



MinRex Resources NL

ABN 81 151 185 867

**FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2014**

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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

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STOCK EXCHANGE

Australian Securities Exchange Limited

ASX Code: MRR

The Directors present their report for MinRex Resources NL (“MinRex” or “the Company”) for the half-year ended 31 December 2014.

DIRECTORS

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

Mr Simon Durack - BComm, Post Grad Dip Bus, FCA, JP (Executive Director)

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

Mr Emmanuel Heyndrickx – Business Economics (MSc), Masters Financial Management (Non-Executive Director)

Mr Heyndrickx is a financial consultant based in London. Mr Heyndrickx holds a degree in Business Economics (MSc) 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 (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.

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.

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.

COMPANY SECRETARY

Mr Simon Durack - BComm, 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 NL was incorporated in May 2011 and listed on the ASX on 7 November 2011. An Initial Public Offering for 17,500,000 shares was made at \$0.20/share, raising a total of \$3.5 million.

Operating Results

The Company's net loss attributable to the members of MinRex Resources NL for the six months ended 31 December 2014 was \$320,930 (31/12/2013: \$186,963). As at the end of the quarter, the Company had \$1,728,096 in cash.

Operations Review

Whilst continuing with the Company's exploration program on the Deflector Extended and Heemskirk tenements during the period under review, a substantial part of management's time was spent on the due diligence, approval and regulatory requirements involved in the proposed acquisition of all of the share capital of Skin Elements Pty Ltd. The proposed transaction was put to shareholders at an Extraordinary General Meeting held in October 2014, where the required resolutions were not approved by shareholders. Following the Extraordinary General Meeting of shareholders, the Company resumed its focus on its exploration program, whilst continuing to evaluate opportunities which can enhance shareholder value.

Operations

MinRex is an exploration company listed on the Australian Securities Exchange, whose principal focus is the exploration and development of gold, base metal and tin projects in Australia. The Company is also currently seeking additional projects, both within Australia and overseas.

MinRex has two principal projects in its exploration portfolio, the Deflector Extended Project in Western Australia and the Heemskirk Project in Tasmania (Figure 1). These projects provide MinRex with a base from which to explore two highly prospective areas of Australia. Significantly, the Deflector Extended Project is adjacent to the Deflector Gold Project, where Mutiny Gold Limited is reportedly planning to recommission the mine and gold treatment plant.

Recent exploration success at the nearby Deflector Project of Mutiny Gold Limited has enhanced the prospectivity of MinRex's Project area. Mutiny Gold has recently reported Ore Reserves of 1.78Mt at 5.6g/t Au, 0.9% Cu and 6.3g/t Ag at their by Deflector open-pit. This mineralisation lies about 5km to the SW of the MinRex tenement (Figure 2).

