	1 January 2018
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	<p>The subjects of the principal amendments to the Standards are set out below:</p> <p><i>AASB 5 Non-current Assets Held for Sale and Discontinued Operations:</i></p> <ul style="list-style-type: none"> <li>• Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.</li> </ul> <p><i>AASB 7 Financial Instruments: Disclosures:</i></p> <ul style="list-style-type: none"> <li>• Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is ‘continuing involvement’ for the purposes</li> </ul>	1 January 2016

Reference	Title	Summary	Application date for MinRex
		<p>of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.</p> <ul style="list-style-type: none"> <li>Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 <i>Disclosure–Offsetting Financial Assets and Financial Liabilities</i> is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 <i>Interim Financial Reporting</i> when its inclusion would be required by the requirements of AASB 134.</li> </ul> <p>AASB 119 <i>Employee Benefits</i>:</p> <ul style="list-style-type: none"> <li>Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.</li> </ul> <p>AASB 134 <i>Interim Financial Reporting</i>:</p> <ul style="list-style-type: none"> <li>Disclosure of information ‘elsewhere in the interim financial report’ - amends AASB 134 to clarify the meaning of disclosure of information ‘elsewhere in the interim financial report’ and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.</li> </ul>	
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB’s Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016
AASB 2015-5	Amendments to Australian Accounting Standards – Investment	This makes amendments to AASB 10, AASB 12 <i>Disclosure of Interests in Other Entities</i> and AASB 128 arising from the IASB’s narrow scope amendments associated with Investment Entities.	1 January 2016

# MinRex Resources Limited

## Notes to the financial statements for the year ended 30 June 2016

Reference	Title	Summary	Application date for MinRex
	Entities: Applying the Consolidation Exception		
AASB 2015-9	Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]	This Standard inserts scope paragraphs into AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during editorial changes made in August 2015. There is no change to the requirements or the applicability of AASB 8 and AASB 133.	1 January 2016
AASB 16	Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> <li>• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>• A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.</li> <li>• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> <li>• AASB 16 contains disclosure requirements for lessees.</li> </ul> <p>Lessor accounting</p> <ul style="list-style-type: none"> <li>• AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <li>• AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</li> </ul> <p>AASB 16 supersedes: (a) AASB 117 Leases</p>	1 January 2019



# MinRex Resources Limited

## Notes to the financial statements for the year ended 30 June 2016

Reference	Title	Summary	Application date for MinRex
		<p>(b) Interpretation 4 Determining whether an Arrangement contains a Lease</p> <p>(c) SIC-15 Operating Leases—Incentives</p> <p>(d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease</p> <p>The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.</p>	
2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	This Standard amends AASB 112 <i>Income Taxes</i> (July 2004) and AASB 112 <i>Income Taxes</i> (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017
2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions [Amendments to IFRS 2]	<p>This standard amends to IFRS 2 <i>Share-based Payment</i>, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:</p> <ul style="list-style-type: none"> <li>▶ The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments</li> <li>▶ Share-based payment transactions with a net settlement feature for withholding tax obligations</li> <li>▶ A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled</li> </ul>	1 January 2018

The Company is yet to assess the impact of adoption of these standards and amendment on its financial statements.

**(d) Accounting policies****Revenue Recognition**

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

**Interest Income**

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

**Income Tax**

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

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

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

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

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

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

# **MinRex Resources Limited**

## ***Notes to the financial statements for the year ended 30 June 2016***

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

### **Cash and Cash Equivalents**

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

### **Receivables**

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

### **Mining Tenements and Mineral Exploration and Evaluation Expenditure**

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

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

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

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

### **Property, Plant and Equipment**

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

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

### **Depreciation and Amortisation**

# **MinRex Resources Limited**

## ***Notes to the financial statements for the year ended 30 June 2016***

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

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

Plant and equipment 20%

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

### **Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit and loss.

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

### **Accounts Payable**

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

### **Contributed Equity**

Ordinary shares are classified as equity.

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

### **Provisions**

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

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

### **Employee Benefits**

#### ***Wages and salaries, annual leave and sick leave***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken

# **MinRex Resources Limited**

## ***Notes to the financial statements for the year ended 30 June 2016***

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and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of other payables and liabilities for annual and sick leave are included as part of employee benefit provisions.

