



**MinRex Resources Limited
and its Controlled Entities**

ABN 81 151 185 867

**INTERIM FINANCIAL REPORT FOR THE
HALF-YEAR ENDED 31 DECEMBER 2020**

CONTENTS

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	12
Condensed Consolidated Statement of Comprehensive Income	13
Condensed Consolidated Statement of Financial Position	14
Condensed Consolidated Statement of Cash Flows	15
Condensed Consolidated Statement of Changes in Equity	16
Notes to the Consolidated Half-Year Financial Statements	17
Directors' Declaration	25
Independent Auditor's Review Report	26

CORPORATE DIRECTORY

DIRECTORS

Mr James Bahen (Non-Executive Director)
Mr Glenn Whiddon (Non-Executive Director)
Mr James Pearse (Non-Executive Director)
Mr George Karageorge (Non-Executive Director)

COMPANY SECRETARY

Miss Aida Tabakovic

REGISTERED OFFICE

Level 11, London House
216 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9481 0389
Website: www.minrex.com.au

SHARE REGISTRY

Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Outside Australia)

AUDITORS

PKF Perth
Level 4, 35 Havelock Street
WEST PERTH WA 6005

LEGAL ADVISORS

GTP Legal Pty Ltd
68 Aberdeen Street
Northbridge WA 6003

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE

Australian Securities Exchange Limited
ASX Code: MRR

DIRECTORS' REPORT

The Directors submit their report for MinRex Resources Limited and its wholly owned subsidiaries ("MinRex" or "the Company" or "the Consolidated Entity") for the half-year ended 31 December 2020.

DIRECTORS

The following persons were Directors of the Company during the half-year and until the date of this report:

Mr James Bahen (*Non-Executive Director*)

Mr Bahen is a Corporate Advisory Executive and Chartered Secretary who commenced his career in audit and assurance with a chartered accounting firm. He is currently a Company Secretary to a number of ASX listed companies. Mr Bahen is a member of the Governance Institute of Australia (GIA) and holds a Graduate Diploma of Applied Finance and a Bachelor of Commerce degree majoring in Accounting and Finance.

Mr Glenn Whiddon (*Non-Executive Director*)

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory with a specific focus on natural resources. Mr Whiddon holds a degree in Economics and has extensive corporate and management experience. He is currently Director of a number of Australian and international public listed companies in the resource sector.

Mr James Pearce (*Non-Executive Director*)

Mr Pearce is a corporate lawyer with over 10 years' experience working for national, international and boutique law firms advising Australian businesses primarily in the mining, oil & gas and technology sectors. Mr Pearce holds Bachelor degrees in both Law and Commerce majoring in Finance.

Mr George Karageorge (*Non-Executive Director*) – appointed 18 December 2020

Mr Karageorge is a geologist and is a rare, base and precious metal exploration expert with over 25 years' experience in the mining sector. He has worked in senior technical and executive management roles for exploration and mining companies across the globe, including Western Mining Corporation, ASARCO, Anglo Gold Ashanti, Barrick Mines and Bluebird Battery Metals, and is best known for his role as founding geologist and first registered alternate mine manager of lithium producer, Pilbara Minerals Ltd (ASX: PLS). Mr Karageorge is Chief Executive Officer and Managing Director at Argent Minerals Ltd (ASX: ARD).

The Directors were in office for the entire period unless otherwise stated.

COMPANY SECRETARY

Miss Aida Tabakovic

PRINCIPAL ACTIVITY

The principal activity of the Company is mineral exploration with the present focus being exploration of its recently acquired gold and base metals projects in the highly prospective and historic East Lachlan Fold Belt of NSW (comprising two (2) tenements, three (3) Farm-in & Joint Ventures and two (2) new tenement applications) as well as the exploration of Company's gold and base metal projects in Western Australia (comprising six (6) tenements).

REVIEW AND RESULTS OF OPERATIONS

Corporate Structure

MinRex Resources Limited was incorporated in May 2011 and listed on the ASX on 7 November 2011. MinRex Resources Limited and its controlled entities ("MinRex" or "the Company" or "the Group"), namely East Pilbara Conglomerates Pty Ltd and SR (Sale Entity) Pty Ltd, which the Company acquired on 26 February 2018, Sofala Minerals Pty Ltd and MR Resources Pty Ltd, which the Company acquired on 3 December 2020, are incorporated and domiciled in Australia.

Operating Results

The Company's net loss attributable to the members of MinRex Resources Limited for the six months ended 31 December 2020 was \$330,047 (for the six months ended 31 December 2019: loss of \$468,229). As at 31 December 2020, the Company had \$3,087,957 in cash and cash equivalents (31 December 2019: \$585,436). At the end of the period, the Company had the following securities on issue:

- 471,137,055 fully paid ordinary shares;
- 33,333,333 unlisted options exercisable at \$0.04 on or before 30 September 2022;
- 2,023,170 unlisted options exercisable at \$0.04 on or before 31 October 2022;
- 79,166,667 unlisted options exercisable at \$0.04 on or before 8 April 2023; and
- 15,000,000 unlisted performance rights, expiring on 16 September 2025.

Operations Review

MinRex Resources Limited is an exploration company, with the primary present focus being exploration of its recently acquired gold and base metals projects in the highly prospective and historic East Lachlan Fold Belt of NSW (comprising two (2) tenements, three (3) Farm-in & Joint Ventures and two (2) new tenement applications) as well as the exploration of Company's gold and base metal projects in Western Australia (comprising six (6) tenements)..

Exploration Programs

East Lachlan Fold Belt (NSW)

MinRex acquired 100% of NSW mining authorities ELA5954, ELA5986, ELA6142 and EL8976; farm-in options to NSW mining authorities EL7974 and EL7423 and an option to acquire the farm-in rights of Argent Minerals Ltd (ASX: ARD) in the exploration area of EL5964.

The projects are situated on the East Lachlan Fold Belt located 180km Northwest of Sydney. The region is a highly prospective and historic exploration area with a number of multimillion ounce gold, silver, and base metal deposits. These deposits include Newcrest Mining Ltd.'s Cadia-Ridgeway Mine, Evolution Mining Ltd.'s Lake Cowal Mine and China Molybdenum Co's North Parkes Mine.

The US Geological Service recently estimated that between four and ten porphyry systems remain to be found in the Lachlan Fold Belt.

In addition to porphyry-style mineralisation, there are also a number of orogenic gold deposits including Alkane Resources' Tomingley deposit and silver-polymetallic deposits such as Bowden.