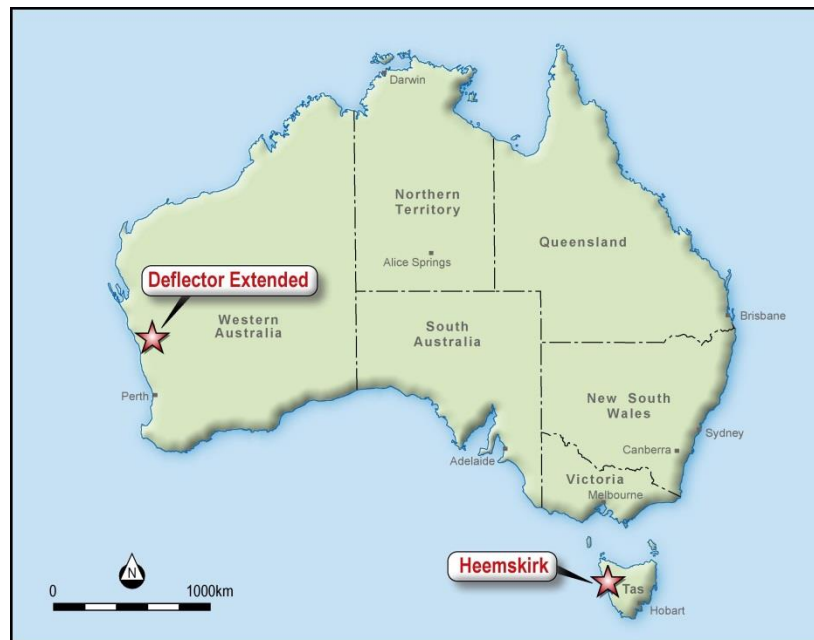


Figure 1: Location of MinRex Project Areas

Deflector Extended Project

The Deflector Extended Project area (E59/1657) lies along an under-explored, north-eastern extension of the Deflector mineralisation trend, which hosts Mutiny Gold Limited's Deflector Gold Project. Aeromagnetic imagery demonstrates the presence of a large granite intrusion within the southern sections of the tenement. This granite exhibits a strong spatial association with the Deflector and Golden Stream gold-copper deposits, which occur on the western contact of the intrusion and are coincident with a series of crosscutting northeast - southwest trending faults. To the southwest of the Project area, the Deflector Central and Deflector West open pits have been mined for gold-copper mineralisation in shear zones in metabasalt, while the Golden Stream Mine has been mined for gold in shear zone-hosted quartz veins in metabasalt (Figure 2).

