



MinRex Resources Limited

ABN 81 151 185 867

**FINANCIAL REPORT
HALF YEAR ENDED 31 DECEMBER 2016**

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CORPORATE DIRECTORY

DIRECTORS

Mr Simon Durack (Executive Chairman)

Mr Robert Hartley Downey (Non- Executive Director)

Mr David Ross Hannon (Non- Executive Director)

COMPANY SECRETARY

Mr Simon Durack

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11 Mounts Bay Road

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AUSTRALIA

STOCK EXCHANGE

Australian Securities Exchange Limited

ASX Code: MRR

The Directors present their report for MinRex Resources Limited (“MinRex” or “the Company”) for the half-year ended 31 December 2016.

DIRECTORS

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

Mr Simon Durack – B.Comm, Post Grad Dip Bus, FCA, JP (Executive Chairman)

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

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

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

Mr David Ross Hannon BEc, FFin (Non-Executive Director)

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

COMPANY SECRETARY

Mr Simon Durack – B.Comm, Post Grad Dip Bus, FCA, JP (Refer to above biography)

PRINCIPAL ACTIVITY

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

REVIEW AND RESULTS OF OPERATIONS

Corporate

MinRex Resources Limited (formerly known as MinRex Resources NL) was incorporated in May 2011 and listed on the ASX on 7 November 2011.

Operating Results

The Company's net loss attributable to the members of MinRex Resources Limited for the six months ended 31 December 2016 was \$310,063 (31/12/2015: \$523,054). As at 31 December 2016, the Company had \$1,436,286 in cash.

Operations Review

MinRex Resources Limited ("MinRex") is an exploration company, listed on the Australian Securities Exchange, with its present focus being the exploration of gold, base metal and tin projects in Western Australia and Tasmania. MinRex is wholly focussed on the exploration of its mineral properties, both of which have returned highly encouraging results in the exploration programs completed in 2016. Nonetheless, the Company is also continuing to evaluate opportunities to enhance shareholder value through acquisitions and other corporate avenues.

MinRex currently holds two projects, the Deflector Extended Gold Project at Gullewa in Western Australia (about 400km north of Perth) and the Heemskirk Tin Project on the west coast of Tasmania (Figure 1). Significantly, MinRex's Deflector Extended Gold Project is along strike from Doray Minerals Limited's Deflector Gold Mine, where open-cut and underground mining and ore processing commenced in May 2016. Doray is also actively exploring on its tenements, which adjoin MinRex's Project area, in the Gullewa Mining Centre.