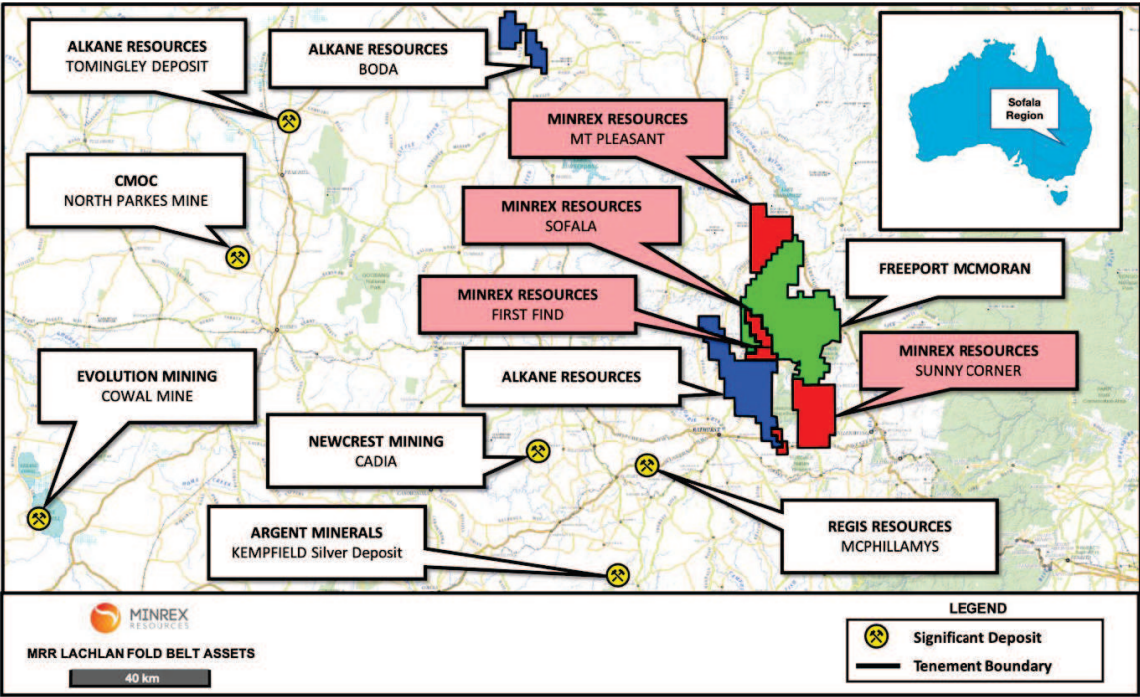


Figure 1 – Overview of the Sofala Region, NSW

Sofala

The Sofala Project Area is a historical gold mining region with workings dating back to 1851. MinRex holds rights to two exploration licences in the area by way of farm-in (EL7974 and EL7423). The area contains 10 historical mines and 16 artisanal workings. The project area covers 18 units (~41km2) across the two licences. MinRex has identified three key prospects in the Project Area (see Figure 3).

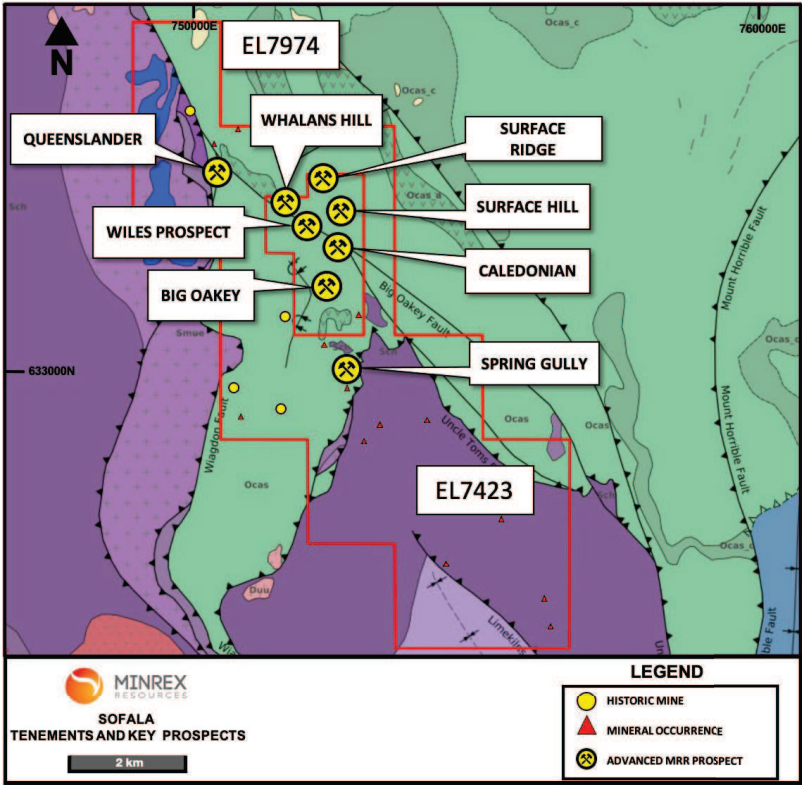


Figure 2 – Sofala Tenements and key prospects¹

Table 1 - Significant Historic Drilling Intercepts - Sofala¹

PROSPECT	HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
Spring Gully	SGRC005	60	108	48	1.52
Queenslander	QXD001	214.9	230	15.1	3.39
Surface Hill	CSH 15	16	20	4	3.76
Whalans Hill	CWH2	2	12	10	1.63
Wiles	WFRC004	6	15	9	2.43
Surface Ridge	CSH 25	48	64	16	3.3
Big Oakey	CH360-6	65	66.5	1.5	37.9
Caledonian	CC 4	92	94	2	8.11

Mt Pleasant

The Mt Pleasant tenement EL5954 comprises an area of 58 units (~166km²) on the Eastern Margin of the Silurian-Devonian Hill End Trough of the East Lachlan Fold Belt. MinRex has identified two key prospects of interest (see Figure 3)². Mt Pleasant was drilled by Pacminex Pty Limited and CSR Limited including 46 diamond holes 9 Percussion holes (see Table 2) and Bombardi was drilled by Pacminex Pty Limited (1 Diamond Hole).

