

# **MinRex Resources NL**

**ABN 81 151 185 867**

## **ANNUAL REPORT**

**For the Year Ended 30 June 2015**

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## **CORPORATE DIRECTORY**

### **DIRECTORS**

Mr Simon Durack (Executive Director)

Mr Emmanuel Heyndrickx (Non-executive Director)

Mr Robert Hartley Downey (Non-executive Director)

Mr Abraham Anthony Schildkraut (Non-executive Director)

### **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 NL**

## **Directors' Report**

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The Directors present their report for MinRex Resources NL ("MinRex" or "the Company") for the year ended 30 June 2015.

### **DIRECTORS**

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

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

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

#### **Mr Robert Hartley Downey B.Ed, LL.B (Hons) (Non-Executive Director) – appointed 8 September 2014**

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

# MinRex Resources NL

## Directors' Report

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

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

### **Mr Errol Bome – BAcc, ACA (Non-Executive Director) – resigned 8 September 2014**

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

### **DIRECTORSHIPS OF OTHER LISTED COMPANIES**

<b>Name</b>	<b>Company</b>
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
Errol Bome	Nil

### **COMPANY SECRETARY**

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

# MinRex Resources NL

## 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 NL are:

Director	Fully paid ordinary shares	Partly paid ordinary shares
Simon Durack (direct & indirect interest)	15,001	-
Emmanuel Heyndrickx	15,000	15,000
Robert Hartley Downey	-	-
Abraham Anthony Schildkraut	-	-

### 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 NL for the year ended 30 June 2015 was \$759,392 (2014 net loss \$436,635).

	2015	2014	% Increase /
	\$	\$	(decrease)
Revenue – interest income only	38,018	56,521	(32.7)
Loss before tax	(759,392)	(436,635)	73.9
Loss after income tax – tax benefit not recognised	(759,392)	(436,635)	73.9
Loss per share	(4.13) cents	(2.38) cents	73.5

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 73.9% is primarily due to the write-off of the exploration, evaluation and development expenditure, resulting in a charge to the Statement of Comprehensive Income of \$297,832.

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

# MinRex Resources NL

## Directors' Report

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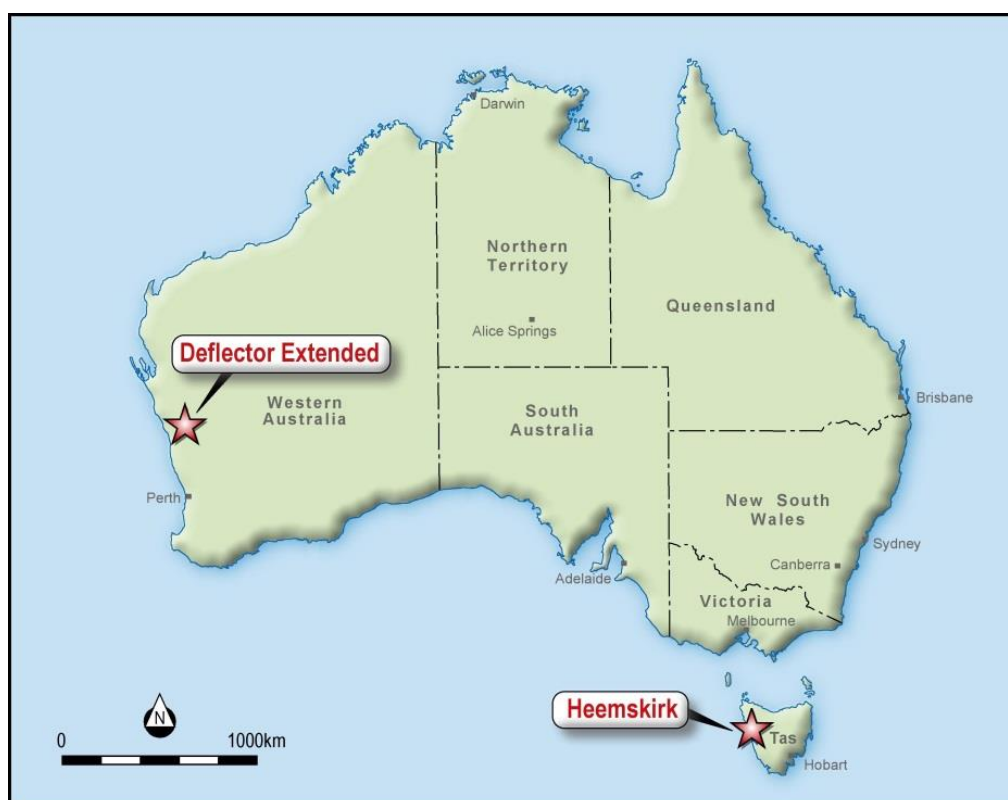
### REVIEW OF OPERATIONS

#### Overview

MinRex Resources NL (“MinRex”) is an exploration company, listed on the Australian Securities Exchange, with its principal focus being the exploration and development of gold, base metal and tin projects in Australia.

MinRex holds two projects, being the Deflector Extended Gold Project at Gullewa in Western Australia and the Heemskirk Tin Project in Tasmania (Figure 1). MinRex’s Deflector Gold Project lies to the north of Perth, within the Gullewa Greenstone Belt of the Murchison Goldfields, where deposits of gold-copper mineralisation in primary quartz-sulphide veins and secondary gold deposits in surface clays and laterite have been mined in proximity to the Project area. The Deflector Extended Gold Project is along strike from Doray Minerals Limited’s (“Doray”) Deflector Gold Project. On the 19<sup>th</sup> May 2015, Doray announced that their 400,000oz Au Project was approved for development, with work to commence soon on construction, mining and treatment at this high-grade gold/copper deposit.