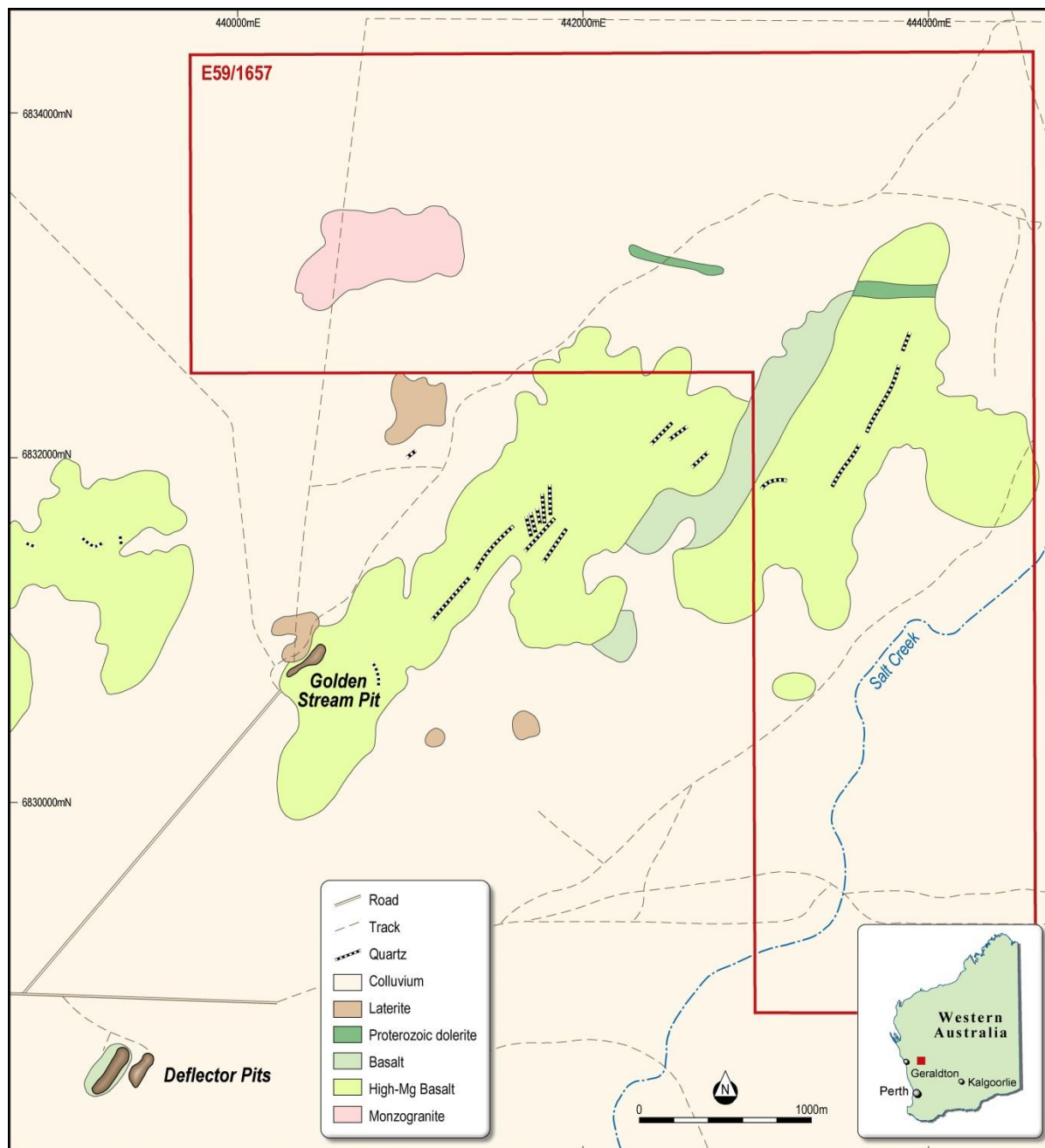


Figure 2: Geological Map of the Deflector Extended Project Area

The Project area is predominantly covered by transported soil, colluvium and alluvium, which effectively conceal any mineralisation present. The area has historically been examined by regional soil geochemistry surveys, rock chip sampling and limited RAB drilling. The previously completed exploration work is encouraging, especially the early geochemistry and RAB drilling that shows some clearly anomalous gold values within the tenement.

The Company has continued with its exploration programme during the period under review, whilst continuing to be involved in the evaluation of acquisition opportunities. The Deflector Extended Project remains current and all expenditure and regulatory requirements for the current (third) year of the tenement have been met. Work is also continuing on integrating the earlier surface geochemical surveys and RAB drilling with the results from the recent surface sampling programs.

A field sampling and mapping program is planned to commence at the Deflector Extended Project in the March 2015 Quarter.

Heemskirk Project

The Heemskirk Project (E18/2011) covers an area of 44 km² and is located in north-western Tasmania, approximately 16 km WNW of the town of Zeehan. MinRex considers the Heemskirk Project to be prospective for tin-tungsten mineralisation due to the presence of multiple, small tin deposits in the granitic and sedimentary rock sequences in the area. The large granitic area is also considered prospective for other granite-hosted deposits for which little exploration is thought to have occurred in the past. The remote location of the project, surficial cover sequences, vegetation and climate are all thought to have detracted from the application of modern exploration methods to the Project area previously.

The Heemskirk Project is also current and all expenditure and regulatory requirements are up to date for this (the third) year of the tenement. Work completed by MinRex includes collation and evaluation of earlier work, surface geological mapping and surface geochemical sampling. Data collation and evaluation work are also continuing to assess the best areas for further follow up geological mapping, sampling and evaluation.

The Heemskirk Tin Project area is large and poorly explored and there remain many areas with old workings and known tin anomalism that are yet to be tested. Further field programs are planned to hone in on potential mineralisation, during 2015.

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 Project

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

Heemskirk Project

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

Opportunities

The Company is continuing to assess a broad range of exploration and corporate opportunities that have the potential to complement the existing tenement portfolio. These opportunities consist of both mineral resources projects and opportunities in the non-mining sector.

MinRex is in a good position to take advantage of mineral resource projects that are becoming available, as well as opportunities outside of this sector.

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, Consulting Geologist. This information was first disclosed under the JORC Code 2004 and it has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Munro is employed as a consultant for MinRex and is also 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 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

There were no known significant events from the end of the financial period to the date of this 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 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 NL

In relation to our review of the financial report of MinRex Resources NL for the half-year ended 31 December 2014, 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
9 March 2015

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TD:MW:MinRex:033

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

Simon Durack
Executive Director
West Perth, 9 March 2015

Statement of Comprehensive Income
For the half year ended 31 December 2014

		31-Dec 2014 \$	31-Dec 2013 \$
Revenue from ordinary activities	Note		
Interest Income		22,458	30,220
Expenses			
Depreciation and amortisation		(8,011)	(3,099)
Corporate expenses		(105,181)	(134,717)
Management and administration expenses		(230,196)	(79,367)
Total expenses		(343,388)	(217,183)
Loss from ordinary activities before income tax expense		(320,930)	(186,963)
Income tax expense		-	-
Net loss attributable to the members of Minrex Resources NL		(320,930)	(186,963)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the half-year		(320,930)	(186,963)
Basic loss per share attributable to the ordinary equity holders of the company		(0.02)	(0.02)
Diluted loss per share attributable to the ordinary equity holders of the company		(0.02)	(0.02)

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

**Statement of Financial Position
As at 31 December 2014**

		31-Dec 2014 \$	30-Jun 2014 \$
Current Assets	Note		
Cash and cash equivalents		1,728,096	2,047,765
Other receivables		44,708	52,201
Prepayment		14,744	5,673
Total Current Assets		1,787,548	2,105,639
Non-Current Assets			
Exploration, evaluation and development expenditure	4	222,456	204,523
Property, plant and equipment		15,170	23,181
Total Non-Current Assets		237,626	227,704
Total Assets		2,025,174	2,333,343
Current Liabilities			
Trade and other payables		41,425	28,664
Total Current Liabilities		41,425	28,664
Total Liabilities		41,425	28,664
Net Assets		1,983,749	2,304,679
Equity			
Contributed equity	5	3,454,614	3,454,614
Accumulated losses		(1,470,865)	(1,149,935)
Total Equity		1,983,749	2,304,679

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 2014

	31-Dec 2014 \$	31-Dec 2013 \$
Cash Flows From Operating Activities		
Interest received	22,458	30,210
Payments to suppliers and employees	(322,694)	(217,205)
Net cash used in Operating Activities	(300,236)	(186,995)
 Cash flows From Investing Activities		
Payments for exploration, evaluation and development expenditure	(19,433)	(26,244)
Net cash used in Investing Activities	(19,433)	(26,244)
 Net decrease in cash held	(319,669)	(213,239)
 Cash held at the beginning of the year	2,047,765	2,556,853
Cash held at the end of the year	1,728,096	2,343,614

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 2014

	31-Dec 2014 \$	31-Dec 2013 \$
Issued Capital		
Opening balance	3,454,614	3,454,614
Issued during the period	-	-
Share issue costs	-	-
Closing balance	<u>3,454,614</u>	<u>3,454,614</u>
 Accumulated Losses		
Opening balance	(1,149,935)	(713,300)
Total comprehensive loss for the period	(320,930)	(186,963)
Closing balance	<u>(1,470,865)</u>	<u>(900,263)</u>
 Total Equity	<u><u>1,983,749</u></u>	<u><u>2,554,351</u></u>

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

MinRex Resources NL

Notes to the financial statements for the half-year ended 31 December 2014

1. Corporate Information

The interim financial report of MinRex Resources NL for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 9 March 2015.

MinRex Resources NL 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 2014 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 2014 and any public announcements made by MinRex Resources NL 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 2014, except for the adoption of new standards and interpretations as of 1 July 2014. The adoption of new standards and interpretations has not resulted in a material change to the financial performance or position of the Company.

All new and amended Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board (AASB), mandatory as of 1 July 2014 to the Company have been adopted, including:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AAASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 1031 Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

The Company has not early adopted any of the Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

MinRex Resources NL

Notes to the financial statements for the half-year ended 31 December 2014

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 2014 \$	30-Jun 2014 \$
Exploration, evaluation and development assets(a)	222,456	204,523
(a) Area of Interest		
Deflector Extended Gold Project- Western Australia	137,668	127,849
Heemskirk Tin Project - Tasmania	84,788	76,674
Carrying amount at end of year ¹	222,456	204,523
(b) Reconciliation		
Carrying amount at beginning of period	204,523	160,901
Additions	17,933	43,622
Carrying amount at end of year ¹	222,456	204,523

¹ The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

5. Contributed Equity

There were no shares or options issued during the period

6. Events Subsequent to Balance Date

There have been no events that have arisen since the balance date that has affected or may significantly affect the operation of Company.

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 2014.

8. Capital Commitments

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

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

9. Lease Commitments

The Company leased office premises in West Perth until the end on November 2014, at which time the Company surrendered its office lease at no cost to the Company. 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 2014.

11. Related Party

During the period under review, 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.

There are no other related party transactions during the period apart from the payment of directors' fees to four directors amounting to \$21,484 (31 Dec 2013: \$18,000).

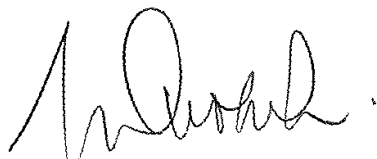
DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the financial statements and notes of the Company set out on page 13 to 16 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 2014 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 Director
West Perth, 9 March 2015

To the members of MinRex Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MinRex Resources NL, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and 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 2014 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 NL, 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.

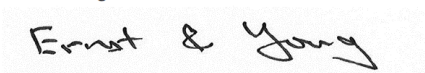
Independence

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 NL is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



T G Dachs
Partner
Perth
9 March 2015