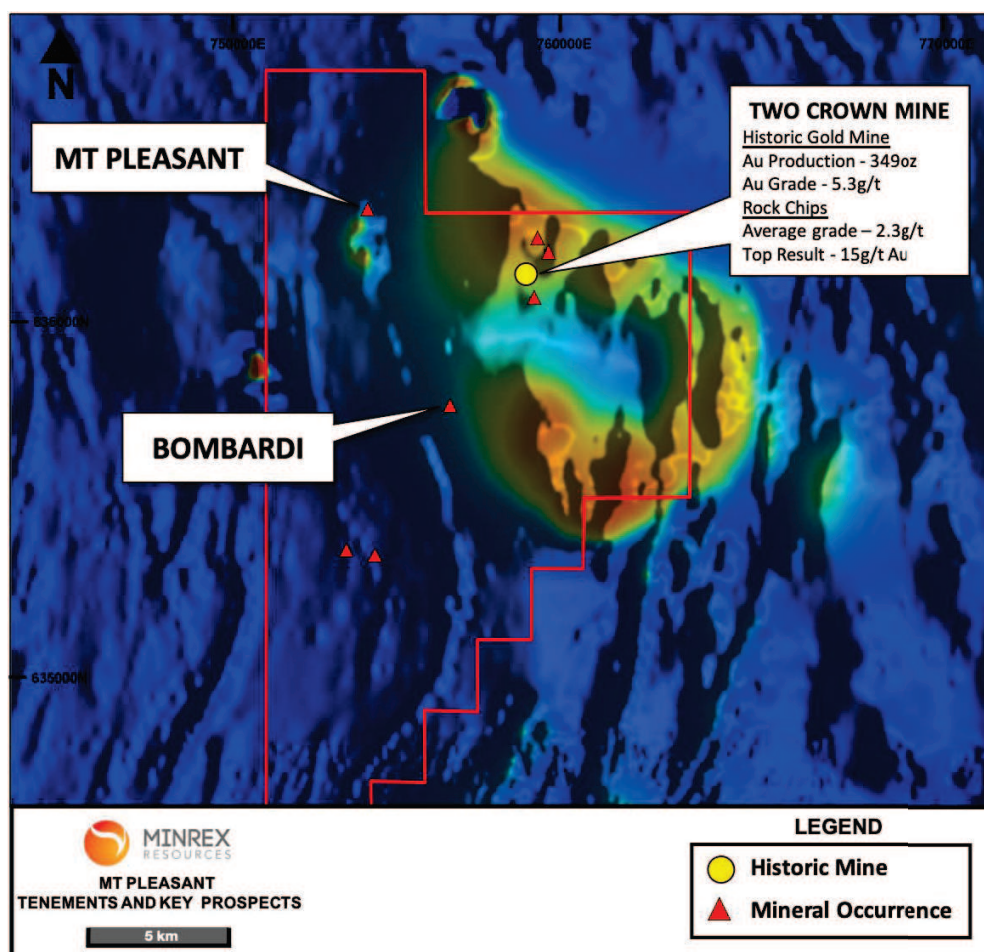


Figure 3 – Mt Pleasant (EL5954) area and image of aeromagnetic survey completed in 2012

¹ Refer to MinRex's announcements of 25 November 2020 and 26 February 2021 for further details in relation to the Sofala Project.

² Refer to MinRex's announcement of 25 November 2020 for further details in relation to the Mt Pleasant Project.

Table 2 - Significant Historic Drilling Intercepts – Mt Pleasant³

PROSPECT	HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Ag (g/t)	Zn (%)
Mt Pleasant	DDH8832S/4	196.3	196.8	0.5	2.7	-	-
Bombardi	DDH8832S/7	60	108	48	-	23	5.25

Sunny Corner

The Sunny Corner Project consists of two project areas and three exploration licenses. Sunny Corner North (EL5964) comprises an area of 19 units (~54km²) and, ELA5986, with 54 units (~154km²) and; Sunny Corner South (ELA6142), with an area of 12 units (~34km²) (see Figure 4).

The project area lies within the Hill End Trough, a major graben in a rift valley between two or more stable continental plates formed during the Silurian to Middle Devonian period and includes the first direct shipping mine (DSO) in Australia (silver ore shipped to London in 1877).⁴

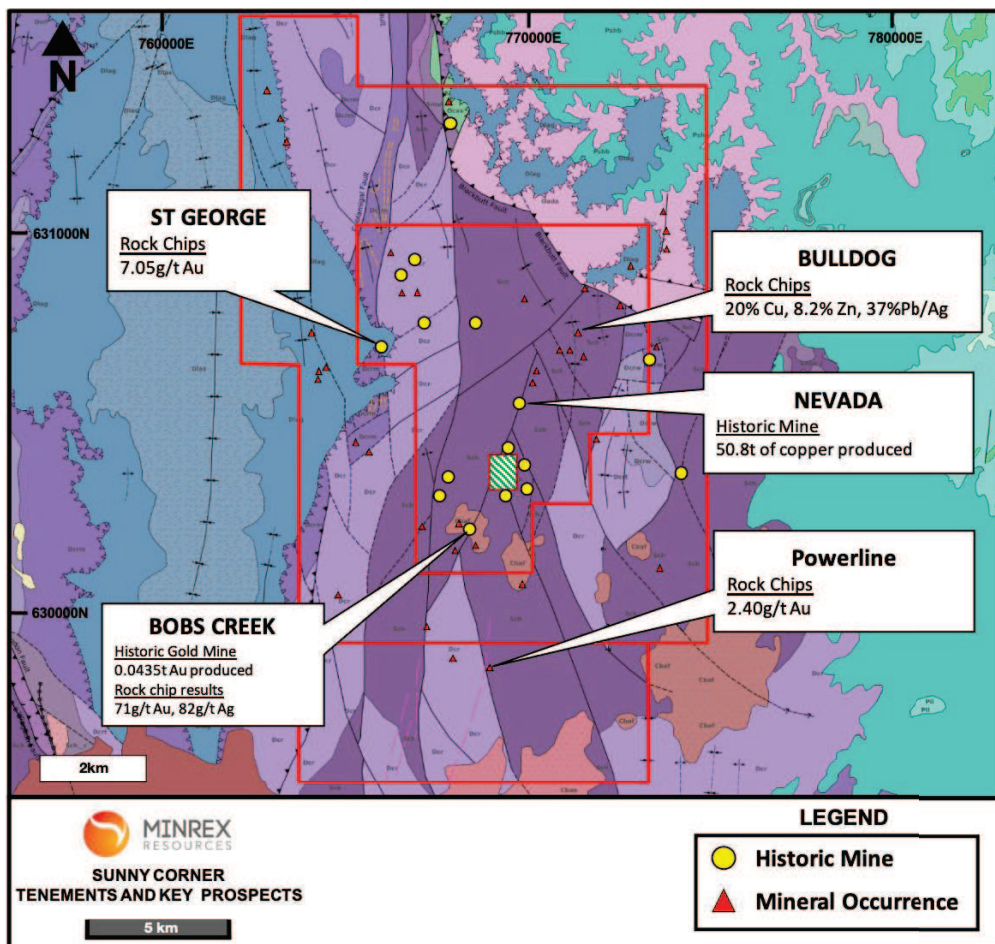


Figure 4 – Sunny Corner Project (EL5964, ELA5986 & ELA614) and location of prospects

³ Refer to MinRex's announcement of 25 November 2020 for full table of exploration results in relation to the Mt Pleasant Project.