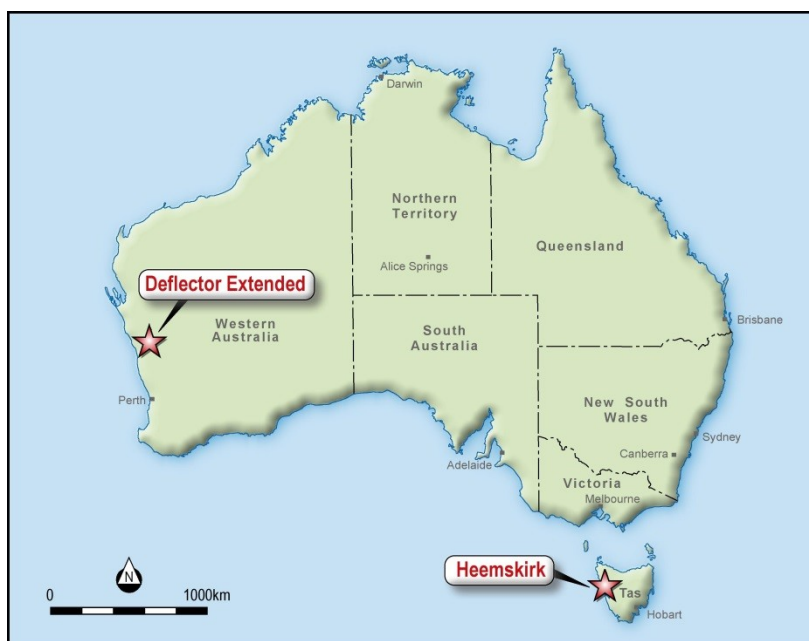


Figure 1: Location of MinRex Project Areas

Deflector Extended Gold Project

MinRex's Deflector Extended Gold Project (E59/1657) lies to the northeast of the Deflector Mine (Figure 2), where copper-gold mineralisation occurs in shear zones in meta-basalt, and also the Golden Stream open cut, which has been mined for gold in shear zone-hosted quartz veins in meta-basalt. The Deflector Mine re-opened in May 2016, as an underground mining operation on extensions to the copper-gold sulphide lodes. Both deposits trend towards MinRex's tenement, where deep cover sequences have hindered previous exploration programs.

The Deflector Extended Gold Project tenement (E59/1657) has been active for five years and an Extension of Term, for a further five years, was approved by the Department of Mines and Petroleum of Western Australia, in September 2016. The area of E59/1657 consists of about 15% outcrop of mafic meta-basalts in the Cagacaroon Hills area, and about 85% Quaternary cover sediments, plus one or two small areas of granite and laterite. MinRex has been actively exploring the Project area since 2011, utilising surface sampling and geological mapping to hone in to buried mineralized structures and favourable settings for mineralization.

Considerable exploration was completed at the Deflector Extended Gold Project during the current period. Early in the period the final drafting was completed on the new geological map of the Project area, following completion of the April 2016 sampling and geological mapping program. The full assay results were reported previously in the Company's June 2016 Quarterly Report.

A field sampling program was then completed at the Deflector Extended Gold Project during December 2016, with the collection of a further 30 rock samples and 120 soil samples. The locations of the newly collected samples are shown as white dots on Figure 2 (rock samples) and Figure 3 (soil samples). The assay results for these new samples are expected to be received in February 2017.