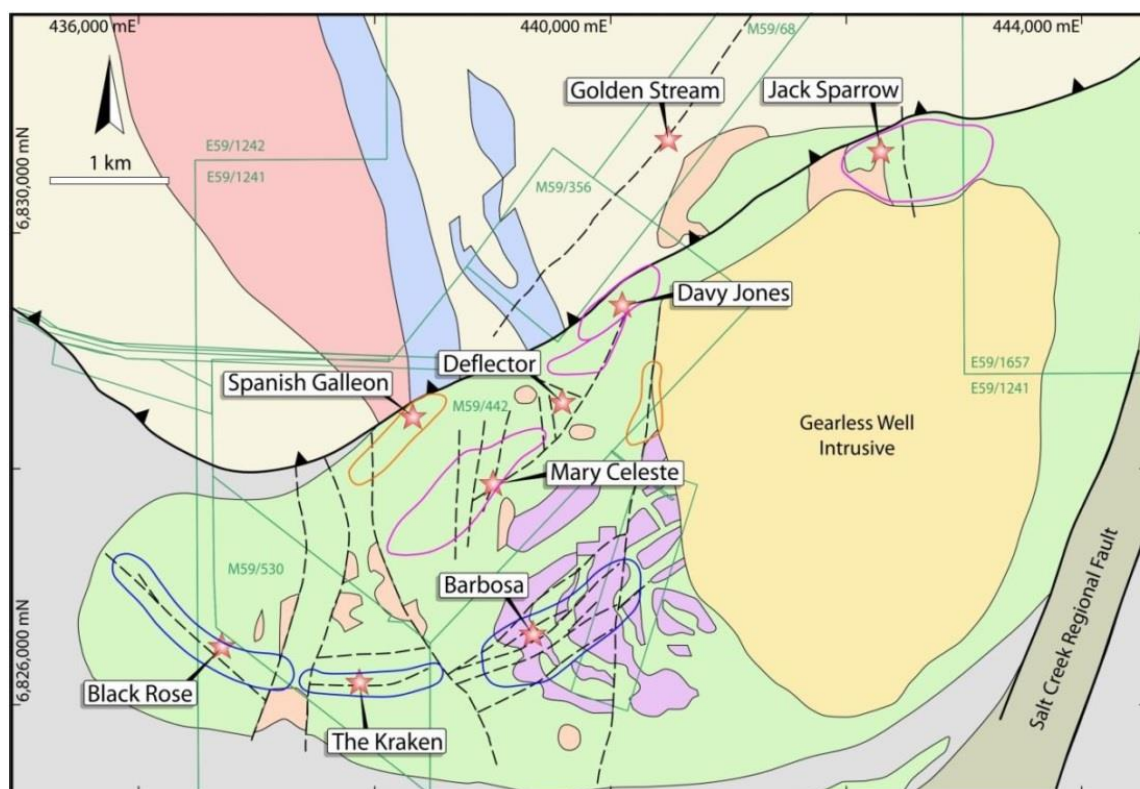
The Heemskirk Tin Project is in coastal north-western Tasmania and has been the site of tin, tungsten and base metals prospecting and exploration activities, for over 140 years, with the most substantial exploration efforts having been at the Peripatetic Mine which consists of several adits and shafts and numerous small open pits.



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

#### Deflector Gold Project

The Deflector Extended Gold Project (E59/1657) lies along a north-eastern extension of the Deflector mineralisation trend at the Gullewa Mining Centre. Doray Minerals Limited has recently reported ore reserves of 1.78Mt at 5.6g/t Au, 0.9% Cu and 6.3g/t Ag at their Deflector Gold Project, which lies about 5km to the SW of the MinRex tenement (E59/1657) (Figure 2).



**Figure 2: Mutiny (Doray) plan showing prospects along trend towards MinRex's E59/1657**

The Deflector Extended Gold Project area is predominantly covered by transported soil, colluvium and alluvium; which effectively conceal any mineralisation present. The area has historically been explored by regional soil geochemistry, rock chip sampling and limited RAB and AC drilling. The completed exploration work is encouraging, especially the early geochemistry and drilling that shows some anomalous gold values within the tenement. However, previous soil sampling programs in E59/1657 did not include the along strike position from the Deflector deposit; although, wide-spaced RAB and aircore drilling was carried out in the past and a number of anomalous drill samples were returned from the area: including, 1m at 0.36ppm gold from 29m depth and 3m at 0.28ppm gold from 17m depth, both in aircore holes. The structure also lies in an area of little outcrop, runs along what seems to be a lithological boundary and/or a fault, and is also in proximity to the buried Salt Creek Fault – an interpreted major structure which lies below the alluvial sediments of Salt Creek. There are also two small circular magnetic highs in the area, of unknown provenance.

In the June 2015 Quarter, it was decided to test for gold mineralisation with a detailed soil sampling program, comprising samples collected at 50m spacing along lines at 200m intervals, across the structure and along its entire length within the MinRex tenement (Figure 3). The work was completed in April 2015. In all 76 samples were collected along nine lines, with these numbered DES001 – 076. The samples were taken from about 10cm depth and averaged about 1kg each in weight. Observations were made on the surface soil, scree and vegetation cover and probable underlying geology – most of the area is covered with red clay colluvium and abundant cobbles of metabasalt (mafic volcanic rocks), and hence the underlying geology is rarely visible.

The samples were analysed at the Bureau Veritas Laboratory at Canning Vale, in Perth, where they were pulverised and a 40gm subsample digested by Aqua Regia and analysed for gold, silver, arsenic, molybdenum, lead and zinc by Inductively Coupled Plasma Mass Spectrometry (ICP-MS) and for copper and nickel by Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES).

The soil sample assay results are generally low, with highest results of 8ppb for gold, 0.05ppm for silver, 15.6ppm for arsenic, 1.4ppm for molybdenum, 18ppm for lead, 52ppm for copper, 56ppm for nickel and 38ppm for zinc – the full results were reported in the MinRex June 2015 Quarterly Report, released on the 29<sup>th</sup> July 2015. The maximum value for gold is 8ppb, which compares with earlier soil sampling results of up to 40ppb within the tenement, with only 8 out of 142 previous samples being this high. However, all of the best gold values in the earlier scout drilling are in the soil sampling area. The maximum copper value of 52ppm is in the upper range of all previous results with an earlier maximum of 68ppm from a total of 142 previous samples within the tenement. Earlier anomalous copper results in drill-holes were up to 460ppm and also fall mostly in this area.