⁴ Refer to MinRex's announcement of 25 November 2020 for further details in relation to the Sunny Corner Project.

Table 3 - Significant Historic Drilling Intercepts – Sunny Corner⁵

PROSPECT	HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Ag (g/t)	Cu (%)	Zn (%)
Nevada	DDH-3	51.36	67.36	16	46.98	0.67	4.31
	including	67	67.7	0.7	226.8	1.35	9.7
Nevada	DDH-2	25.9	53.64	27.74	124	0.27	3.9
	including	49.9	50.35	0.45	850.5	1.89	21.7

First Find

Comprising EL8976 with an area of 7 units (~20km²) and located immediately south of the Sofala project area (see Figure 2). The project contains the First Day Find prospect, a historical underground mine located adjacent to a fault line running NW/SE. The geology of the First Day Find prospect is structurally controlled low sulfide Au (classified hydrothermal metamorphic Au).

Key acquisition terms – East Lachlan Fold Belt

MinRex completed the acquisition of the projects in the Lachlan Fold Belt and now controls 100% of the Mt Pleasant (ELA5954), First Find (EL8976) and Sunny Corner (ELA5986, ELA6142) projects.

The Company also signed formal farm-in and joint venture agreements for the Sofala project (EL7974 with Wattle Resources Pty Ltd and EL7423 with Australia United Mining). The terms of both farm-ins, MinRex has 3 years to earn a 51% interest in the applicable tenement by spending \$750K and an additional 29% interest (80% total) by spending an additional \$1.55 million.

MinRex also secured an option to acquire the farm-in rights of Argent Minerals Ltd to earn up to a 90% interest in the exploration area of NSW mining authority EL5964 (known as Sunny Corner) by spending \$1.5m in 3 years. The farm-in rights of Argent in Sunny Corner are set out in more detail in Argent's ASX Announcement dated 14 October 2020.

The consideration payable by MinRex to the various vendors to acquire its Eastern Lachlan Fold Belt position comprised of a total of \$420,000 in cash payments, up to 252,500,000 shares (with up to 80,000,000 shares to be issued as deferred consideration subject to the exercise of the Sunny Corner option) and a 2% net smelter royalty in respect of all mineral production from the projects. MinRex has so far issued 172.5 million shares and made cash payments totaling \$320K to the applicable vendors for the acquisitions of such projects and rights.

MinRex received shareholder approval for the acquisitions at its Annual General Meeting on 27 November 2020.

Deflector Extended Project (WA)

During the period, the Company completed the appraisal of the available open-file geophysical data over MinRex's Deflector Extended Project (E59/1657). The geophysical data from several previous high-resolution aeromagnetic, EM and other surveys, at Gullewa, were compiled, merged and processed to better define bedrock and surficial geology, major structures and AEM responses.

The use of detailed geophysics in the Deflector Extended Project area is considered invaluable as about 85% of the lease area is covered with young (Cenozoic) cover sediments which obscure the underlying geology.

⁵ Refer to MinRex's announcement of 25 November 2020 for further details in relation to the Sunny Corner Project.

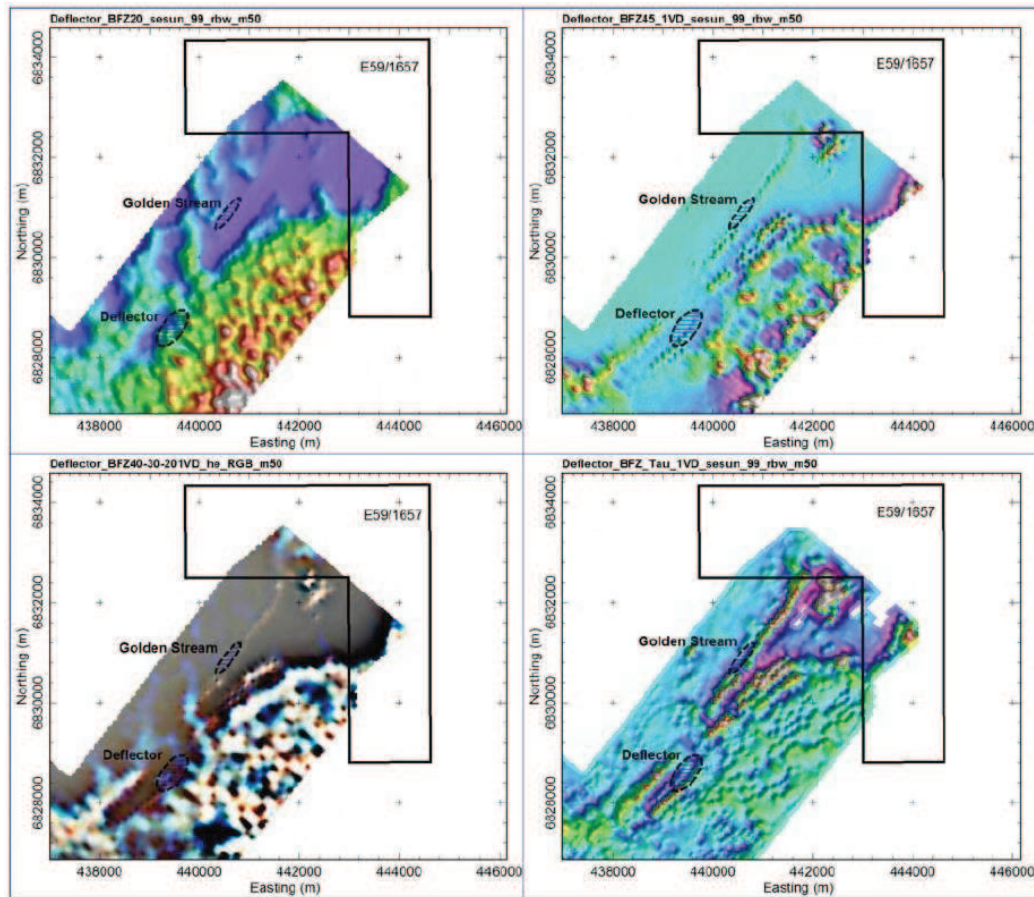


Figure 5: Aeromagnetic composite plots showing the location of the Deflector and Golden Stream Mines and that both trend towards the Deflector Extended Project area (E59/1657)

The assessment of the magnetic data reveals a number of north-south to north northeast trending structures and magnetic responses that clearly correlate to anomalous geochemistry at the “Corner Creek” and Eastern Dolerite prospects, which show differences from the current interpretation. The magnetic imagery also clearly defines the extension of the mineralised structure that controls the Golden Stream deposit into the project licence area.