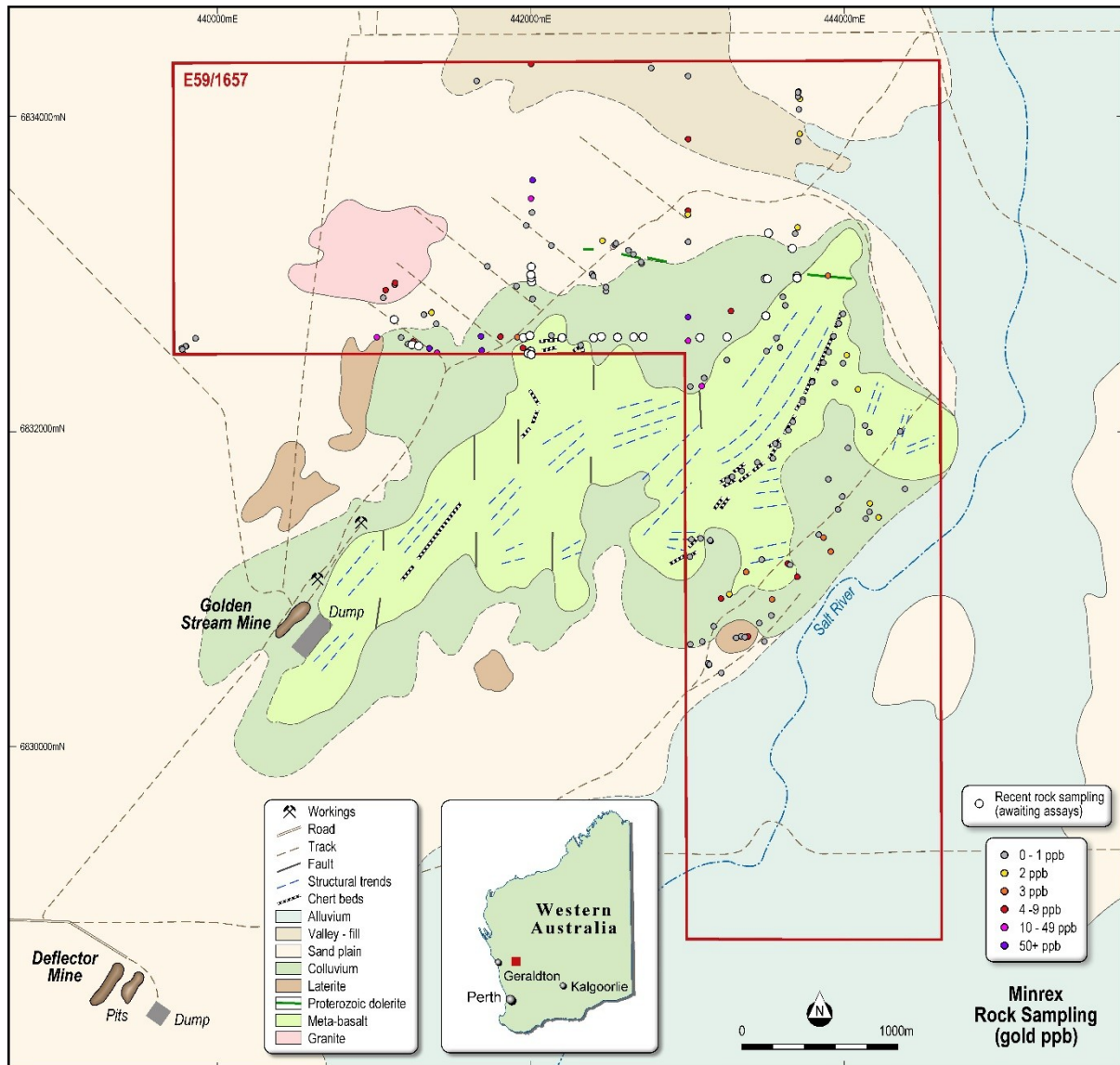


Figure 2: Plan showing the geology and new rock sample locations, in E59/1657

Five surface sampling programs have now been completed by MinRex, within the Deflector Extended Gold Project area, utilizing surface grab samples of outcropping rocks, float and colluvium, chips within unconsolidated sediments, calcrete, ferricrete and sediment (Figure 2). A number of lines of close-spaced, surface soil sampling lines have also been completed, with samples generally at 50m spacing (Figure 3). The assay results from these lines have been analysed to allow interpretation of the position of underlying geological contacts and structures.

Once the assay results have been received for the December 2016 rock and soil samples, these will be examined and assessed and then planning will commence on the next stage of work at the Deflector Extended Gold Project.