### ***Long service leave***

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

### **Goods and Services Tax**

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

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

### **Segment Reporting**

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

### **Earnings per Share**

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

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

## **3. Segment Information**

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

# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

## 4. Management and Administration Expenses

	30-Jun-2016	30-Jun-2015
	\$	\$
Audit and compliance	83,417	25,663
Bank charges	1,169	861
General office expenses	186,948	130,894
Legal and Professional Support	315,378	153,158
	<u>586,912</u>	<u>310,576</u>

## 5. Income Tax

30-Jun-2016	30-Jun-2015
\$	\$

### (a) Income tax expense

major component of tax expense for the year

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

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

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

(Loss) before income tax expense	(892,839)	(759,392)
Tax at the company rate of 30%	(267,852)	(227,818)
Movement of income tax benefit not brought to account	<u>267,852</u>	<u>227,818</u>
Income tax expense / (benefit)	<u>-</u>	<u>-</u>

30-Jun-2016

30-Jun-2015

# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

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## 5. Income Tax (continued)

### (c) Deferred tax

The following temporary differences existed at the balance sheet date:

#### *Deferred tax asset*

	\$	\$
Accruals	7,872	1,538
Unused tax losses	799,132	584,022
Section 40-880 deductions	173,965	53,355
Deferred tax assets not recognised	(980,969)	(638,915)
Net deferred tax asset balance	-	-

#### *Deferred tax liability*

There was no deferred tax liability as at 30 June 2016 (2015: \$nil).

The Company has \$2,663,772 in losses for income tax purposes. The aggregate deferred tax benefit of \$980,969 has not been carried forward as an asset in the Statement of Financial Position as realisation of the benefit is not regarded as probable and will only be obtained if:

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

# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

	30-Jun-2016	30-Jun-2015
	\$	\$

## 6. Cash and Cash Equivalents

### Reconciliation of Cash and Cash Equivalents

Cash comprises of:

Cash at bank	852,293	1,526,014
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### Reconciliation of operating loss after tax to the cash flows from operations

Loss from ordinary activities after tax	(892,839)	(759,392)
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#### Non-cash items

Depreciation	6,199	11,110
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Write-off of exploration, evaluation & development expenditure	113,358	297,832
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#### Change in assets and liabilities

(Increase) in prepayments	2,319	(1,916)
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(Increase) in trade and other receivables	(4,971)	11,069
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(Decrease)/increase in trade creditors and accruals	47,505	(2,145)
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Net cash outflow from operating activities	(728,429)	(443,442)
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	30-Jun-2016	30-Jun-2015
	\$	\$

## 7. Other Receivables

Term Deposit	11,504	11,496
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GST refundable	17,580	11,497
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Other receivable	2,019	3,139
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	31,103	26,132
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# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

	30-Jun-2016	30-Jun-2015
8. Exploration, Evaluation and Development Expenditure	\$	\$
Exploration, evaluation and development assets	-	-
(a) Area of Interest		
Deflector Extended Gold Project- Western Australia	-	-
Heemskirk Tin Project – Tasmania	-	-
Carrying amount at end of year <sup>1</sup>	-	-
(b) Reconciliation		
Carrying amount at beginning	-	204,523
Additions	113,358	93,309
Less write-off of exploration, evaluation & development expenditure	(113,358)	(297,832)
Carrying amount at end of year <sup>1</sup>	-	-

- The ultimate recoupment of costs carried for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. During the first half of the financial year, the Company had a proposed reverse takeover transaction with Hello Real Estate Limited (“Hello”). In the 30 June 2015 financial statements, the Directors disclosed that they intend to change the main activity of the Company from a junior explorer to that of the real estate activities of Hello if the transaction proceeded to completion. The Directors had not planned for the minimum exploration expenditure at that time. Hence, the exploration, evaluation and development expenditure at 30 June 2015 were written off.

In January 2016, the proposed transaction with Hello was called off by mutual agreement of the parties. The Company resumed its exploration activities shortly thereafter and spent \$113,358 during the last financial year. The Company continues to review any new corporate opportunities to drive shareholder wealth. Given the circumstances, the Directors consider it prudent to write off the balance of the exploration, evaluation and development expenditure as at 30 June 2016.