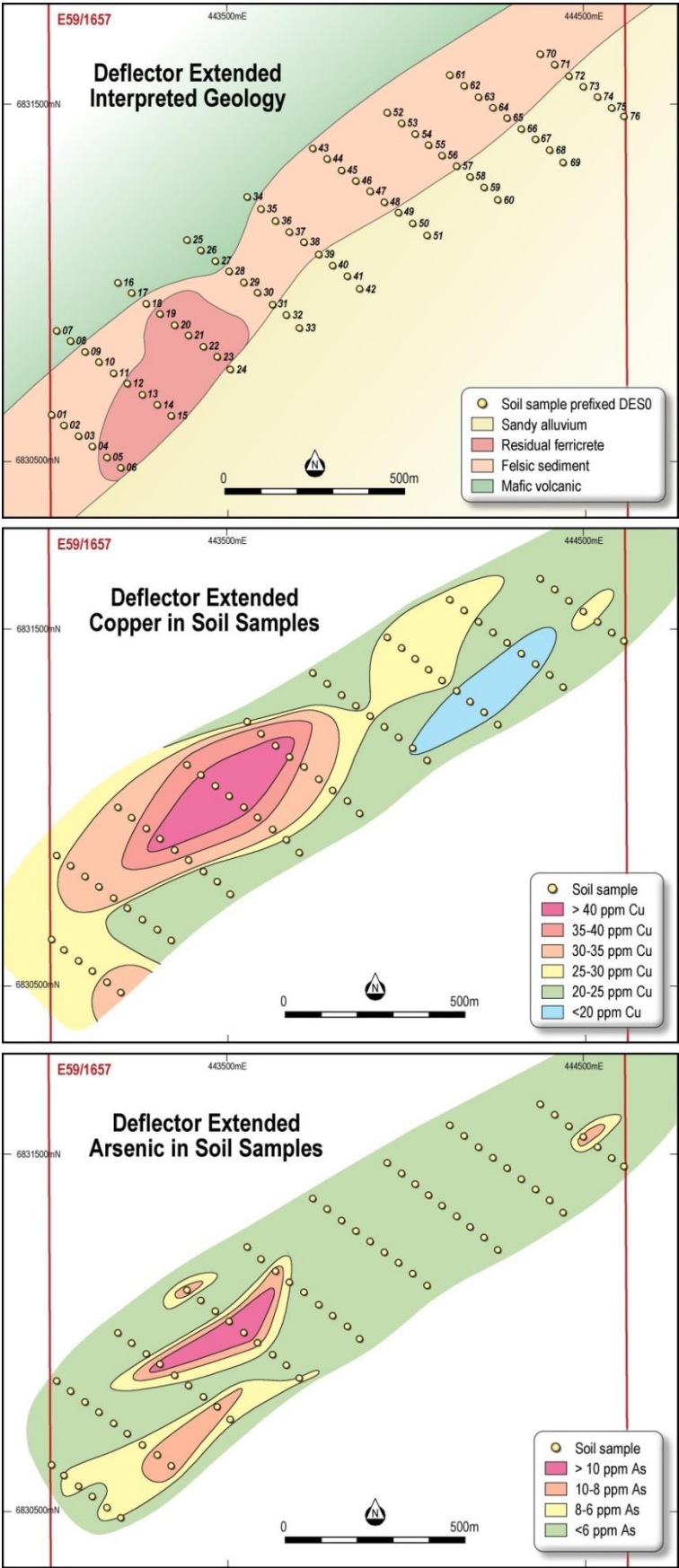
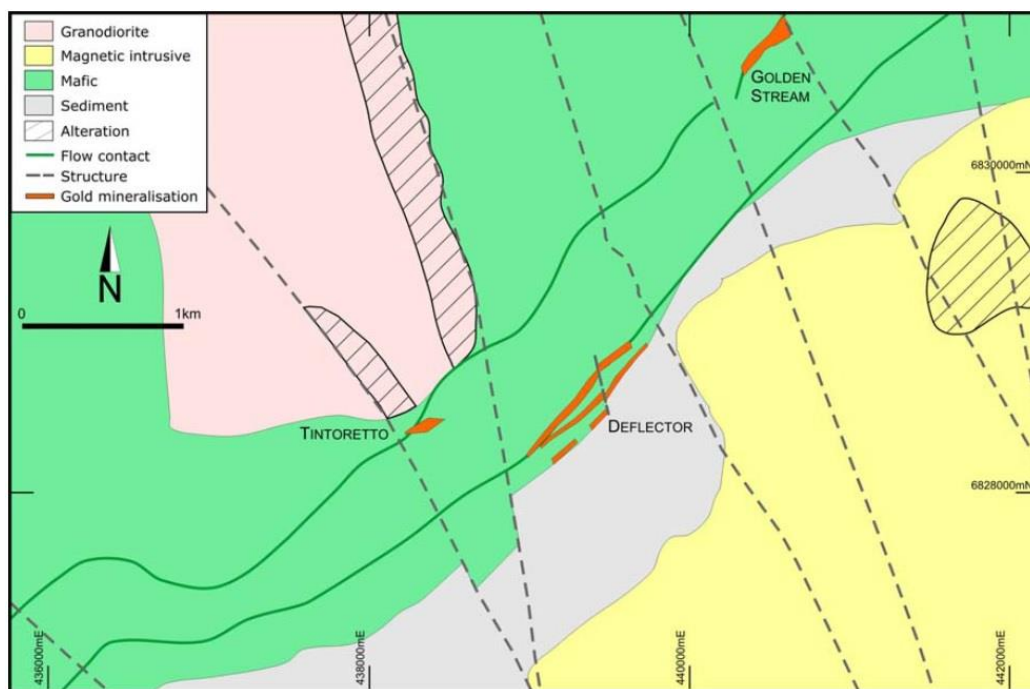


Figure 3: Plans showing the soil sample locations, geology, copper and arsenic results

When the results for copper and arsenic are plotted onto contour plans, there is an overlapping coincidence of the highest values in an approximately 400 x 100m zone (Figure 3). There is also a clear suggestion that the highest values lie close to the interpreted geological contact between the metabasalt and metasedimentary rock types and trend parallel to this contact. Vein quartz fragments and occasional outcrops are also seen along this trend line, possibly indicating faulting, and these provide a target for future rock sampling programs.



**Figure 4:** Mutiny (Doray) plan of Deflector deposit on contact of mafic and sedimentary rocks

Metasedimentary rocks have not been noted in this area in any of the previous geological mapping work. The presence of these metasedimentary rocks demonstrates that this area probably lies along strike from the Deflector copper/gold deposit and occupies the same geological setting along the contact of metamafic and metasedimentary rocks and adjacent to the buried Gearless Well granite intrusion (Figure 4).

The results are seen as encouraging, as they demonstrate a concurrence of the highest copper and arsenic values, the geological contact and a possible fault zone, all within the same structure as the Deflector deposit. Consequently, MinRex is considering carrying out further work along this prospective contact/fault zone.

### Heemskirk Tin Project

The Heemskirk Tin Project (E18/2011) is located in north-western Tasmania, to the WNW of the town of Zeehan. The granitic rocks of the Project area host multiple small deposits of tin, tungsten and base metals, some of which have been known for up to 140 years (Figure 5). MinRex has been exploring this area for tin-tungsten-base metal mineralisation through 2012-15. Previous MinRex exploration in the tenement includes rock chip and stream sediment sampling and a panned stream sediment sampling exercise, which was completed in the Area A quadrant during 2012 (Figure 6).

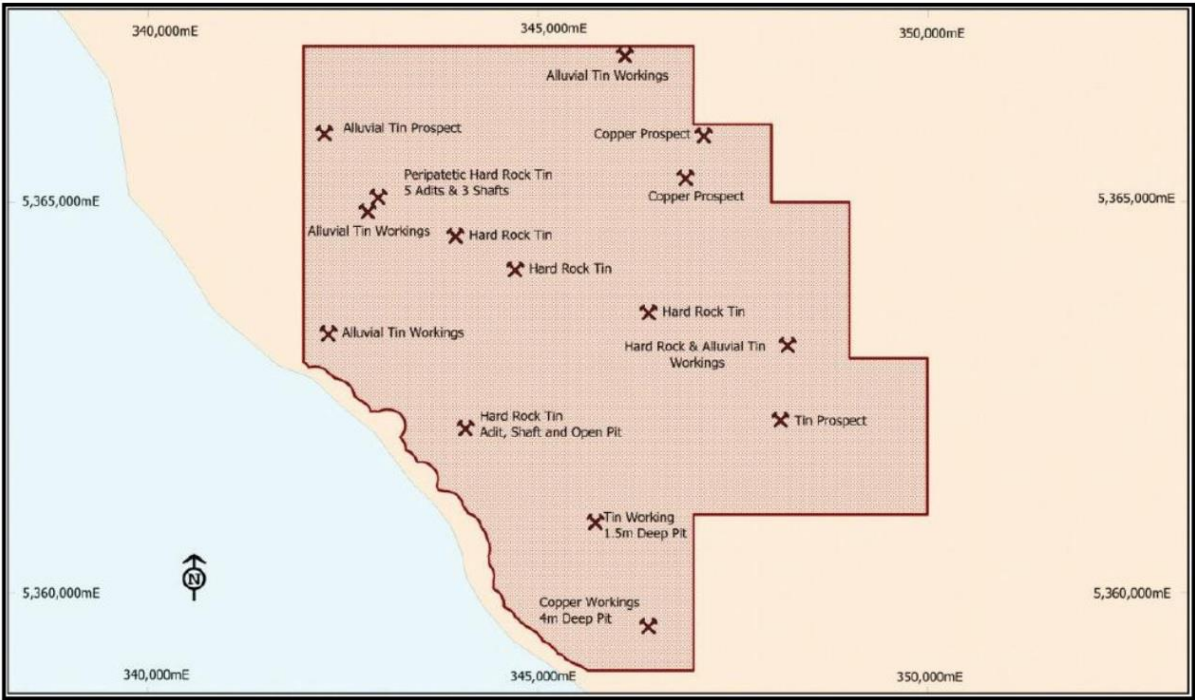


Figure 5: Plan Showing some of the Old Mine and Prospect Areas in the Heemskirk Tin Project