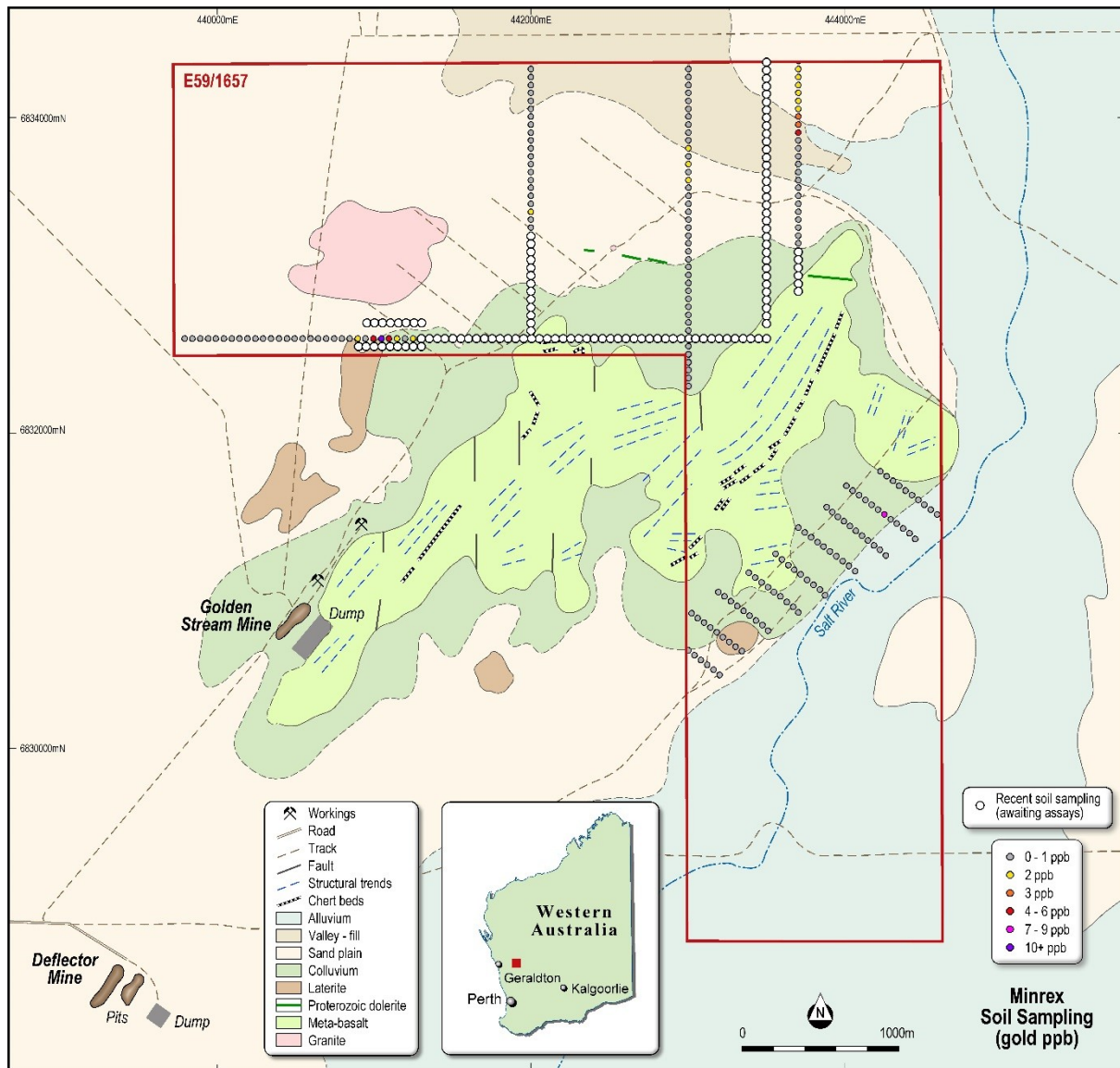


Figure 3: Plan showing the geology and new soil sample locations, in E59/1657

Heemskirk Tin Project

The Heemskirk Tin Project (E18/2011) is in a remote, known tin-bearing area on the north-western coast of Tasmania, to the west of the town of Zeehan. A large number of small, rich tin deposits were worked in the Heemskirk area of Tasmania some 100-140 years ago, with very little exploration or mining having been completed in this area in the subsequent interval. MinRex has now held this area since 2012 and has been successful in identifying a number of the known old workings (e.g. Peripatetic, McGuinness, Carn Brea, St Dizier, Fisher & Smith and Morrisby mines, etc.) and has collected a total of 173 samples from within the tenement for analysis for multiple elements, including tin and tungsten.

The final assays from the April-May 2016 panned-concentrate, stream sediment sampling program at the Heemskirk Tin Project were received during the current half year period. The results from all 122 of the stream sediment concentrate samples, collected to date, are presented below, with the assay results over 1% tin highlighted in red (Figure 4). The samples have been hand panned to concentrate the heavy minerals and are therefore higher grade than the original in-situ stream sediments. Nonetheless, it is thought that the higher grade samples will directly correlate with the bedrock areas with the highest distribution of contained tin minerals (cassiterite). A number of old workings have now been identified and access to these established during the stream sediment sampling phase.