The airborne electromagnetic survey data highlighted several strike extensive conductors which are likely to represent shear zones and sediment/shale horizons, with both the Deflector and Golden Stream mines being located along such structures.

MinRex also completed an on-ground geophysical work at the Deflector Extended Project using IP and the coverage of high-resolution magnetics which was extended using ground magnetic surveys to further define structures that may be controlling gold mineralisation in the project area. This project area lies 4km along strike to the northeast of the Silver Lake Resources Limited (ASX: SLR) Deflector Mine, where copper-gold occurs as high-grade lode mineralisation, associated with abundant disseminated to massive sulphide mineral bearing veins, in shear zones in meta-basalt.

The detailed GMAG geophysical survey followed on from extensive desk top geophysical work by MinRex in September 2020 to better define bedrock and surface geology, major structures and AEM responses, which identified a large area in the northeast of the licence area that had been covered by high resolution aeromagnetic geophysics.

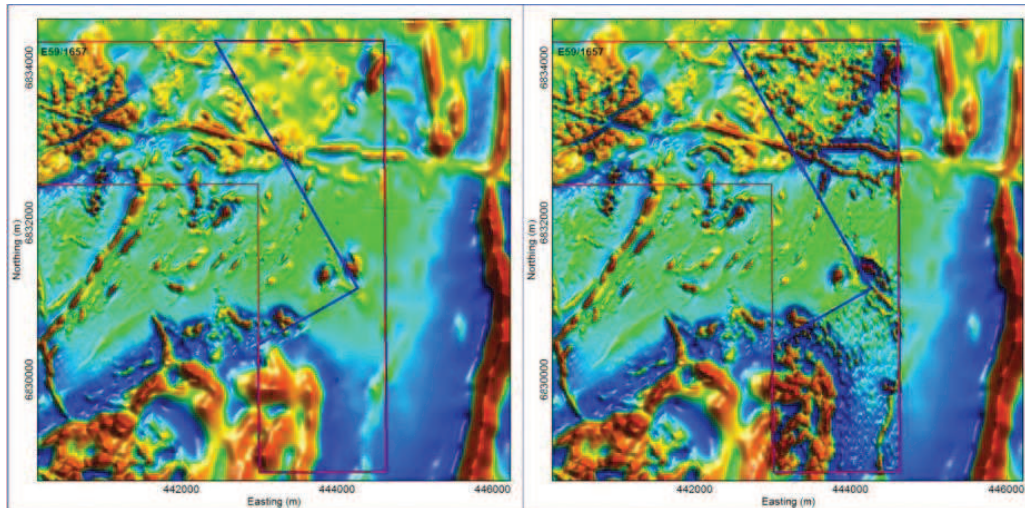


Figure 6 – (Left) Aeromagnetic images of Deflector Extended Project with GMAG survey boundary shown in blue; (Right) Detailed GMAG survey data merged with earlier detailed airborne geophysics

The GMAG survey data confirmed the continuation of a numerous north-south to north northeast trending structures and magnetic responses that correlate to anomalous geochemistry at Corner Creek and the Eastern Dolerite prospects. The magnetic imagery also clearly defines the extension of the mineralisation structure that controls the Golden Stream deposit into the project licence area.

Daltons Project - WA

During the period, MinRex completed a detailed processing and interpretation work on the geophysical data generated by the high-resolution airborne magnetic and radiometric geophysical survey program at the Daltons Project area.

This more detailed litho-structural interpretation has shown structural elements within the prospective mafic/ultramafic rocks of the Kelly Group, considered prospective for copper-gold mineralisation. Geological interpretation used a combination of the TMI second vertical derivative and various radio-element images, to produce an improved delineation of granitoids, gabbro, mafic and mafic/ultramafic rocks and felsic volcanoclastic rocks and intrusions. The subsequent targeting exercise has found strong links between structures and the known mineralisation and then used the new data to generate a list of 30 potential target areas. The target areas generated will assist with field exploration in the future.

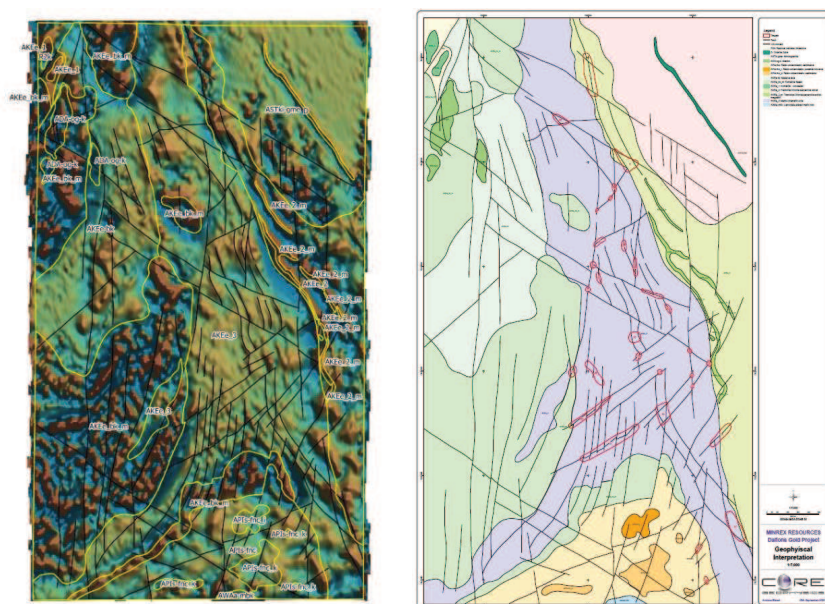


Figure 7: Daltons Project – lithological boundaries and structural elements (left) and location of principal interpreted target zones (right)

Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results in New South Wales is based on information compiled by Mr Stuart Till, 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 Till 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.