This year the panned concentrate stream sediment sampling was continued, with the Areas B and C being sampled in the June Quarter 2015 (Figure 6). The results from this sampling will allow assessment of the relevant drainage areas for possible hidden metal deposits.

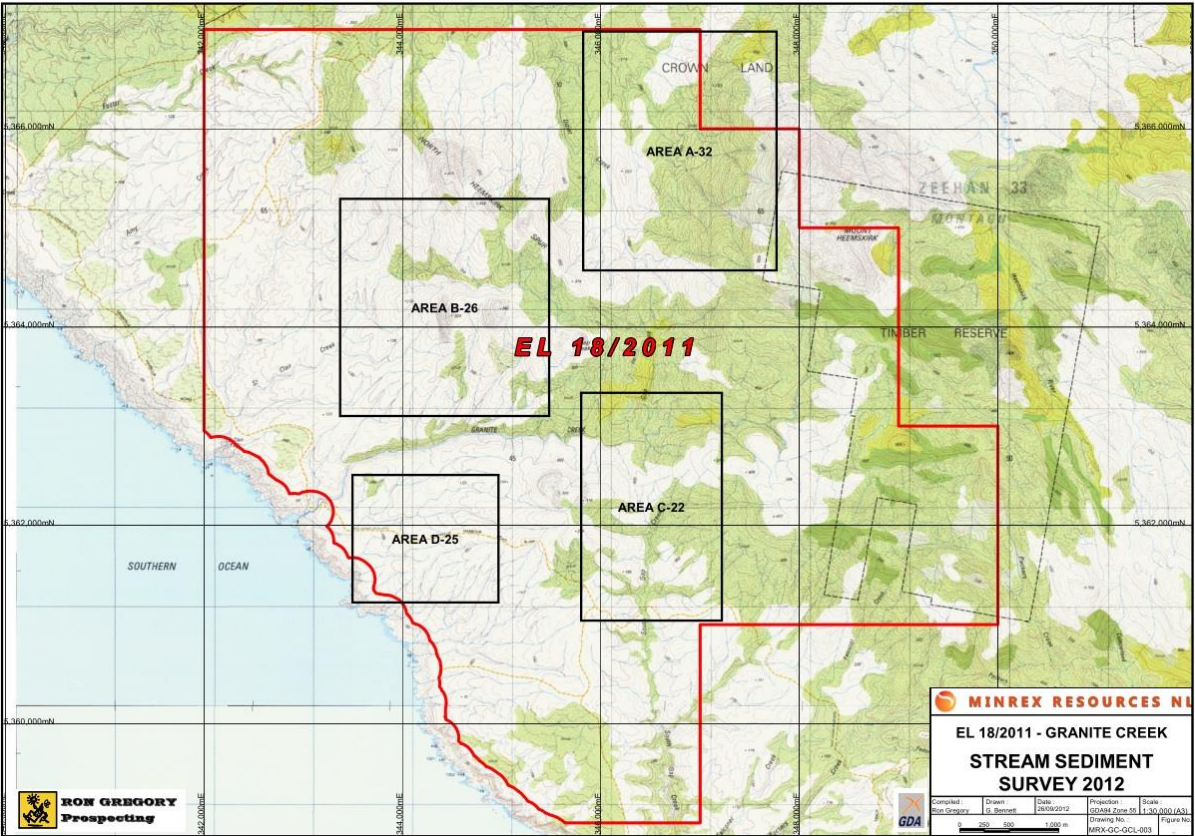


Figure 6: Plan Showing the Four Sampling Areas (Areas A to D) at Heemskirk Tin Project



## MinRex Resources NL Directors' Report

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The new stream sediment sampling commenced in mid-April 2015, with mobilisation to site and setting up of a campsite, and then continued (through wind, rain and snow) until completed on the 30<sup>th</sup> April 2015. The samples were dispatched to the Bureau Veritas Laboratory in Perth and a number of maps were prepared along with documentation on the sampling methodology and a number of photographs of the sampling sites, sampling work and general location (Figures 7, 8, 9 & 10).



**Figure 7:** Terrain in Area B during the 2015 Sampling at the Heemskirk Tin Project

The stream sediment samples were collected from pre-planned sites on flowing streams by filling a 10lt bucket with a representative sample of gravel, sand and fine sediment. The samples were then sieved to remove the coarse fraction and then panned to concentrate the heavy mineral grains. The heavy mineral grains were then collected into a plastic sample bag, each with a unique identifying number, before being sealed and prepared for shipment to the sampling laboratory.

The 49 new samples from Area B and C were submitted and will be analysed by the same assay method as the first batch (from Area A) – to ensure consistency in the results. The assay results remain outstanding at the present time.



**Figure 8:** Collecting Sample 53272 from Area C during the 2015 Sampling at Heemskirk





**Figure 9:** Old Overgrown Shafts in Area B during the 2015 Sampling Program



**Figure 10:** Terrain in Area C during the 2015 Sampling at the Heemskirk Tin Project

The results of the Heemskirk assay work will be available in the near future.

**Competent Persons Statement:**

*The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Kieron Munro, a Competent Person who is a Member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Munro is employed as an independent geological consultant by MinRex and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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

On 8 July 2015, the Company announced that it proposes to change its activities and acquire 100% of the share capital of Hello Real Estate Limited for \$6.75 million in issued capital. The Company is currently preparing a Share Purchase Agreement for this purpose and is also preparing a Notice of General Meeting, where shareholders' approval will be sought to approve of the change in activities and proposed acquisition. The change in activities and proposed acquisition are still the subject of regulatory approvals as well.

If the acquisition proceeds, the Company's main activity will be changed from a junior explorer to a real estate company focused on providing professional real estate marketing services. This will most likely impact the usability of the unrecognised carry forward tax losses, as disclosed in note 5, for offset against future taxable income. However, management intends to continue the exploration activities of the areas of interest if the proposed acquisition is not approved.

## **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

On the assumption that shareholders approve of the transaction with Hello Real Estate Limited, which was announced to the market on 8 July 2015, the Company will change its activities from mineral exploration to that of real estate.

Given the current uncertainty surrounding the proposed transaction, it is not possible to accurately forecast the expected results of the Company over the next 12 months.

## **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 2015.

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

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

## **INDEMNIFICATION OF AUDITORS**

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

# MinRex Resources NL

## Directors' Report

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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. Errol Bome	1	1	-	-	1
Mr. Simon Durack	10	10	-	1	1
Mr. Emmanuel Heyndrickx	10	10	2	1	1
Mr. Robert Downey	9	9	2	1	-
Mr. Abraham Schildkraut	9	9	2	-	-

### PROCEEDINGS ON BEHALF OF COMPANY

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

### SHARE OPTIONS

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

### CORPORATE GOVERNANCE

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

### AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of MinRex Resources NL with an Independence Declaration in relation to the audit of the full year financial report. A copy of this declaration appears on page 14 of this financial report.

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

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

In relation to our audit of the financial report of MinRex Resources NL for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



T G Dachs  
Partner  
2 September 2015



# MinRex Resources NL

## Remuneration Report

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### REMUNERATION REPORT (AUDITED)

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

### Details of Key Management Personnel

Mr Simon Durack	Executive Director
Mr Emmanuel Heyndrickx	Non-Executive Director
Mr Robert Hartley Downey	Non-Executive Director – <i>appointed 8 September 2014</i>
Mr Abraham Anthony Schildkraut	Non-Executive Director – <i>appointed 8 September 2014</i>
Mr Errol Bome	Non-Executive Director – <i>resigned 8 September 2014</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:

	As at 30 June 2015	As at 30 June 2014	As at 30 June 2013	As at 30 June 2012
Loss per share (cents)	(4.13)	(2.38)	(1.60)	(3.81)
Share price per share	\$0.085	\$0.16	\$0.075	\$0.14

## MinRex Resources NL Remuneration Report

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

<b>2015</b>	<b>Short term benefits</b>		
Director	Directors Fees	Consulting Fees	Total
Mr Simon Durack	<b>\$12,000</b>	-	<b>\$12,000</b>
Mr Emmanuel Heyndrickx	<b>\$12,000</b>	<b>\$15,959</b>	<b>\$27,959</b>
Mr Robert Hartley Downey	<b>\$9,750</b>	-	<b>\$9,750</b>
Mr Abraham Anthony Schildkraut	<b>\$9,750</b>	-	<b>\$9,750</b>
Mr Errol Bome	<b>\$2,000</b>	-	<b>\$2,000</b>
<b>2014</b>	<b>Short term benefits</b>		
Director	Directors Fees	Consulting Fees	Total
Mr Richard Procter	\$8,000	-	\$8,000
Mr Simon Durack	\$12,000	-	\$12,000
Mr Emmanuel Heyndrickx	\$12,000	-	\$12,000
Mr Errol Bome	\$4,000	-	\$4,000

There were no other Executive officers of the Company during the financial years ended 30 June 2015. Given the nature of the Company's present activity, no remuneration is performance related.

### 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, Mr Robert Hartley Downey and Mr Abraham Anthony Schildkraut were paid Directors' fees on a monthly basis.

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

### Directors' Interests

#### Shares held in MinRex Resources NL

	Beginning of Year		Net Change during year		End of Year	
	Ordinary Shares	Partly paid shares	Ordinary Shares	Partly paid shares	Ordinary Shares	Partly paid shares
<b>Directors</b>						
Mr Emmanuel Heyndrickx	15,000	15,000	-	-	15,000	15,000
Mr Simon Durack	15,001	-	-	-	15,001	-
Mr Robert Hartley Downey	-	-	-	-	-	-
Mr Abraham Schildkraut	-	-	-	-	-	-
	30,001	15,000	-	-	30,001	15,000

## **MinRex Resources NL**

### **Remuneration Report**

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#### **Other transactions with Key Management Personnel**

There were no other transactions with Key Management Personnel, other than consulting fees paid during the first six months of the financial year to Mr Emmanuel Heyndrickx, who is a non-executive Director of the Company. Mr Heyndrickx was engaged on a consultancy basis to assist with the proposed transaction to acquire all of the share capital in Skin Elements Pty Ltd. Mr Heyndrickx charged the Company \$15,959 for services rendered in this regard.

#### **END OF REMUNERATION REPORT (AUDITED)**



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

West Perth

2 September 2015

# MinRex Resources NL

## Corporate Governance Statement

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

Upon listing the Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "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 2015 and has been approved by the Board.

### Corporate Governance Compliance

During the year MinRex Resources NL 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
1.	<i>Lay solid foundations for management and oversight</i>		
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 NL

## 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 2015, 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 performance of its senior executives; and</p>	NOT APPLICABLE	<p>Since inception, the Company has not employed an executive management team.</p>

# MinRex Resources NL

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	(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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	YES	<p>The Board of the Company has a Nomination Committee, whose members are Robert Hartley Downey (Chair), Abraham Schildkraut and Emmanuel Heyndrickx, all of whom are independent directors. During the year, Simon Durack and Errol Bome also served on this committee.</p> <p>Attendance at this committee's meeting is recorded in the Directors' Report in the Company's 2015 Annual Report.</p> <p>A copy of its Charter can be found at Schedule 5 of the Company's Corporate Governance Plan, which is located on the Company's website.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	YES	Refer to the Charter of the Nomination Committee.
2.3	<p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it</p>	YES	<p>The Company considers that Emmanuel Heyndrickx, Abraham Schildkraut and Robert Hartley Downey are independent Directors.</p> <p>Simon Durack has served on the Company's Board since it was incorporated in May 2011. Emmanuel Heyndrickx has served on the Company's Board since late 2011. Abraham Schildkraut and Robert Hartley Downey joined the Board in early September 2014.</p>

# MinRex Resources NL

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	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.		
2.4	A majority of the board of a listed entity should be independent directors.	YES	Three of the four 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: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board; and disclose:	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 matters of significance affecting financial reporting and compliance.  The Audit and Risk Committee is made up of Emmanuel Heyndrickx (Chair), Abraham Schildkraut and Robert Hartley Downey, all of whom are independent non-executive Directors. The qualifications and experience of these committee members is outlined in the Directors' Report, contained in the Company's 2015 Annual Report. Their attendance at committee meetings is also detailed

# MinRex Resources NL

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<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>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>	YES	<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 available to answer questions from security holders relevant to the audit.</p>	YES	<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>
<p><b>5. <i>Make timely and balanced disclosure</i></b></p>		
<p>5.1 A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p>	YES	<p>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.</p>



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## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	(b) disclose that policy or a summary of it.		
<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> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director;</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management</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 Emmanuel Heyndrickx (Chair), Abraham Schildkraut and Robert Hartley Downey. All 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> <p>Attendance at these committee meetings can be found in the Directors' Report in the 2015 Annual Report of the Company.</p>

# MinRex Resources NL

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	framework.		
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> <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</p>	YES	<p>The Board has established a Remuneration Committee which is comprised of Robert Hartley Downey (Chair), Emmanuel Heyndrickx and Simon Durack. Two of the three members of this committee are independent directors.</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 2015 Annual Report of the Company.</p>

# MinRex Resources NL

## Corporate Governance Statement

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
	meetings; or (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.		
8.2	A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	YES	<p>The Company does not differentiate between the remuneration of the executive and non-executive directors. No senior executives are employed by the Company.</p> <p>Details of the remuneration of the Directors of the Company, can be found in the Remuneration Report in this 2015 Annual Report of the Company.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	NOT APPLICABLE	The Company does not operate an equity-based remuneration scheme.

**Statement of Comprehensive Income**  
**For the year ended 30 June 2015**

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>Revenue from ordinary activities</b>			
Interest Income		38,018	56,521
<b>Expenditure</b>			
Depreciation and amortisation		(11,110)	(9,032)
Corporate expenses		(177,892)	(170,283)
Write-off of exploration, evaluation & development expenditure		(297,832)	-
Management and administration expenses	4	(310,576)	(313,841)
<b>Total expenditure</b>		<b>(797,410)</b>	<b>(493,156)</b>
<b>Loss from ordinary activities before income tax expense</b>		<b>(759,392)</b>	<b>(436,635)</b>
Income tax expense	5	-	-
<b>Net loss attributable to the members of Minrex Resources NL</b>		<b>(759,392)</b>	<b>(436,635)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive loss for the year</b>		<b>(759,392)</b>	<b>(436,635)</b>
<b>Basic loss per share attributable to the ordinary equity holders of the company</b>		<b>(4.13) cents</b>	<b>(2.38) cents</b>
<b>Diluted loss per share attributable to the ordinary equity holders of the company</b>	14	<b>(4.13) cents</b>	<b>(2.38) 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 2015**

		<b>30-Jun-15</b>	<b>30-Jun-14</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>	<b>Note</b>		
Cash and cash equivalents	6	<b>1,526,014</b>	2,047,765
Other receivables	7	<b>26,132</b>	52,201
Prepayment		<b>7,589</b>	5,673
<b>Total Current Assets</b>		<b>1,559,735</b>	2,105,639
<b>Non-Current Assets</b>			
Exploration, evaluation and development expenditure	8	-	204,523
Property, plant and equipment		<b>12,072</b>	23,181
<b>Total Non-Current Assets</b>		<b>12,072</b>	227,704
<b>Total Assets</b>		<b>1,571,807</b>	2,333,343
<b>Current Liabilities</b>			
Trade and other payables	9	<b>26,520</b>	28,664
<b>Total Current Liabilities</b>		<b>26,520</b>	28,664
<b>Total Liabilities</b>		<b>26,520</b>	28,664
<b>Net Assets</b>		<b>1,545,287</b>	2,304,679
<b>Equity</b>			
Contributed equity	10	<b>3,454,614</b>	3,454,614
Accumulated losses	11	<b>(1,909,327)</b>	(1,149,935)
<b>Total Equity</b>		<b>1,545,287</b>	2,304,679

*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 2015

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<b>30 June 2014</b>			
<b>Balance at 1 July 2013</b>	3,454,614	(713,300)	2,741,314
Net loss for the period	-	(436,635)	(436,635)
Comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(436,635)	(436,635)
<b>Transaction with owners recorded directly in equity</b>			
Share issued	-	-	-
Share issue costs	-	-	-
<b>Balance at 30 June 2014</b>	3,454,614	(1,149,935)	2,304,679
<b>30 June 2015</b>			
<b>Balance at 1 July 2014</b>	3,454,614	(1,149,935)	2,304,679
Net loss for the year	-	(759,392)	(759,392)
Comprehensive income for the period	-	-	-
Total comprehensive loss for the year	-	(759,392)	(759,392)
<b>Transaction with owners recorded directly in equity</b>			
Shares issued	-	-	-
Share issue costs	-	-	-
<b>Balance at 30 June 2015</b>	3,454,614	(1,909,327)	1,545,287

*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 2015**

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>Cash Flows From Operating Activities</b>			
Interest received		37,653	56,083
Payments to suppliers and employees		(481,095)	(504,291)
<b>Net cash used in operating activities</b>	6	<b>(443,442)</b>	<b>(448,208)</b>
<b>Cash flows From Investing Activities</b>			
Payments for plant and equipment		-	(7,744)
Return / (Payment) of security deposit		15,000	(10,900)
Payments for exploration, evaluation and development expenditure		(93,309)	(42,236)
<b>Net cash used in investing activities</b>		<b>(78,309)</b>	<b>(60,880)</b>
Net decrease in cash held		(521,751)	(509,088)
Cash at the beginning		2,047,765	2,556,853
<b>Cash held at the end of the year</b>	6	<b>1,526,014</b>	<b>2,047,765</b>

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

# MinRex Resources NL

## Notes to the financial statements for the year ended 30 June 2015

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### 1. Corporate Information

The financial report of MinRex Resources NL for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 2 September 2015.

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

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

### 2. Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 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 and disclosures

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

The following standards and interpretations have been applied for the first time for entities with years ending 30 June 2015:

Reference	Title
AASB 2012-3	Amendments to Australian Accounting Standards - <i>Offsetting Financial Assets and Financial Liabilities</i> AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
Interpretation 21	<i>Levies</i> This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.
AASB 2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i> AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i> . The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139] AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139] These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its



Reference	Title
	<p>subsidiaries or apply AASB 3 <i>Business Combinations</i> when it obtains control of another entity.</p> <p>These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.</p> <p>These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.</p>
AASB 2013-7	<p>Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038]</p> <p>AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source for consolidation requirements applicable to life insurer entities.</p>
AASB 1031	<p><i>Materiality</i></p> <p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.</p> <p>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.</p> <p>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>.</p>
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) <i>Annual Improvements to IFRSs 2010–2012 Cycle</i> and <i>Annual Improvements to IFRSs 2011–2013 Cycle</i>.</p> <p>Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> <li>▶ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.</li> <li>▶ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.</li> <li>▶ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.</li> <li>▶ AASB 116 &amp; AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.</li> </ul> <p>AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.</p>
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	<p>Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items:</p> <ul style="list-style-type: none"> <li>▶ AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.</li> </ul> <p>AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.</p>
Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	<p>AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service.</p> <p>The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.</p>
Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	<p>The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:</p> <ul style="list-style-type: none"> <li>• clarify that AASB 1053 relates only to general purpose financial statements;</li> <li>• make AASB 1053 consistent with the availability of the AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> option in AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>;</li> <li>• clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and</li> <li>• specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.</li> </ul>

The adoption of the new accounting standards and amendments have no material impact to the 30 June 2015 financial statements.

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

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2015:

Reference	Title	Summary	Application date for the Company
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal 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 application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of 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>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>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <ol style="list-style-type: none"> <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> <li>Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> <li>The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>The remaining change is presented in profit or loss</li> </ul> </li> </ol> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from</p>	1 July 2018

Reference	Title	Summary	Application date for the Company
		<p>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 <b>1 January 2015</b>.</p>	
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	<p>AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:</p> <p>(a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and</p> <p>(b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>This Standard also makes an editorial correction to AASB 11</p>	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	<p>AASB 116 and AASB 138 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 July 2016
AASB 15	Revenue from Contracts with Customers	<p>In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i>, which replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue</i> and related Interpretations (IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue—Barter Transactions Involving Advertising Services</i>).</p> <p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer  (b) Step 2: Identify the performance obligations in the contract  (c) Step 3: Determine the transaction price  (d) Step 4: Allocate the transaction price to the performance obligations in the contract  (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>Early application of this standard 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>	1 July 2017
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	<p>AASB 2014-9 amends AASB 127 <i>Separate Financial Statements</i>, and consequentially amends AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.</p> <p>AASB 2014-9 also makes editorial corrections to AASB 127.</p> <p>AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</p>	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or	<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</p>	1 July 2016

Reference	Title	Summary	Application date for the Company
	Joint Venture	<p>joint venture. The amendments require:</p> <p>(a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and</p> <p>(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.</p> <p>AASB 2014-10 also makes an editorial correction to AASB 10.</p> <p>AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</p>	
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 of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.</li> <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><i>AASB 119 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><i>AASB 134 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>	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	<p>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.</p>	1 July 2016

# MinRex Resources NL

## Notes to the financial statements for the year ended 30 June 2015

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Reference	Title	Summary	Application date for the Company
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> in respect of the financial reporting requirements for Australian groups with a foreign parent	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	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 July 2015
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	This Standard makes amendments to AASB 124 <i>Related Party Disclosures</i> to extend the scope of that Standard to include not-for-profit public sector entities.	1 July 2016

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

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

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

**Interest Income**

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

**Income Tax**

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

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

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

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

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

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

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

**Cash and Cash Equivalents**

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

**Receivables**

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

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

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

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

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

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

**Property, Plant and Equipment**

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

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

**Depreciation and Amortisation**

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

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

Plant and equipment 20%

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

**Impairment of Assets**

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

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

**Accounts Payable**

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

**Contributed Equity**

Ordinary shares are classified as equity.

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

**Provisions**

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

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

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months of the statement of financial position date are recognised in respect of 30 employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and



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

***Long service leave***

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using 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 NL.

**Earnings per Share**

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

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

**3. Segment Information**

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

# MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2015

## 4. Management and Administration Expenses

	30-Jun-15	30-Jun-14
	\$	\$
Audit and compliance	25,663	19,719
Bank charges	861	812
General office expenses	162,831	155,776
Legal and Professional Support	121,221	137,534
	<u>310,576</u>	<u>313,841</u>

## 5. Income Tax

	30-Jun-15	30-Jun-14
	\$	\$
(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 Company's applicable tax rate is as follows:

	30-Jun-15	30-Jun-14
	\$	\$
Loss before income tax expense	(759,392)	(436,635)
Tax at the company rate of 30%	(227,818)	(130,991)
Movement of income tax benefit not brought to account	227,818	130,991
Income tax expense / (benefit)	<u>-</u>	<u>-</u>

	<b>30-Jun-15</b>	<b>30-Jun-14</b>
	<b>\$</b>	<b>\$</b>
<b>5. Income Tax (continued)</b>		
<b>(c) Deferred tax</b>		
The following temporary differences existed at the balance sheet date:		
Deferred tax asset		
Accruals	<b>1,538</b>	1,579
Unused tax losses	<b>584,022</b>	425,850
Section 40-880 deductions	<b>53,355</b>	45,025
Offset against deferred tax liabilities	-	<b>(61,357)</b>
Deferred tax assets not recognised	<b>(638,915)</b>	<b>(411,097)</b>
Net deferred tax asset balance	<u>-</u>	<u>-</u>
<i>Deferred tax liabilities</i>		
Exploration asset	-	<b>(61,357)</b>
Offset against deferred tax assets	<u>-</u>	<u>61,357</u>
	<u>-</u>	<u>-</u>

The Company has \$1,946,740 in losses for income tax purposes. The aggregate deferred tax benefit of \$638,915 has not been carried forward as an asset in the Statement of Financial Position as realisation of the benefit is not regarded as probable and will only be obtained if:

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

# MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2015

	30-Jun-15	30-Jun-14
	\$	\$
<b>6. Cash and Cash Equivalents</b>		
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash comprises of:		
Cash at bank	<u>1,526,014</u>	<u>2,047,765</u>
<b>Reconciliation of operating loss after tax to the cash flows from operations</b>		
Loss from ordinary activities after tax	(759,392)	(436,635)
<b>Non-cash items</b>		
Depreciation	11,110	9,032
Write-off of exploration, evaluation & development expenditure	297,832	
<b>Change in assets and liabilities</b>		
(Increase) in prepayments	(1,916)	(2,736)
(Increase) in trade and other receivables	11,069	(16,159)
(Decrease)/increase in trade creditors and accruals	(2,145)	(1,710)
Net cash outflow from operating activities	<u>(443,442)</u>	<u>(448,208)</u>
<b>7. Other Receivables</b>		
	\$	\$
Term deposit accrued interest receivable	11,496	11,131
GST refundable	11,497	16,103
Security bond	-	15,000
Other receivable	3,139	9,967
	<u>26,132</u>	<u>52,201</u>

# MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2015

	30-Jun-15	30-Jun-14
	\$	\$
<b>8. Exploration, Evaluation and Development Expenditure</b>		
Exploration, evaluation and development assets	-	204,523
(a) Area of Interest		
Deflector Extended Gold Project- Western Australia	-	127,849
Heemskirk Tin Project – Tasmania	-	76,674
Carrying amount at end of year <sup>1</sup>	-	204,523
(b) Reconciliation		
Carrying amount at beginning	204,523	160,901
Additions	93,309	43,622
Less write-off of exploration, evaluation & development expenditure	(297,832)	-
Carrying amount at end of year <sup>1</sup>	-	204,523

1. On 8 July 2015, the Company announced that it proposes to change its activities and acquire 100% of the share capital of Hello Real Estate Limited, see note 18 for further details. If this transaction proceeds, the Company's main activity will be changed from a junior explorer to a real estate company focused on providing professional real estate marketing services. The Directors consider this to be the most likely outcome and have not presently planned for the minimum exploration and evaluation expenditure, as disclosed in note 17, to go ahead. Given the circumstances, the Directors consider it prudent to write off the exploration, evaluation and development expenditure as it cannot be concluded that future benefits will be derived from these assets.

	30-Jun-15	30-Jun-14
	\$	\$
<b>9. Trade and Other Payables</b>		
Trade payables	11,964	13,806
Accruals	14,556	14,858
	26,520	28,664

# MinRex Resources NL

Notes to the financial statements for the year ended 30 June 2015

	30-Jun-15	30-Jun-15	30-Jun-14	30-Jun-14
	No.	\$	No.	\$
<b>10. Contributed Equity</b>				
<b>Ordinary Shares</b>				
Issued and fully paid	17,500,001	3,500,000	17,500,001	3,500,000
Partly paid shares	17,500,000	175,000	17,500,000	175,000
	<b>35,000,001</b>	<b>3,675,000</b>	35,000,001	3,675,000
Movements in ordinary shares on issue	No.	\$	No.	\$
At beginning of year	35,000,001	3,454,614	35,000,001	3,454,614
Issue of ordinary shares for cash	-	-	-	-
At end of year	<b>35,000,001</b>	<b>3,454,614</b>	35,000,001	3,454,614

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

	30-Jun-15	30-Jun-14
	\$	\$
<b>11. Accumulated Losses</b>		
Movements in accumulated losses were as follows:		
At beginning of the period	(1,149,935)	(713,300)
Loss during the year	(759,392)	(436,635)
<b>At 30 June</b>	<b>(1,909,327)</b>	<b>(1,149,935)</b>

	30-Jun-15	30-Jun-14
	\$	\$
<b>12. Auditor's Remuneration</b>		
The auditor of MinRex Resources NL is Ernst& Young (Australia)		
Amounts received or due and receivable by Ernst & Young (Australia) for		
-an audit or review of the financial report of the entity	5,900	5,410
- other services	26,690	5,750
	<b>32,590</b>	<b>11,160</b>

**13. Key Management Personnel Disclosures****(a) Details of Key Personnel**

Mr Simon Durack	Executive Director and Company Secretary
Mr Emmanuel Heyndrickx	Non-Executive Director
Mr Robert Downey	Non-Executive Director – <i>appointed 8 September 2014</i>
Mr Abraham Schildkraut	Non-Executive Director – <i>appointed 8 September 2014</i>
Mr Errol Bome	Non-Executive Director – <i>resigned 8 September 2014</i>

**(b) Remuneration of Key Management Personnel**

	<b>30-Jun-15</b>	<b>30-Jun-14</b>
	<b>\$</b>	<b>\$</b>
<b>Compensation of key management personnel of the Group</b>		
Short Term Employee benefits	<b>61,459</b>	<b>36,000</b>

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

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

**(d) Outstanding Balances**

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

2015 Nil current payables – Director's fees (2014 \$4,000)

**(e) Related Party transactions**

During the first six months of the financial year, Mr Emmanuel Heyndrickx, who is a non-executive Director of the Company, was engaged on a consultancy basis to assist with the proposed transaction to acquire all of the share capital in Skin Elements Pty Ltd. Mr Heyndrickx charged the Company \$15,959 for services rendered in this regard. This is disclosed as part of the Short Term Employee Benefits.

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

**14. Loss per Share**

	<b>2015</b>	<b>2014</b>
	<b>cents per share</b>	<b>cents per share</b>
Basic loss Per Share	<b>(4.13)</b>	<b>(2.38)</b>
Weighted Average number of ordinary shares used in calculating basic earnings/(loss) per share:	<b>18,375,001</b>	18,375,001
Effect of dilution:		
Partly paid shares		-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	<b>18,375,001</b>	18,375,001

There is no impact on diluted loss per share of the 17,500,000 partly paid shares outstanding at 30 June 2015 because they are anti-dilutive. The partly paid shares could potentially dilute basic EPS in the future.

**15. Financial Risk Management**

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

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

**(a) Liquidity Risk**

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

*Maturity analysis for financial liabilities*

Financial liabilities of the Company comprise trade and other payables. As at 30 June 2015 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.



**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)
	2015	2015	2014	2014
	\$	\$	\$	\$
Increase 100 basis points	15,260	15,260	20,478	20,478
Decrease 100 basis points	(15,260)	(15,260)	(20,478)	(20,478)

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 2015, 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 2015 (2014 Nil).

**(d) Fair value**

The carrying value of the financial instruments as at 30 June 2015 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 2015.

**17. Capital Commitments**

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

- 1) Deflector Extended Gold project (E59/1657): \$20,000
- 2) Heemskirk Tin Project (EL 18/2011): \$31,000

**18. Events Subsequent to Reporting Date**

On 8 July 2015, the Company announced that it proposes to change its activities and acquire 100% of the share capital of Hello Real Estate Limited for \$6.75 million in issued capital. The Company is currently preparing a Share Purchase Agreement for this purpose and is also preparing a Notice of General Meeting, where shareholders' approval will be sought to approve of the change in activities and proposed acquisition. The change in activities and proposed acquisition are still the subject of regulatory approvals as well.

If the acquisition proceeds, the Company's main activity will be changed from a junior explorer to a real estate company focused on providing professional real estate marketing services. This will most likely impact the usability of the unrecognised carry forward tax losses, as disclosed in note 5, for offset against future taxable income. However, management intends to continue the exploration activities of the areas of interest if the proposed acquisition is not approved.

## MinRex Resources NL

### DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:
  - (a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the financial position of the company as at 30 June 2015 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 2015.

On behalf of the Board



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

West Perth

2 September 2015

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

### Report on the financial report

We have audited the accompanying financial report of MinRex Resources NL, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' responsibility for the financial report

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

### Auditor's responsibility

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

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

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

### Independence

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

## Opinion

In our opinion:

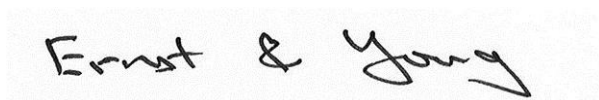
- a. the financial report of MinRex Resources NL is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Opinion

In our opinion, the Remuneration Report of MinRex Resources NL for the period ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs  
Partner  
Perth  
2 September 2015

**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 31 July 2015.

**(a) Distribution of Share Holders**

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	2	4
1,001 - 5,000	2	10,000
5,001 - 10,000	38	380,000
10,001 - 100,000	54	1,683,807
100,001 and over	32	15,426,190
<b>Total</b>	<b>128</b>	<b>17,500,001</b>

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

**Top Twenty Share Holders**

	Holder name	Securities	%
1	CHIFLEY PORTFOLIOS PTY LTD	3,000,000	17.14%
2	LION SUPER PTY LTD	1,876,000	10.72%
3	JOHN WARDMAN & ASSOC PTY LTD	1,500,000	8.57%
4	CAREY D G & CAREY-DOMINGU	1,250,000	7.14%
5	BOME ERROL & MELANIE	830,000	4.74%
6	WHIDDON GLENN ROSS	670,000	3.83%
7	HSBC CUSTODY NOM AUST LTD	561,000	3.21%
8	SOUMELIDES GEORGE	500,000	2.86%
9	DOYLE A M & MORETTI L H	500,000	2.86%
10	PEGARI PTY LIMITED	440,969	2.52%
11	NAUTICAL HOLDINGS WA PTY LTD	374,770	2.14%
12	MORETTI H L	345,000	1.97%
13	VIVRE INV PTY LTD	290,000	1.66%
14	LOCOPE PTY LTD	275,000	1.57%
15	FRANCIPANE SAM	212,500	1.21%
16	MORGAN-HUNN C J	200,000	1.14%
17	MCKEAN IAIN RICHARD C	200,000	1.14%
18	C W JOHNSTON PTY LTD	200,000	1.14%
19	WILLOW HOLDINGS PTY LTD	200,000	1.14%
20	BUCKINGHAM INVESTMENT FINANCIAL SERVICES PTY LTD	200,000	1.14%
	<b>Total</b>	<b>13,625,239</b>	<b>77.84%</b>

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

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

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

As at 31 July 2015

	Holder name	Securities	%
1	CHIFLEY PORTFOLIOS PTY LTD	3,000,000	17.14%
2	LION SUPER PTY LTD	1,876,000	10.72%
3	JOHN WARDMAN & ASSOC PTY LTD	1,500,000	8.57%
4	CAREY D G & CAREY-DOMINGU	1,250,000	7.14%

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

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

### (e) Unquoted option securities

Nil

### (f) Restricted Securities

Nil

### (g) On-Market Buy Back

There is no current on-market buy back.

### (h) Listing rule 11.1.3

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