The full assay results were reported previously in the Company's September 2016 Quarterly Report.

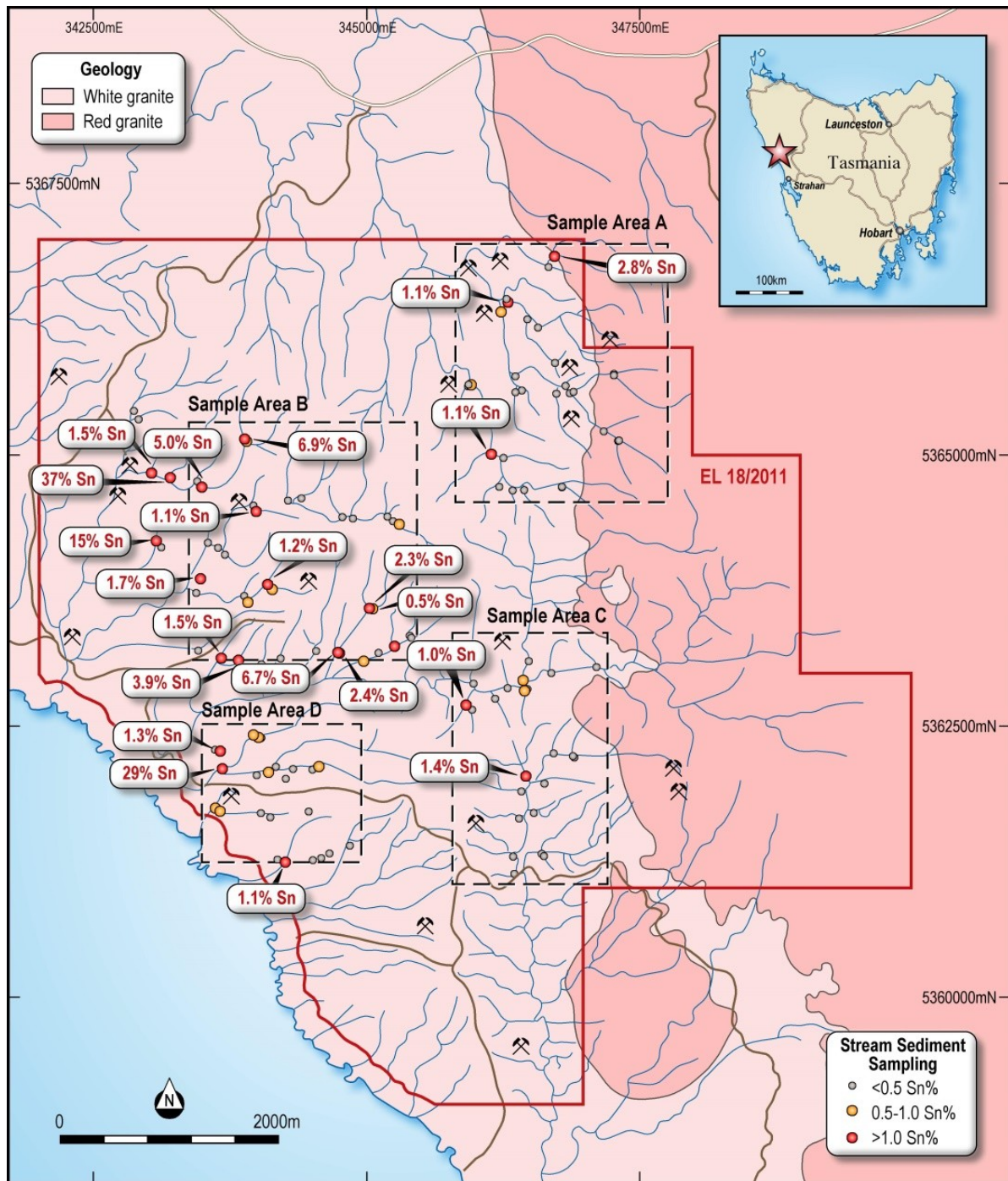


Figure 4: Plan of the Panned-Concentrate Stream Sediment Assay Grades from Heemskirk