The information in this report that relates to Exploration Targets and Exploration Results in Western Australia 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

- On 27 January 2021, the Company announced that it had executed a formal Farm-In and Joint Venture Agreement with Wattle Resources Pty Ltd in relation to tenement EL7974. The ground comprising EL7974 is highly prospective for gold and other precious metals and forms part of the Sofala Project area, a transaction which was approved by shareholders at Company's Annual General Meeting held on 27 November 2020. As part of consideration, the Company issued Wattle Resources Pty Ltd 30,000,000 fully paid ordinary shares and made cash payments totalling \$160,000. The cash payments include reimbursement of costs for recent exploration work carried out on EL7974;
- On 26 February 2021, the Company announced that it had executed a formal Farm-In and Joint Venture Agreement with Fortius Mines Pty Ltd (a wholly owned subsidiary of Australian United Mining Limited (ASX: AUM) in relation to tenement EL7423. This is the second (and last) formal Farm-In and Joint Venture Agreement for Sofala Project area further to the Company's acquisitions announced on 22 October 2020 (and approved by shareholders on 27 November 2020). As part of consideration, the Company issued Fortius Mines Pty Ltd 50,000,000 fully paid ordinary shares and made cash payments totalling \$50,000;
- On 26 February 2021, the Company issued 22,000,000 Unlisted Adviser Options at an issue price of \$0.0001 each, exercisable at \$0.045 each on or before 8 April 2023, as part of the fees for the advisory services provided to MinRex for the Lachlan Fold Belt acquisitions and Placement completed in December 2020 (as approved by shareholders on 27 November 2020); and
- The impact of COVID-19 pandemic is ongoing and while it has not significantly impacted the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after Australian Federal and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors, PKF Perth, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is disclosed on page 12 of this report and forms part of this Directors' Report for the half-year ended 31 December 2020.

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

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

A handwritten signature in dark ink, appearing to read 'James Bahen', written in a cursive style.

James Bahen
Non-Executive Director
Perth, 16th March 2021

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF MINREX RESOURCES LIMITED

In relation to our review of the financial report of Minrex Resources Limited for the half year ended 31 December 2020, 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.

PKF Perth

PKF PERTH

Simon Fermanis

SIMON FERMANIS
PARTNER

16 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2020

		31-Dec 2020 \$	31-Dec 2019 \$
	Note		
Revenue from ordinary activities			
Interest income		67	1,517
Other income		17,500	-
		<u>17,567</u>	<u>1,517</u>
Expenditure			
Depreciation and amortisation		(14,983)	(12,897)
Corporate expenses		(138,027)	(199,315)
Exploration, evaluation & development expenditure		(89,509)	(86,009)
Marketing and promotional expenses		(4,511)	(90,716)
Management and administration expenses		(77,754)	(80,809)
Share based payment expense	7, 8	(22,830)	-
Total expenditure		<u>(347,614)</u>	<u>(468,229)</u>
(Loss) from ordinary activities before income tax expense		(330,047)	(468,229)
Income tax expense		-	-
Net (loss) attributable to the members of MinRex Resources Limited		(330,047)	(468,229)
Other comprehensive income			
Income tax relating to items of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive (loss) for the half-year		(330,047)	(468,229)
(Loss) per share:			
Basic loss per share attributable to the ordinary equity holders of the company (cents)	9	(0.001)	(0 .005)
Diluted loss per share attributable to the ordinary equity holders of the company (cents)	9	(0.001)	(0.005)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2020

		31-Dec 2020 \$	30-Jun 2020 \$
	Notes		
Current Assets			
Cash and cash equivalents		3,087,957	503,687
Other receivables		37,919	31,973
Prepayments		35,770	18,791
Total Current Assets		3,161,646	554,451
Non-Current Assets			
Exploration, evaluation and development expenditure	4	7,627,857	5,656,000
Right-of-use asset	5	37,835	49,783
Property, plant and equipment		1,670	4,705
Total Non-Current Assets		7,667,362	5,710,488
Total Assets		10,829,008	6,264,940
Current Liabilities			
Trade and other payables		77,186	77,091
Lease liability	5	32,047	28,093
Total Current Liabilities		109,233	105,184
Non-current liabilities			
Lease liability	5	5,111	19,885
Total non-current Liabilities		5,111	19,885
Total Liabilities		114,344	125,069
Net Assets		10,714,664	6,139,871
Equity			
Issued capital	6	14,688,540	9,806,530
Share-based payments reserve	7	22,830	-
Accumulated losses		(3,996,706)	(3,666,659)
Total Equity		10,714,664	6,139,871

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

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

	Note	31-Dec 2020 \$	31-Dec 2019 \$
Cash flows from operating activities			
Interest received		-	1,717
Payments for exploration, evaluation and development expenditure		(101,366)	(109,373)
Payments to suppliers and employees		(254,174)	(339,588)
Government grants and incentives		17,500	-
Net cash used in operating activities		(338,040)	(447,244)
Cash flows from investing activities			
Payments for exploration assets		(110,000)	-
Net cash used in investing activities		(110,000)	-
Cash flows from financing activities			
Proceeds from equity issues		3,220,000	-
Proceeds from unissued securities		300	510,000
Payments for share issue costs		(187,990)	(34,497)
Net cash from financing activities		3,032,310	475,503
Net increase in cash and cash equivalents held		2,584,270	28,259
Cash and cash equivalents at the beginning of the period		503,687	557,177
Cash and cash equivalents at the end of the half-year		3,087,957	585,436

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

Condensed Consolidated Statement of Changes in Equity For the half-year ended 31 December 2020

	Contributed equity	Share-based payment reserve	Accumulated losses	Total Equity
31 December 2019				
Balance at 1 July 2019	8,867,065	3,156,000	(5,874,563)	6,148,502
Net loss for the year	-	-	(468,230)	(468,230)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(468,230)	(468,230)
Transaction with owners recorded directly in equity				
Capital raising costs	(34,497)	-	-	(34,497)
Balance at 31 December 2019	8,832,568	3,156,000	(6,342,793)	5,645,775
31 December 2020				
Balance at 1 July 2020	9,806,530	-	(3,666,659)	6,139,871
Net loss for the year	-	-	(330,047)	(330,047)
Total comprehensive loss for the year	-	-	(330,047)	(330,047)
Transaction with owners recorded directly in equity				
Issue of shares	3,220,000	-	-	3,220,000
Issue of consideration shares	1,850,000	-	-	1,850,000
Share based payments	-	22,830	-	22,830
Capital raising costs	(187,990)	-	-	(187,990)
Balance at 31 December 2020	14,688,540	22,830	(3,996,706)	10,714,664

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

MinRex Resources Limited

Notes to the consolidated half-year financial statements

1. Corporate Information

MinRex Resources Limited and its controlled entities, East Pilbara Conglomerates Pty Ltd, SR (Sale Entity) Pty Ltd, Sofala Minerals Pty Ltd and MR Resources Pty Ltd ("MinRex" or "the Company" or "the Group"), is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The condensed financial report was authorised for issue in accordance with a resolution of the Directors on 16 March 2021.

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) Statement of Compliance

The half year financial report is a general purpose prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's 2020 annual financial report for the financial year 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year. It has been determined by the group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Group accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has not determined the impact of these.

(c) Going Concern

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

The Group incurred a loss for the period ended 31 December 2020 of \$330,047 (31 December 2019: \$468,229) and net cash outflows from operating activities of \$338,040 (31 December 2019: \$447,244). At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group's financial position and the Directors' belief that the entity will be successful in securing additional funds through equity issues, the Group will be able to meet its obligations as and when they fall due.