	30-Jun-2016	30-Jun-2015
9. Trade and Other Payables	\$	\$
Trade payables	60,566	11,964
Accruals	28,786	14,556
	89,352	26,520

# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

10. Contributed Equity	30-Jun-2016 No.	30-Jun-2016 \$	30-Jun-2015 No.	30-Jun-2015 \$
<b>Ordinary Shares</b>				
Issued and fully paid	21,131,251	3,840,365	17,500,001	3,500,000
Partly paid shares	-	-	17,500,000	175,000
	<b>21,131,251</b>	<b>3,840,365</b>	<b>35,000,001</b>	<b>3,675,000</b>
 Movements in ordinary shares on issue				
At beginning of year	35,000,001	3,454,614	35,000,001	3,454,614
Cancellation of partly paid shares for consolidation	(17,500,000)	-	-	-
Issue of fully paid ordinary shares to partly paid shareholders on consolidation	875,000	-	-	-
Private Placement	2,756,250	165,365	-	-
Cost of Issue	-	(10,406)	-	-
At end of year	<b>21,131,251</b>	<b>3,609,573</b>	<b>35,000,001</b>	<b>3,454,614</b>

	30-Jun-2016 No	30-Jun-2015 No
<b>Options</b>		
Issue of unlisted options exercisable at \$0.20 on or before 11 July 2016 to partly paid shareholders on consolidation of their shares in November 2015	16,625,000	-
<b>At 30 June</b>	<b>16,625,000</b>	<b>-</b>

The options issued in November 2015 have lapsed on 11 July 2016.

	30-Jun-2016 No	30-Jun-2015 No
<b>Rights</b>		
Issue of rights in 1 June 2016 to purchase three shares per four outstanding shares held	15,848,438	-
<b>At 30 June</b>	<b>15,848,438</b>	<b>-</b>

The rights issued in June 2016 were fully exercised on 4 July 2016 and raised a total of \$950,906.

11. Accumulated Losses	30-Jun-2016 \$	30-Jun-2015 \$
Movements in accumulated losses were as follows:		
At beginning of the period	(1,909,327)	(1,149,935)
Loss during the year	(892,839)	(759,392)
<b>At 30 June</b>	<b>(2,802,166)</b>	<b>(1,909,327)</b>

# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

	30-Jun-2016	30-Jun-2015
12. Auditor's Remuneration	\$	\$
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	41,818	5,900
- other services	3,000	26,690
	<u>44,818</u>	<u>32,590</u>

## 13. Key Management Personnel Disclosures

### (a) Details of Key Personnel

Mr Simon Durack	Executive Director and Company Secretary
Mr Robert Downey	Non-Executive Director
Mr David Ross Hannon	Non-Executive Director – <i>appointed 4 April 2016</i>
Mr Emmanuel Heyndrickx	Non-Executive Director – <i>resigned 5 April 2016</i>
Mr Abraham Schildkraut	Non-Executive Director – <i>resigned 4 April 2016</i>

### (b) Remuneration of Key Management Personnel

	30-Jun-2016	30-Jun-2015
	\$	\$
<b>Compensation of key management personnel of the Group</b>		
Short Term Employee benefits		
Director fees	62,767	45,500
Consulting fees	108,482	15,959
Short Term Employee benefits	<u>171,249</u>	<u>61,459</u>

### (c) Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel, with the exception of that disclosed in 13 (e) below.

### (d) Outstanding Balances

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

2016 \$32,801 in Director's and Consulting fees payable to Directors of the Company (2015 Nil)

### (e) Related Party transactions

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 opportunities, as disclosed in the Remuneration Short Term Benefits table in the Remuneration Report.

The only other related party transactions relate to Directors' fees paid to the Directors of the Company.

# MinRex Resources Limited

## Notes to the financial statements for the year ended 30 June 2016

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### 14. Loss per Share

	2016 cents per share	2015 cents per share (restated)
Basic loss Per Share	(3.87)	(3.33)
Weighted Average number of ordinary shares used in calculating basic earnings/(loss) per share:	23,100,486	22,819,914
Effect of dilution: Nil	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	23,100,486	22,819,914

The weighted average number of ordinary shares has been adjusted for the bonus element of the shares subscribed for on 4 July 2016. The 2015 comparative has also been adjusted for the same bonus element.

### 15. Financial Risk Management

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

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

#### (a) Liquidity Risk

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

#### *Maturity analysis for financial liabilities*

Financial liabilities of the Company comprise trade and other payables. As at 30 June 2016 all financial liabilities are contractually matured within 30 days.

#### (b) Interest Rate Risk

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

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

#### Interest rate sensitivity

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

# MinRex Resources Limited

Notes to the financial statements for the year ended 30 June 2016

## 15. Financial Risk Management (continued)

	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)
	2016	2016	2015	2015
	\$	\$	\$	\$
Increase 100 basis points	8,523	8,523	15,260	15,260
Decrease 100 basis points	(8,523)	(8,523)	(15,260)	(15,260)

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

### (c) Credit Risk Exposures

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

At 30 June 2016, the Company held cash at bank. These were held with financial institution with a rating from Standard & Poors of AA or above (long term). The Company has no past due or impaired debtors as at 30 June 2016 (2015 Nil).