The April-May 2016, field sampling program was the final phase in the stream sediment concentrate sampling of the four prime target areas (A-D Areas). A follow up field program is now planned to commence in February 2017, to sample the old workings which have been identified within these priority target areas (Figure 5).

The full exploration results to date have been assessed and the next stage of the exploration program is planned to commence in February 2017. This work will comprise rock sampling at a number of the identified old workings, in particular, in the northern part of Area A, at the St Dizier tin workings, in the north of Area B, at the old Peripatetic tin mine, and also in the south east of Area B, at the old Fisher and Smith tin mine.



Figure 5: Old workings at Carn Brea (above) and Peripatetic (below) in E18/2011, during 2016

Follow-up Exploration Activities

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

Deflector Extended Gold Project

Once received, the results from the December 2016 rock and soil sampling program will be assessed and further field work will be planned to follow up in the areas with anomalous results. Further soil sampling is planned to infill the spacing along the Deflector contact zone and also along the buried Salt Creek Fault – which lies under cover below the Salt Creek drainage system.

Heemskirk Tin Project

Assessment of the stream sediment sampling results received to date has been made and follow up sampling at the identified old mine workings is planned to commence in February 2017.

Corporate Opportunities

The Company is continuing to assess a broad range of corporate opportunities that have the potential to complement the Company's existing activities. The past six months has seen an active program of assessments and a broad range of opportunities considered. This work will continue through the coming period.

MinRex is in a strong position to consider corporate opportunities as a result of the Company's cash holdings which give it flexibility to take advantage of assets that are becoming available, due to the current lack of funding for corporate start-ups.

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 BALANCE DATE

No significant issues have occurred since the reporting date.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of MinRex Resources Limited with an Independence Declaration in relation to the audit of the half year end financial report. A copy of that declaration is set out below.

There were no non audit services provided by the Company's auditor.



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

As lead auditor for the review of Minrex Resources Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

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

Ernst & Young

T G Dachs
Partner
27 February 2017

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TD:KG:MINREX:005

Signed on behalf of the board in accordance with a resolution of the Directors.

Simon Durack
Executive Chairman
West Perth, 27 February 2017

Statement of Comprehensive Income
For the half year ended 31 December 2016

	Note	31-Dec 2016 \$	31-Dec 2015 \$
Revenue from ordinary activities			
Interest Income		5,978	9,443
Expenses			
Depreciation and amortisation		(3,087)	(3,099)
Corporate expenses		(131,703)	(205,969)
Write-off exploration, evaluation & development expenditure		(43,615)	(27,303)
Management and administration expenses		(137,636)	(296,126)
Total expenses		(316,041)	(532,497)
Loss from ordinary activities before income tax expense		(310,063)	(523,054)
Income tax expense		-	-
Net loss attributable to the members of MinRex Resources Limited		(310,063)	(523,054)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the half-year		(310,063)	(523,054)
Basic loss per share attributable to the ordinary equity holders of the company¹		(0.01)	(0.02)
Diluted loss per share attributable to the ordinary equity holders of the company¹		(0.01)	(0.02)

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

¹ The loss per share calculation has been adjusted for the bonus element of the rights issue that was closed and fully subscribed on 4 July 2016. The adjustment factor applied was 1.24 to the current and comparative periods.

Statement of Financial Position
As at 31 December 2016

		31-Dec 2016 \$	30-Jun 2016 \$
Current Assets	Note		
Cash and cash equivalents		1,436,286	852,293
Other receivables		28,903	31,103
Prepayment		17,961	5,270
Total Current Assets		1,483,150	888,666
Non-Current Assets			
Property, plant and equipment		5,006	8,093
Total Non-Current Assets		5,006	8,093
Total Assets		1,488,156	896,759
Current Liabilities			
Trade and other payables		49,004	89,352
Total Current Liabilities		49,004	89,352
Total Liabilities		49,004	89,352
Net Assets		1,439,152	807,407
Equity			
Contributed equity	5	4,551,382	3,609,573
Accumulated losses		(3,112,230)	(2,802,166)
Total Equity		1,439,152	807,407

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

Statement of Cash Flows
For the half year ended 31 December 2016

	31-Dec 2016 \$	31-Dec 2015 \$
Cash Flows from Operating Activities		
Interest received	5,702	9,435
Payments to suppliers and employees	<u>(319,903)</u>	<u>(484,266)</u>
Net Cash Used in Operating Activities	<u>(314,201)</u>	<u>(474,831)</u>
 Cash Flows from Investing Activities		
Payments for exploration, evaluation and development expenditure	(43,615)	(27,303)
Payments for plant and equipment	<u>-</u>	<u>(2,219)</u>
Net Cash Used in Investing Activities	<u>(43,615)</u>	<u>(29,522)</u>
 Cash Flows from Financing Activities		
Proceeds from issue of shares	950,906	-
Share issue costs	<u>(9,097)</u>	<u>-</u>
Net Cash from Financing Activities	<u>941,809</u>	<u>-</u>
 Net Increase / (Decrease) in Cash Held	583,993	(504,353)
Cash Held at the Beginning of the Period	852,293	1,526,014
Cash Held at the End of the Half Year	<u>1,436,286</u>	<u>1,021,661</u>

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

Statement of Changes in Equity
For the half year ended 31 December 2016

	31-Dec 2016 \$	31-Dec 2015 \$
Issued Capital		
Opening balance	3,609,573	3,454,614
Issued during the period	950,906	-
Share issue costs	(9,097)	-
	<u>4,551,382</u>	<u>3,454,614</u>
Accumulated Losses		
Opening balance	(2,802,167)	(1,909,327)
Total comprehensive loss for the period	(310,063)	(523,054)
	<u>(3,112,230)</u>	<u>(2,432,381)</u>
Total Equity	<u><u>1,439,152</u></u>	<u><u>1,022,233</u></u>

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

MinRex Resources Limited

Notes to the financial statements for the half-year ended 31 December 2016

1. Corporate Information

The interim financial report of MinRex Resources Limited for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 27 February 2017.

MinRex Resources Limited is a company limited by shares, 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

This general-purpose condensed financial report for the interim reporting period ended 31 December 2016 has been prepared in accordance with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company. Accordingly, this interim financial report is to be read in conjunction with the Company's annual report dated 30 June 2016 and any public announcements made by MinRex Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report has been prepared on an accruals basis and is based on historical costs. The presentation currency is Australian dollars.

(b) New Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2016, except for the adoption of new standards and interpretations as of 1 July 2016. The adoption of new standards and interpretations has not resulted in a material change to the financial performance or position of the Company.

Reference	Title and Summary
AASB 2014-4	<p>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)</p> <p>AASB 116 <i>Property Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>

MinRex Resources Limited

Notes to the financial statements for the half-year ended 31 December 2016

Reference	Title and Summary
AASB 2015-1	<p>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012– 2014 Cycle</p> <p><i>AASB 7 Financial Instruments: Disclosures:</i></p> <ul style="list-style-type: none"> • 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. • 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. <p><i>AASB 134 Interim Financial Reporting:</i> 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.</p>
AASB 2015-2	<p>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</p> <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>
AASB 2015-9	<p>Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]</p> <p>This Standard inserts scope paragraphs into AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during editorial changes made in August 2015. There is no change to the requirements or the applicability of AASB 8 and AASB 133.</p>

The adoption of new standards and interpretations has not resulted in a material change to the financial performance or position of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

MinRex Resources Limited

Notes to the financial statements for the half-year ended 31 December 2016

3. Segment Information

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

4. Exploration, evaluation and development expenditure

	31-Dec 2016 \$	30-Jun 2016 \$
Exploration, evaluation and development assets(a)		
(a) Area of Interest		
Deflector Extended Gold Project- Western Australia	-	-
Heemskirk Tin Project - Tasmania	-	-
Carrying amount at end of year	-	-
(b) Reconciliation		
Carrying amount at beginning of period	-	-
Additions	43,615	113,358
Less write-off of exploration, evaluation & development expenditure	(43,615)	(113,358)
Carrying amount at end of year	-	-

MinRex Resources Limited

Notes to the financial statements for the half-year ended 31 December 2016

5. Contributed Equity

	31-Dec-2016	31-Dec-2016
Ordinary shares	No.	\$
Issued and fully paid	36,979,684	4,551,182
Movements in ordinary and partly paid shares on issue	No.	\$
At beginning of period	21,131,251	3,609,573
Rights Issue	15,848,433	950,906
Share issue costs	-	(9,097)
At end of half year	36,979,684	4,551,382

	31-Dec-2016	31-Dec-2016
Options	No.	\$
Options on issue	-	-
Movements in options on issue		
At beginning of period	16,625,000	-
16,625,000 20 cent options expired unexercised on 11 July 2016	(16,625,000)	-
At end of half year	-	-

	31-Dec-2015	31-Dec-2015
Ordinary shares	No.	\$
Issued and fully paid	18,375,001	3,675,000
Movements in ordinary and partly paid shares on issue	No.	\$
At beginning of year	35,000,001	3,454,614
Consolidation of partly paid shares to fully paid ordinary shares	(17,500,000)	-
Issue of fully paid ordinary shares to partly paid shareholders on consolidation	875,000	-
At end of half year	18,375,001	3,454,614

	31-Dec-2015	31-Dec-2015
Options	No.	\$
Issue of unlisted options exercisable at \$0.20 on or before 11 July 2016 to partly paid shareholders on consolidation of their shares	16,625,000	-
At end of half year	16,625,000	-

6. Events Subsequent to Balance Date

No significant issues have occurred since the reporting date.

7. Contingent Liabilities

As at the date of this report, no contingent liabilities had been identified in relation to the half year ended 31 December 2016.

8. Capital Commitments

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

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

9. Lease Commitments

The Company maintains an office in the same premises it previously occupied at a greatly reduced annual rental of \$6,000 per annum, plus outgoings and the tenancy is held on a flexible basis.

10. Fair Value

Cash and cash equivalents, other receivables and trade and other payables accounts are the only financial instruments. The carrying amounts of these accounts approximate their fair values as at 31 December 2016.

11. Related Party

During the period under review, Mr Simon Durack, who is the Executive Chairman of the Company, was engaged on a consultancy basis to assist with the review and analysis of corporate opportunities and charged the Company a fee of \$9,000 services rendered in this regard.

During the period under review, Mr Robert Downey, who is a non-executive Director of the Company, was engaged on a consultancy basis to assist the Company with the preparation of disclosure documents and charged the Company \$2,000 for services rendered in this regard.

There are no other related party transactions during the period apart from the payment of directors' fees to three directors amounting to \$54,000 (31 Dec 2015: \$24,000).

MinRex Resources Limited

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the financial statements and notes of the Company set out on page 10 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Simon Durack
Executive Chairman

West Perth, 27 February 2017

To the members of MinRex Resources Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of MinRex Resources Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MinRex Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MinRex Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



T G Dachs
Partner
Perth
27 February 2017