The impact of Coronavirus pandemic (COVID-19) is ongoing and while it has not significantly impacted the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian

MinRex Resources Limited

Notes to the consolidated half-year financial statements

Federal and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

3. Segment Information

For management purposes, the Company is organised 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.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the half-year financial statements.

4. Exploration, evaluation and development expenditure

	31-Dec- 2020 \$	30-Jun- 2020 \$
Exploration, evaluation and development assets		
(a) Area of interest:		
Deflector Extended Gold Project - Western Australia	-	-
East Pilbara Gold Project – Western Australia	5,656,000	5,656,000
East Lachlan Fold Belt – New South Wales	1,971,857	-
Carrying amount at end of the period	<u>7,627,857</u>	<u>5,656,000</u>
(b) Reconciliation:		
Carrying amount at beginning of the period	5,656,000	5,656,000
Exploration and evaluation assets acquired	1,971,857 ¹	-
Additions	89,509	223,005
Less write-off of exploration and evaluation expenditure	(89,509) ²	(220,202) ¹
Carrying amount at end of the period	<u>7,627,857</u>	<u>5,656,000</u>

¹ Asset Acquisition

MinRex completed the acquisition of the projects in the East Lachlan Fold Belt in New South Wales and now controls 100% of the Mt Pleasant (ELA5954), First Find (EL8976) and Sunny Corner (ELA5986, ELA6142) projects. The Company has also secured formal farm-in and joint venture rights to Sofala (EL7974 with Wattle Resources Pty Ltd and EL7423 with Australia United Mining). MinRex received shareholder approval for the acquisitions at its Annual General Meeting held on 27 November 2020.

MinRex Resources Limited

Notes to the consolidated half-year financial statements

4. Exploration, evaluation and development expenditure (continued)

Refer to the table below for the summary of the consideration costs recognised by MinRex for the Sofala Projects, Sofala JV and Sunny Corner JV as at 31 December 2020.

	Contract Party	Shares issued Number	Deemed Value (\$)	Cash paid (\$)	Total consideration (\$)
Sofala Projects and Sofala JV					
Farm-in rights ELA6142	Monarch Royalties Pty Ltd	30,000,000	600,000		600,000
Acquisition ELA5954	BelRes Pty Ltd	2,500,000	50,000	50,000	100,000
Acquisition ELA5986	Historic Gold Mines Pty Ltd			60,000	60,000
Acquisition EL8976	St Barnabas Investments Pty Ltd & Glen Goulds	60,000,000	1,200,000	-	1,200,000
Application fee Sofala Minerals					1,857
Total Capitalised costs for Sofala projects and Sofala JV as at 31/12/20					1,961,857
Sunny Corner JV					
Option fee	Argent Minerals Ltd				10,000
Total Capitalised costs for Sunny Corner 31/12/20					10,000
Total Acquisition costs capitalised during the reporting period					1,971,857

² Exploration expenditure written off amounts at balance dates is in line with Company's accounting policy on exploration, evaluation and development assets.

5. Leases

The Group has lease contract for its corporate office, which has three-year lease term. The Group's obligations under its lease are secured by lessor's title to the leased asset.

Set out below are the carrying amounts of rights-of-use-asset recognised and the movements during the period:

	31-Dec-2020	30-Jun-2020
Right-Of-Use Asset	\$	\$
Balance at the beginning of period	49,783	-
Right-of-use asset	-	73,679
Accumulate depreciation – Right of use asset	(11,948)	(23,896)
Balance at the end of the period	37,835	49,783

MinRex Resources Limited

Notes to the consolidated half-year financial statements

5. Leases (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease Liabilities	31-Dec-2020	30-Jun-2020
	\$	\$
Balance at the beginning of period	47,978	-
Additions	-	73,679
Accretion of interest	1,055	2,799
Payments	(11,875)	(28,500)
Balance at reporting date	37,158	47,978
Lease liability – current	32,047	28,093
Lease liability – non-current	5,111	19,885
Depreciation expense for right-of-use asset	35,844	23,896
Interest expense on lease liabilities	1,055	2,799
Total amount recognised in statement of profit or loss	36,899	26,695

6. Issued Capital

	31-Dec-20	31-Dec-20	30-Jun-20	30-Jun-20
	No.	\$	No.	\$
Ordinary Shares				
Fully paid ordinary shares	471,137,055	14,688,540	206,970,388	9,806,530
Movements in ordinary shares on issue			No.	\$
At beginning of period	206,970,388	9,806,530	95,877,727	8,867,065
Shares issued during the period for cash	171,666,667	3,220,000	108,092,661	1,080,927
Share based payments	-	-	3,000,000	30,000
Consideration for acquisition of exploration assets	92,500,000	1,850,000	-	-
Share issue costs	-	(187,990)	-	(171,462)
At end of period	471,137,055	14,688,540	206,970,388	9,806,530

7. Share-based payments reserve

The share-based payments reserve records items recognised as expenses on valuation of options and performance rights.

	31-Dec-2020	30-Jun-2020
	\$	\$
Opening Balance	-	3,156,000
Unlisted Options expired unexercised	-	(3,156,000)
Share-based payments vesting expense	22,830	-
Closing Balance	22,830	-

Refer to Note 8 for valuation technique and assumptions.

8. Share-based payments

Grant Date/entitlement	Number of Instruments	Grant Date	Fair value per instrument \$	Value \$
Performance Rights issued on 16 September 2020 exercisable on or before 16 September 2025 (i)	15,000,000	10/09/2020	0.0248	372,000*
Total value at 31 December 2020				372,000

*Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by Directors as consideration for the Rights will be received in the future and will vest over the period of 5 years. Fair Value in the amount of \$372,000 represents total Performance Right value. The amortised value for the current period is \$22,830.

- (i) 15,000,000 Performance Rights issued as part of equity-based remuneration packages of Directors have been calculated using binomial option pricing model with the following inputs:

Performance Rights Granted on 10 September 2020	
Expected volatility (%)	100
Risk free interest rate (%)	0.43
Weighted average expected life of Performance Right (years)	4.71
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.026
Fair value of Performance Right (\$)	0.0248
Expiry date	9 September 2025

- (ii) Reconciliation of the number of Options and Performance Rights and the summary of movements is as follows:

	31-Dec-20 No.	31-Dec-20 \$	30-Jun-20 No.	30-Jun-20 \$
Balance at beginning of the period	35,356,503	-	60,000,000	3,156,000
Options Issued	79,166,667 ²	-	35,356,503 ¹	-
Performance Rights Issued	15,000,000 ³	22,830	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(60,000,000)	(3,156,000)
Balance at the end of the period	129,523,170	22,830	35,356,503	-

¹Options issued during 2020 financial year were issued as free-attaching Options to fully paid ordinary shares issued during the financial year. Such Options are unlisted, exercisable at \$0.04 and expire in September or October 2022.