### (d) Fair value

The carrying value of the financial instruments as at 30 June 2016 approximates their fair value due to their short term nature.

## 16. Contingent Liabilities

As at the date of this report, no contingent liabilities had been identified in relation to the financial year ended 30 June 2016.

## 17. Capital Commitments

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

- 1) Deflector Extended Gold Project (E59/1657): \$30,000
- 2) Heemskirk Tin Project (EL 18/2011): \$31,000

**18. Events Subsequent to Reporting Date**

The rights issue of 15,848,438 fully paid ordinary shares at \$0.06 per share, closed fully subscribed on 4 July 2016. MinRex raised a total of \$950,906, before costs.

The 16,625,000 options (exercise price \$0.20 each) issued in November 2015, lapsed on 11 July 2016 without any options being exercised.

No other significant issues have occurred since the reporting date.

## **MinRex Resources Limited**

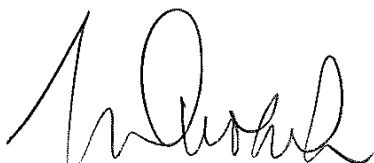
### **DIRECTORS' DECLARATION**

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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 2016 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);
  - (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 2016.

On behalf of the Board



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

West Perth

16 September 2016

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

## Report on the financial report

We have audited the accompanying financial report of MinRex Resources Limited, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

## Directors' responsibility for the financial report

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

## Auditor's responsibility

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

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

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

## Independence

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



## Opinion

In our opinion:

- a. The financial report of MinRex Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - i Giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii Complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Opinion

In our opinion, the Remuneration Report of MinRex Resources Limited for the period ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs  
Partner  
Perth  
16 September 2016

**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 9 August 2016.

**(a) Distribution of Shareholders**

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	14	2,339
1,001 - 5,000	29	90,297
5,001 - 10,000	43	408,191
10,001 - 100,000	80	3,108,771
100,001 and over	50	33,370,086
<b>Total</b>	<b>216</b>	<b>36,979,684</b>

The number of shareholders holding less than a marketable parcel is 36.

**Top Twenty Shareholders**

	Holder name	Securities	%
1	CHIFLEY PORTFOLIOS PTY LTD	5,250,000	14.20%
2	KATHIRAVELU ANANDA	3,643,437	9.85%
3	JOHN WARDMAN & ASSOC PTY LTD	2,984,583	8.07%
4	LION SUPER PTY LTD	1,876,000	5.07%
5	BOME ERROL & MELANIE	1,785,833	4.83%
6	CAREY D G & CAREY-DOMINGU	1,250,000	3.38%
7	WHIDDON GLENN ROSS	1,172,500	3.17%
8	NAUTICAL HOLDINGS WA PTY LTD	1,155,847	3.13%
9	JINDABYNE CAPITAL PTY LTD	925,000	2.50%
10	DOYLE A M & MORETTI L H	875,000	2.37%
11	MORETTI H L	803,750	2.17%
12	PEGARI PTY LIMITED	771,695	2.09%
13	SOUMELIDES GEORGE	656,250	1.77%
14	GETMEOUTOFHERE PTY LTD	576,562	1.56%
15	VIVRE INV PTY LTD	510,000	1.38%
16	LOCOPE PTY LTD	490,000	1.33%
17	EDMONDSON ROHAN C & F C	437,500	1.18%
18	ROGERS SF MGNT PTY LTD	433,333	1.17%
19	FRANCIPANE SAM	412,500	1.12%
20	ODALISQUE PTY LTD	400,000	1.08%
	<b>Total</b>	<b>26,409,790</b>	<b>71.42%</b>

## MinRex Resources Limited

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

Tenement	Project	Registered Holder	MinRex Beneficial Interest
E59/1657	Deflector Extended Gold Project	MinRex Resources Limited	100%
EL18/2011	Heemskirk Tin Project	MinRex Resources Limited	100%

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

As at 9 August 2016

	Holder name	Securities	%
1	CHIFLEY PORTFOLIOS PTY LTD	5,250,000	14.20%
2	KATHIRAVELU ANANDA	3,643,437	9.85%
3	JOHN WARDMAN & ASSOC PTY LTD	2,984,583	8.07%
4	LION SUPER PTY LTD	1,876,000	5.07%

### (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

Nil

### (f) Restricted Securities

Nil

### (g) On-Market Buy Back

There is no current on-market buy back.

### (h) Listing rule 11.1.3

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