² Free-attaching Unlisted Options issued during 2020 half year period. Such Options are exercisable at \$0.04 and expire on 8 April 2023.

³ Performance Rights Issued to Directors on 16 September 2020. Refer to (i) above.

9. Loss per share

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

The basic and diluted loss per share are the same as there are no instruments on issue that have a dilutive effect on the loss per share.

	For the half- year ended 31 December 2020	For the half- year ended 31 December 2019
	\$	\$
Net loss attributable to ordinary shareholders	(330,047)	(468,229)
Weighted average number of ordinary shares	254,015,839	95,877,727
Basic and diluted loss per ordinary share	(0.001)	(0.005)

10. Events Subsequent to Balance Date

- On 27 January 2021, the Company announced that it had executed a formal Farm-In and Joint Venture Agreement with Wattle Resources Pty Ltd in relation to tenement EL7974. The ground comprising EL7974 is highly prospective for gold and other precious metals and forms part of the Sofala Project area, a transaction which was approved by shareholders at Company's Annual General Meeting held on 27 November 2020. As part of consideration, the Company issued Wattle Resources Pty Ltd 30,000,000 fully paid ordinary shares and made cash payments totalling \$160,000. The cash payments include reimbursement of costs for recent exploration work carried out on EL7974;
- On 26 February 2021, the Company announced that it had executed a formal Farm-In and Joint Venture Agreement with Fortius Mines Pty Ltd (a wholly owned subsidiary of Australian United Mining Limited (ASX: AUM) in relation to tenement EL7423. This is the second (and last) formal Farm-In and Joint Venture Agreement for Sofala Project area further to the Company's acquisitions announced on 22 October 2020 (and approved by shareholders on 27 November 2020). As part of consideration, the Company issued Fortius Mines Pty Ltd 50,000,000 fully paid ordinary shares and made cash payments totalling \$50,000;
- On 26 February 2021, the Company issued 22,000,000 Unlisted Adviser Options at an issue price of \$0.0001 each, exercisable at \$0.045 each on or before 8 April 2023, as part of the fees for the advisory services provided to MinRex for the Lachlan Fold Belt acquisitions and Placement completed in December 2020 (as approved by shareholders on 27 November 2020); and
- The impact of COVID-19 pandemic is ongoing and while it has not significantly impacted the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after Australian Federal and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

11. Contingent Assets and Liabilities

Pursuant to the formal Farm-In and Joint Venture Agreements with Wattle Resources Pty Ltd in relation to the tenement EL7974 and Fortius Mines Pty Ltd (a wholly owned subsidiary of Australian United Mining Limited (ASX: AUM)) in relation to the tenement EL7423, which the Company executed subsequent to the half year end, and as part of consideration, the Company issued 30,000,000 fully paid ordinary shares at a deemed issue price of \$0.02 and cash payments totalling \$160,000 and 50,000,000 fully paid ordinary shares at a deemed issue price of \$0.02 and cash payments totalling \$50,000, respectively on 27 January 2021;

In addition and pursuant to the Sofala Projects and the Sofala Farm-in Rights, a 2% net smelter royalty in respect of all mineral production from the Sofala Projects and the Sofala Farm-in Rights will be payable by MinRex upon the achievement of the set milestone; and

Pursuant to the Sunny Corner Farm-in consideration, 25,000,000 Shares (being the Option Shares) at a deemed issue price of \$0.02 will be issued by MinRex upon the Company exercising the option and entering into a joint venture agreement in relation to NSW mining authority EL5964 (Sunny Corner Tenement), 25,000,000 Shares at a deemed issue price of \$0.02 will be issued by MinRex upon the ground access for drilling on the Sunny Corner Tenement being granted (including receipt of all required regulatory and landowner approvals), 30,000,000 Shares at a deemed issue price of \$0.02 to be issued by MinRex upon the Company acquiring a 90% beneficial interest in, and legal title to, the Sunny Corner Tenement and a 2% net smelter royalty in respect of all mineral production from the exploration area of the Sunny Corner Tenements will be payable by MinRex upon the achievement of the set milestone. A consideration fee of \$100,000 is payable in cash by MinRex if the option is exercised.

As at the date of this report, no other contingent liabilities, other than as disclosed in the 30 June 2020 Annual Report, had been identified in relation to the half-year ended 31 December 2020.

12. Capital Commitments

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

	31-Dec-2020	30-Jun-2020
	\$	\$
No longer than 12 months	175,141	113,927
Between 12 months and 5 years	172,989	75,768
	348,130	189,695

13. Financial Assets and Financial Liabilities

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 2020 due to their short term nature.

14. Related Party Transactions

During the period under review, there were no other related party transactions apart from the payment of directors' fees to four directors amounting to \$41,403 and consulting fees totalling \$26,132 relating to the acquisition of East Lachlan Fold assets (for the half-year ended 31 December 2019: \$105,990).

MinRex Resources Limited***Notes to the consolidated half-year financial statements***

15. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries:

Name	Country of incorporation	Date of incorporation	Equity holding	
			31 December 2020	30 June 2020
East Pilbara Conglomerates Pty Ltd	Australia	17 November 2017	100%	100%
SR (Sale Entity) Pty Ltd	Australia	17 November 2017	100%	100%
Sofala Minerals Pty Ltd*	Australia	11 September 2020	100%	-
MR Resources Pty Ltd*	Australia	30 July 2020	100%	-

*Entities acquired on 3 December 2020.

MinRex Resources Limited

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of MinRex Resources Limited ("the Consolidated Entity"), I state:

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
 - (ii) complying with AASB 134 – Interim Financial Reporting (including International Financial Reporting Standards) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



James Bahen
Non-Executive Director
Perth, 16th March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MINREX RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Minrex Resources Limited (the Company) and controlled entities (consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated 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 of the consolidated entity comprising the Company and the entities it controlled at 31 December 2020, or during the half year.

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:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Level 4, 35 Havelock Street, West Perth, WA 6005

PO Box 609, West Perth, WA 6872

T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

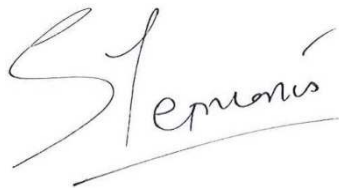
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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.



PKF PERTH



SIMON FERMANIS
PARTNER

16 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA