



MinRex Resources Limited and its Controlled Entities

ABN 81 151 185 867

ANNUAL REPORT

For the Year Ended 30 June 2021

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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)

CHIEF EXECUTIVE OFFICER

Mr Pedro Kastellorizos

COMPANY SECRETARY

Miss Aida Tabakovic

REGISTERED OFFICE

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Perth WA 6000

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AUDITORS

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LEGAL ADVISORS

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STOCK EXCHANGE

Australian Securities Exchange Limited
ASX Code: MRR

The Directors present their report for MinRex Resources Limited and its wholly owned subsidiaries ("**MinRex**" or "**the Company**" or "**the Group**") for the year ended 30 June 2021.

DIRECTORS

The following persons were Directors of MinRex during the financial year and up to the date of this report. Directors were in office for the entire period, unless otherwise stated:

Mr James Bahen (Non-Executive Director)

Appointment date	8 April 2020
Directorships of other ASX listed companies in last 3 years	Nil
Interest in securities	12,500,000 Ordinary Fully Paid Shares 3,125,000 Share Options 5,000,000 Performance Rights

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)

Appointment date	5 June 2020
Directorships of other ASX listed companies in last 3 years	-Calima Energy Limited (since 2 June 2015) -Auroch Minerals Limited (15 January 2013 to 31 October 2019) -Fraser Range Metals Group Ltd (3 March 2016 to 30 June 2019)
Interest in securities	16,839,674 Ordinary Fully Paid Shares* 3,125,000 Share Options 5,000,000 Performance Rights

* Glenn Whiddon has no relevant interest in the 1,926,412 shares held by Nautical Holdings WA Pty Ltd. Jane Whiddon is the controller of this entity. They are only included in this notice for good corporate governance purposes.

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.

DIRECTORS (continued)

Mr James Pearse (*Non-Executive Director*)

Appointment date	30 June 2020
Directorships of other ASX listed companies in last 3 years	Nil
Interest in securities	1,666,667 Ordinary Fully Paid Shares 416,666 Share Options 5,000,000 Performance Rights

Mr Pearse 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 Pearse holds Bachelor degrees in both Law and Commerce majoring in Finance.

Mr George Karageorge (*Non-Executive Director*)

Appointment date	18 December 2020
Directorships of other ASX listed companies in last 3 years	Argent Minerals Ltd (since 21 October 2019)
Interest in securities	1,750,000 Ordinary Fully Paid Shares 875,000 Share Options

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).

COMPANY SECRETARY

Miss Aida Tabakovic

Miss Tabakovic is an accountant with over eleven years' experience in the accounting and financial reporting of listed and unlisted companies. She has also had previous management experience in the luxury retail sector. Miss Tabakovic holds a Double Major Degree in Accounting and Finance and a Postgraduate Degree in Business Law. Miss Tabakovic assists clients with ASX and ASIC compliance, statutory reporting, company secretarial and financial accounting services. She has also been involved in the listing of a number of junior explorer companies on the ASX.

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 four (4) tenements and three (3) Farm-in & Joint Ventures as well as the exploration of Company's gold and base metal projects in Western Australia (comprising six (6) tenements).

RESULTS OF OPERATIONS

The Group's net loss attributable to the members of MinRex Resources Limited for the year ended 30 June 2021 was \$1,055,832 (2020: net loss \$948,096). The expenditure in the current year reflected an increase in exploration and evaluation spending, impairment losses on right-of-use asset and accounting for equity-based remuneration packages of the Group's Board, which were offset by a decrease in the marketing and promotional spending.

	2021	2020	% increase /
	\$	\$	(decrease)
Revenue – interest income only	67	2,263	(97.0)
Loss before tax	(1,055,832)	(948,096)	(11.4)
Loss after income tax – tax benefit not recognised	(1,055,832)	(948,096)	(11.4)
Loss per share (cents)	(0.27)	(0.75)	0.48

DIVIDENDS

No dividend was paid or declared by the Company in the year and up to the date of this report.

CORPORATE STRUCTURE

MinRex Resources Limited 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.

REVIEW OF OPERATIONS

Overview

MinRex Resources Limited is an exploration company, listed on the Australian Securities Exchange, with its present focus being the exploration of gold and base metal projects in New South Wales and Western Australia. The Company currently holds 7 Exploration Licence, totalling 514 km² within the Lachlan Fold Belt in NSW approximately 250km north-west of Sydney. They include Mt Pleasant, Sofala, Sunny Corner and First Find Projects areas. Within Western Australia, MinRex holds five projects, with four of the projects being 70% owned and located in the East Pilbara Region of WA, comprising of the Daltons Gold Project, the Marble Bar North Gold Project, the Marble Bar South Gold Project, and the Bamboo Creek Gold Project. Company's fifth project, the Deflector Extended Gold Project is located at Gullewa, in the Murchison Region in Western Australia, which is 100% owned (Figure 1). The Company also continues to actively evaluate other exploration and corporate opportunities.

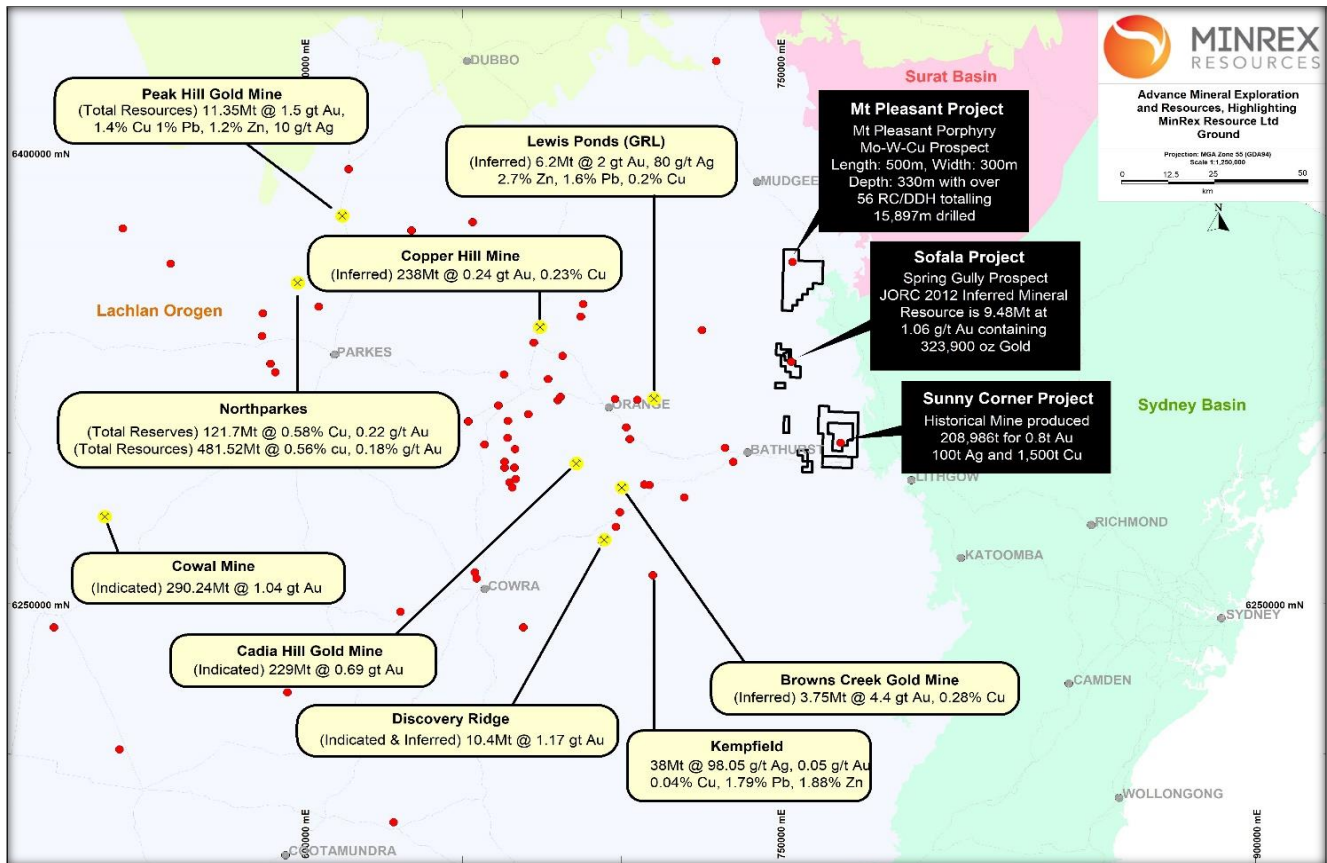


Figure 1: Regional Location Map showing MRR ground with other Mineral Resources

The Company's primary focus was the preparation of two maiden JORC Resources at the Sofala Gold Project over the Surface Hill and Spring Gully Prospects with the completion an RC drilling campaign over the Wiles Gold Prospect. A fourteen (14) RC hole, 794m drilling campaign completed over the Wiles Gold Prospect with the aim of following up exceptional soil sample and recent shallow RC drill results, which included gold assays of 10.6 g/t Au, 9.26 g/t Au and 4.28 g/t Au and RC drilling intersections of 9m @ 2.43g/t Au from 17m (WFRC005) and 2m @ 2.97g/t Au from 6m (WFRC004).

Further work undertaken over the Sofala Project included the re-interpretation of airborne magnetic and radiometric data which delineated significant new targets areas. Nine (9) target areas selected based on magnetic and radiometric responses with considerable strike extent, including the large magnetic response at Wattle Flat. The high-resolution magnetics defined trends and structures which appear to control the gold mineralisation within the project, showing close correlation to historical workings and deposits such as Queenslander, Big Oakey and Whalans Hill Mines.

On 19 July 2021, the Company announced that it had exercised its option to acquire Argent Minerals Limited's (ASX: ARD) farm-in rights to earn up to a 90% interest in relation to tenement EL5964. MinRex elected to exercise its option based on the significant exploration potential offered by known and undiscovered polymetallic mineralisation (including gold, silver, copper, lead, zinc, and molybdenum). The Company has formally signed the farm-in and joint venture agreements with the project owners.

Sofala Gold Project

The Sofala Gold Project is located 250 km north-west of Sydney near the town of Sofala in the central western region of New South Wales, located in the world class province of the Lachlan Fold Belt. The Sofala Gold Project is considered prospective for gold mineralisation and contains considerable historical surface and hard rock gold workings. MinRex holds farm-in rights over two exploration licences (EL7974 and EL7423) to earn up to an 80% interest in those licences, which are in a historical gold mining region with mining activities dating back to 1851. The area contains 10 historical mines and 16 artisanal workings and covers 18 units (~41km²) across the two licences.

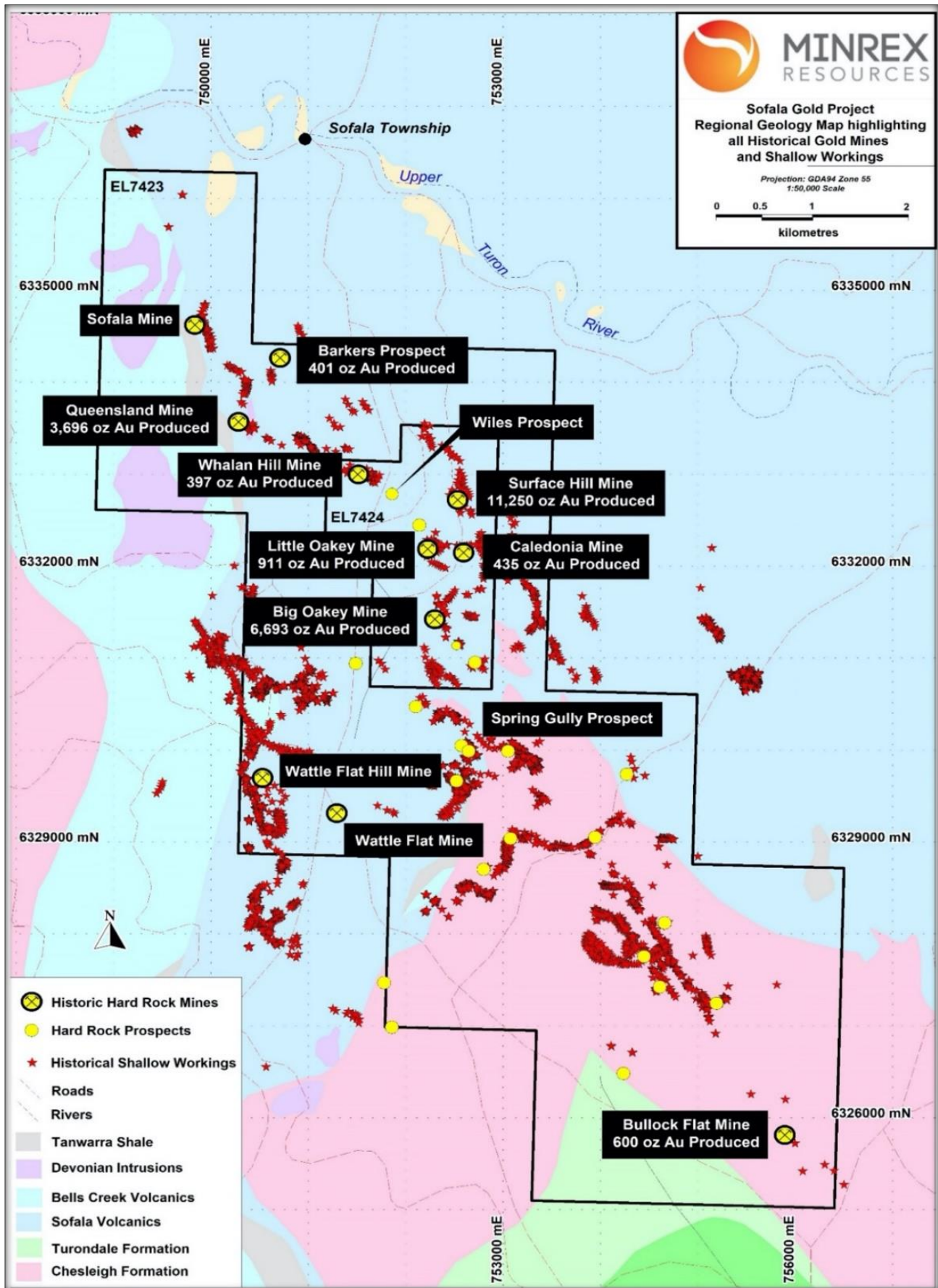


Figure 2: Sofala Gold Project Highlighting all Surface and Hard Rock Mined Areas¹

¹ Historical production figures are extrapolated from Stevens, B.P.J. 1972. Mine Data Sheets to accompany Metallogenic Map Bathurst 1:250,000 Sheet. New South Wales Geological Survey. 513 pp.

Delineation of Two Maiden Inferred Gold Resources totalling 352,213oz Au

The two new maiden Inferred Resources at the Sofala Gold Project was finalised by MinRex in July 2021, confirming multiple gold deposits, mineralised from the surface highlighting the potential for a multi-pit operation close in proximity to one another. Both Resources have a total of **10.29Mt at 1.07 g/t Au, containing 352,213 oz of Gold**. The JORC Resources have been estimated over the Spring Gully and Surface Hill areas.

Table 1: Sofala Gold Project total Resources

Inferred Status				
Prospect Name	Tonnes	Au g/t	Au oz	Cut-off Grade
Spring Gully	9,487,844	1.06	323,913	0.7
Surface Hill	808,012	1.09	28,300	0.5
Total	10,295,856	1.07	352,213	

JORC 2012 Inferred Gold Resource at Spring Gully Prospect

The Spring Gully prospect is located 1.7 km east of Wattle Flat Township and which lies on the Peel Road between Sofala (6km to the north) and Bathurst (35km to the SSW). The initial discovery was identified by regional drainage geochemistry. Although the mineralised zone outcrops were previous mined, the activity was limited to shallow prospecting pits and surface workings.

EL7423 covers a significant portion of exposed Ordovician Sofala Volcanics on the eastern side of the Hill End Trough. Silurian, sediments & volcanics belonging to the Tanwarra Shale and the Chesleigh Formation overlie Sofala Volcanics to the central and western portion of Spring Gully. The mineralisation at the Spring Gully prospect is located where the Sofala Volcanics have been thrust over the Chesleigh Formation within a major hinge zone trending NW to SE direction. The Wiagdon thrust plane dips between 25° to the west (Refer to Figure 2).

An independent JORC 2012 Inferred Mineral Resource for Spring Gully Prospect, estimated by Odessa Resources Pty Ltd (Perth) during the quarter and completed in July 2021, has yielded 9.48Mt at 1.06 g/t Au containing 323,913 oz Gold.² The deposit has a strike length over 1.60km by 650m in width with mineralisation remaining open along strike and at depth. The Resource has been classified as a global Inferred based on historical drill results which require further supporting verification drilling and QAQC. The future infill drilling will support further increase in the resource classification.

Resource constraints were interpreted using a nominal 0.35 g/t Au lower cut off. Six separate stacked south-west dipping envelopes were created (Refer to Global Mineral Resource Estimates - Table 2 and 3D Image highlighting mineralised Lodes Figure 3). The Spring Gully global resource is reported above a cut off 0.70 g/t Au.

Table 2: Spring Gully Global Mineral Resource Estimate

Lode Id	Volume m ³	Density g/cm ³	Tonnage (t)	Average Grade g/t Au	Contained Metal oz
1	765,000	2.75	2,103,750	1.22	82,704
2	988,750	2.75	2,719,063	0.95	83,026
3	369,750	2.75	1,016,813	0.93	30,467
4	598,500	2.75	1,645,875	1.06	56,238
5	345,625	2.75	950,469	1.36	41,428
5	382,500	2.75	1,051,875	0.89	30,051
Total	3,450,125	2.75	9,487,844	1.06	323,913

² Refer to MRR ASX Announcement of 12 July 2021 titled 'Spring Gully Maiden JORC Resource'.

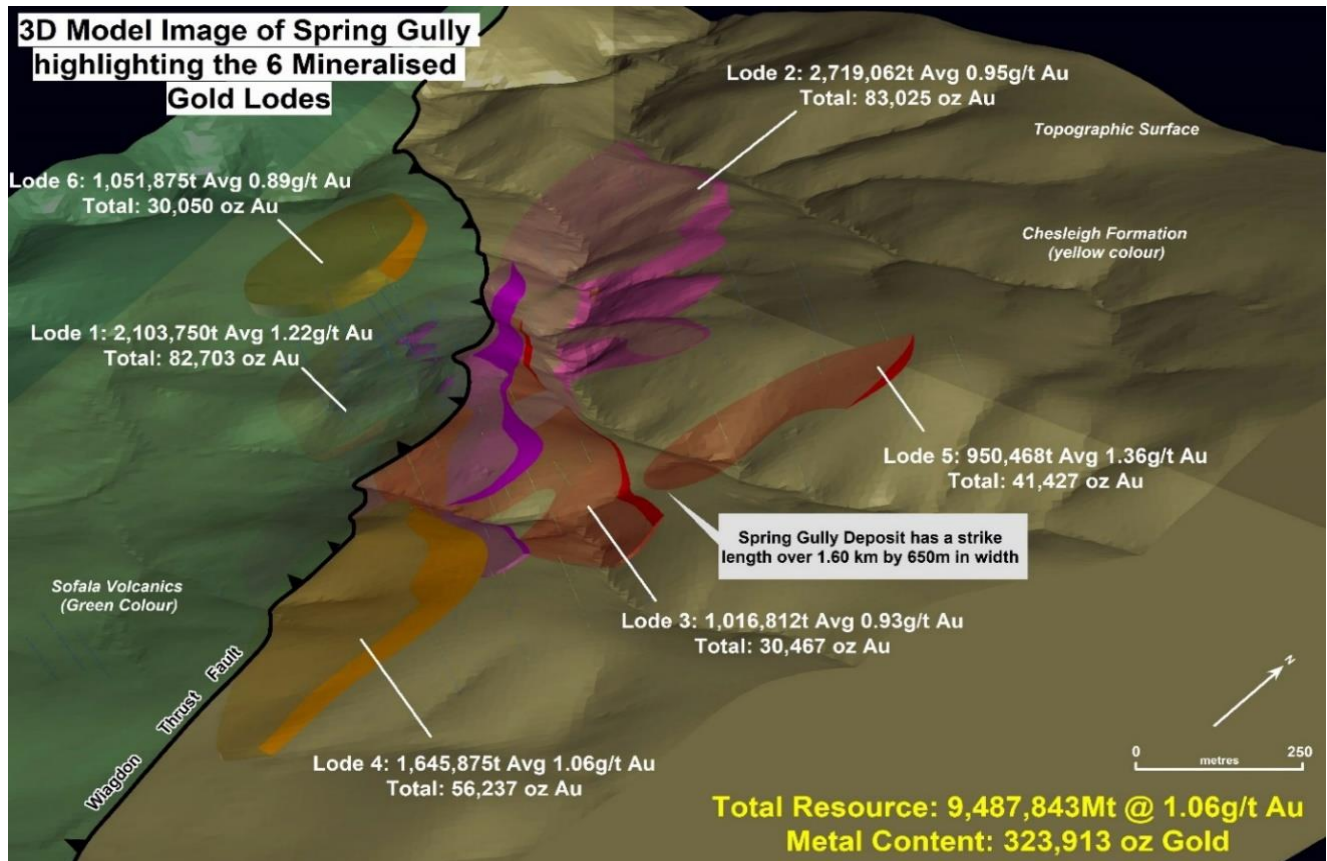


Figure 3: 3D Model showing the bulk of the mineralisation is hosted in the Chesleigh Formation

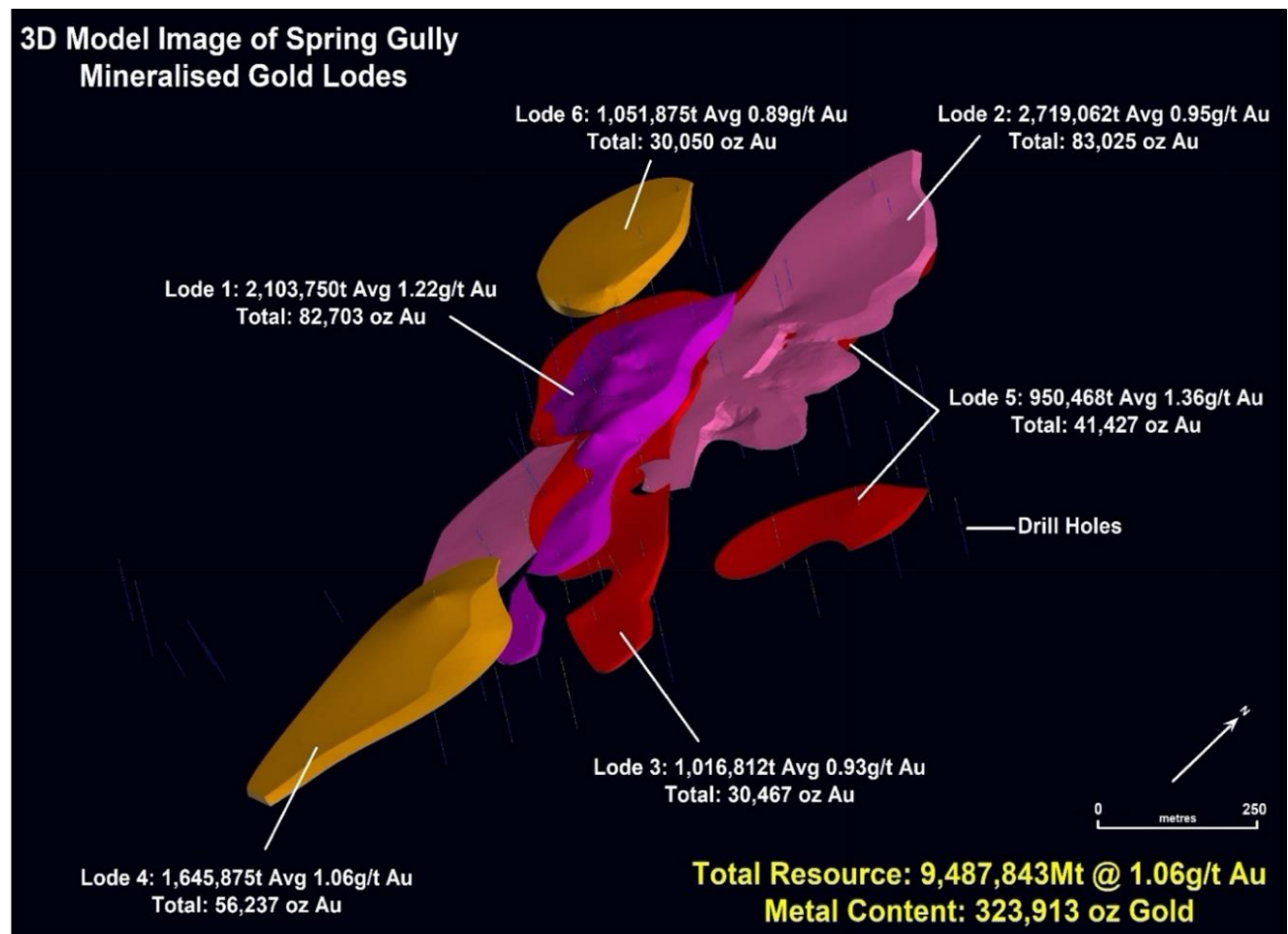


Figure 4: 3D Model highlighting the various Mineralised Lodes within Spring Gully Deposit

A potential “feeder zone” has been identified directly beneath the main gold mineralised lodes at an approximate depth of 250m. The priority target zone shows potential as the source of the gold bearing hydrothermal fluids depositing the gold mineralisation at Spring Gully.

JORC 2012 Inferred Gold Resource at Surface Hill Prospect

The Surface Hill prospect is located 3.5 km. NNE of Wattle Flat and has been a centre for small scale mining during the 19th and 20th century with a total of 11,250 ounces recorded production and several small pits and a small driven into the hill. Compass Resources continued this exploration with soil geochemistry and 28 shallow RC/DDH holes into the vein system.

The geologically mapped 20-sub vertical quartz-pyrite-arsenopyrite veins have a general strike of 160°. Surface chip and grab sampling combined with drilling indicates at this early stage, that 9 of these veins (Lodes 1 to 9, Figures 5 & 6) are mineralised. In northern end of the Surface Hill Prospect the vein system veers NNE as the system is intersected by a 065° trending fault zone, the system is offset 100 metres to the NE and continues into the Surface Ridge Prospect where intersections similar grades and widths in the northern continuation of the vein system.

An independent JORC 2012 Inferred Mineral Resource for Surface Hill Prospect, also estimated by Odessa Resources Pty Ltd (Perth) during the quarter and completed in July 2021, has yielded 808,012t at 1.09 g/t Au containing 28,300 oz Gold.³ The Resource has been classified as a global Inferred based on historical drill results which require further supporting verification drilling and QAQC. The future infill drilling will support further increase in the resource classification. The Drillhole data comprised 27 angled drillholes completed in 1993 - 1994 totalling 1,666m comprising 581 assay results.

Resource constraints were interpreted using a nominal 0.35 g/t Au lower cut off. Nine (9) separate stacked vertical north-west veins were interpreted (Refer to Global Mineral Resource Estimates - Table 3 and 3D Image highlighting mineralised Lodes Figure 6). The Surface Hill global resource is reported above a cut off 0.5 g/t Au.

Table 3: Surface Hill Global Mineral Resource Estimate

Lode Id	Mass t	Density g/cm³	Grade g/t	Contained Metal oz
1	95,450	2.7	1.81	5,553
2	103,788	2.7	0.69	2,288
3	102,535	2.7	1.32	4,354
4	215,632	2.7	1.25	8,656
5	20,800	2.7	0.57	384
6	8,618	2.7	1.18	327
7	540	2.7	2.59	45
8	6,976	2.7	1.72	385
9	253,670	2.7	0.78	6,379
Total	808,012	2.7	1.09	28,371

The Surface Hill Gold Prospect occurs within shallow dipping lavas and volcanoclastic sediments of the Sofala Volcanics, probably in a synclinal axis. The host lithologies appear to have no definite control on the mineralisation.

The Surface Hill deposit has substantial potential for more resource growth along every direction and at depth. The Company is currently planning the first ground IP survey over the prospect area with the view of delineating deep extension of gold mineralisation along strike.

³ Refer to MRR ASX Announcement of 28 July 2021 titled ‘Surface Hill Inferred Resource’.

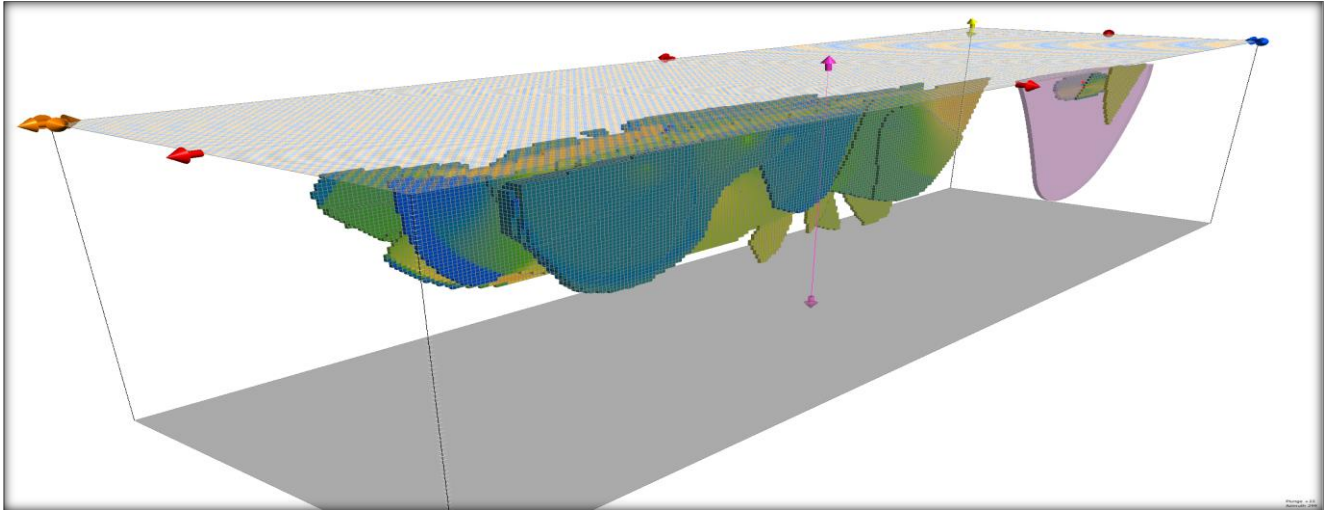


Figure 5: Oblique 3D view of Block Model

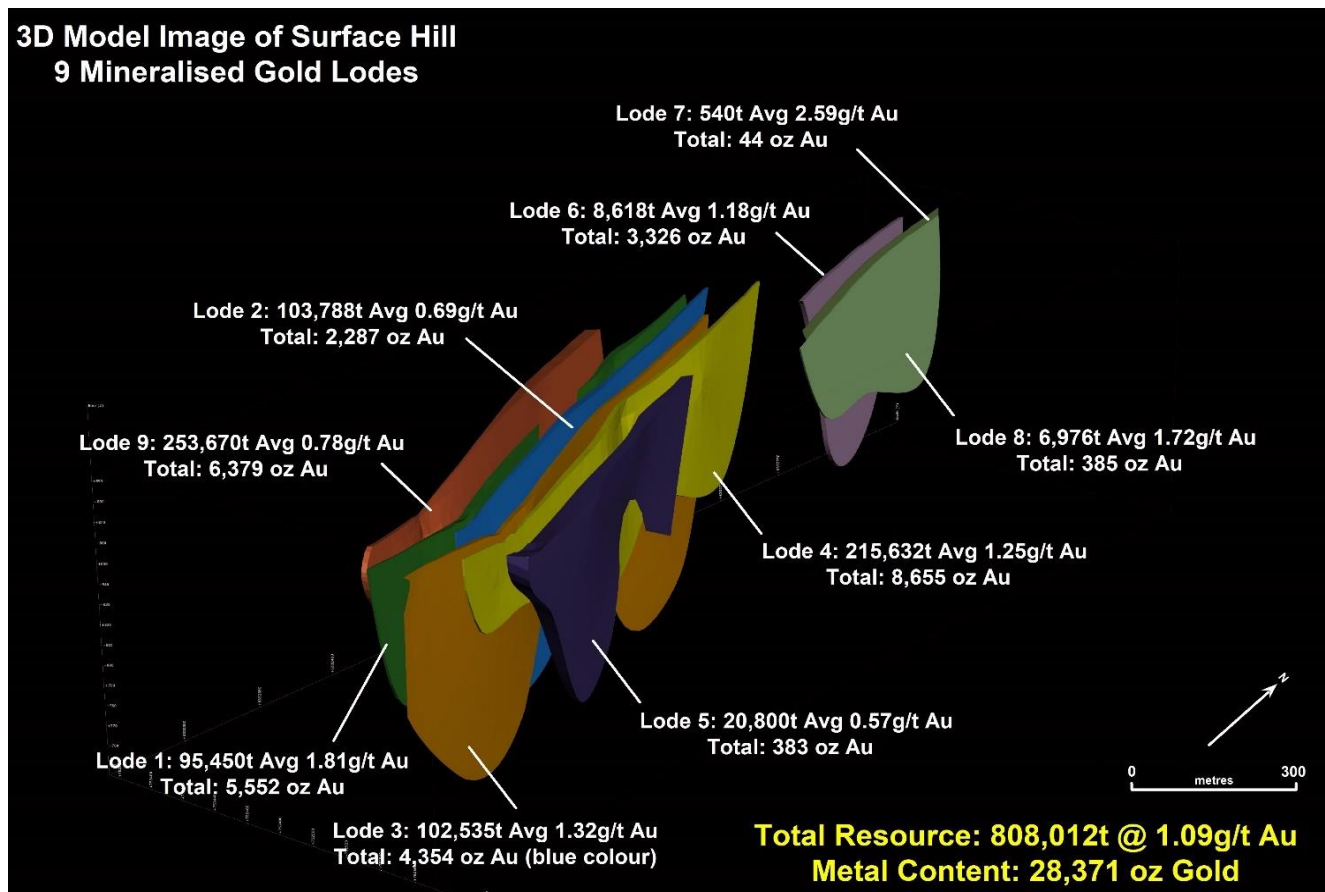


Figure 6: Oblique 3D Model highlighting the various Mineralised Lodes within Surface Hill Prospect

Drilling Completed at Wiles Gold Prospect

The Wiles Gold Prospect is a recently discovered orogenic gold deposit on strike of the Big Oakey Fault between Whalans Hill (**10m @ 1.63g/t Au**) and Caledonian (**2m @ 8.11g/t Au**). The prospect was discovered in 2018 by joint-venture partner Wattle Resources Pty Ltd (Wattle). A soil sampling campaign of the previously unexplored ground was conducted by Wattle producing exceptional results (soil samples returning **10.6g/t Au**, **9.26g/t Au**, **4.28g/t Au** and **4.01g/t Au**). This prospectivity was confirmed by shallow RC drilling in late 2020 with results returning **9m @ 2.43g/t Au from 17m (WFR005)** and **2m @ 2.97g/t Au from 6m (WFR004)**⁴.

⁴ Refer to MRR ASX Announcement of 26 February 2021 titled "Sofala Exploration Update" for further details.

In June 2021, the Company completed a total of 794m of drilling across 14 holes with all RC samples dispatched to Nagrom Laboratories in Perth. Drilling in all the drill holes intersected quartz veining and sulphide mineralisation (mainly pyrite) associated with moderate sericite alteration which are all the hallmarks of gold mineralisation within the Lachlan Fold Belt.⁵

Sofala Gold Project Geophysics

The Company progressed a detailed high-resolution magnetic/radiometric interpretation over the Sofala Gold Project with Core Geophysics, representing a major leap forward in the Company's systematic targeting process in defining new discoveries over the Sofala Gold Project.

Although the area has a long history of exploration and mining the area is relatively underexplored at depth. Following completion of the magnetic/radiometric interpretation work. Conclusions reached are summarised below;

- Mineralisation appears to be structurally controlled and preferentially oriented along or close to the major faults (e.g., Big Oakey Fault) or thrusting within the project (Wiagdon Thrust) which hosts most of the larger workings and mineral occurrences
- The Sofala Volcanics at Wattle Gully alone cannot account for the amplitude of the magnetic response and there is likely a deeper magnetic intrusive. This intrusive may be acting as the driver of mineralising fluid in the region.
- The elevated potassium is likely representing potassic alteration due to hydrothermal alteration and a good indicator of gold mineralisation. As such the combination of structure and the potassic radiometric response appears to provide an additional targeting tool.
- Defined the andesitic member of the Sofala Volcanics and the majority of the major gold workings are shown along the margins of the potassium zones.

A total of 9 target areas have been selected within the project tenements based on the combination of magnetic and radiometric responses.⁶ These have been preferentially selected over areas along mineralised structures with an elevated potassium response which have considerable strike extent. These are summarised in Table 4 and Figure 7 Target Map.

Table 4: Priority Targets Requiring Ground Reconnaissance

Target Id	GDA94 East	GDA94 North	Comment
1	749509	6335377	Northern extension of Queenslander/Sofala structure
2	749922	6333172	Circular Demag with Potassium anomaly
3	751243	6333051	Potassium response NW of Whalans Hill Mine
4	751691	6333484	Eastern edge of Andesite along structure and known mineralisation
5	752774	6330920	Intersection of major cross cutting structures south of Big Oakey Mine Andesite
6	751901	6328738	Interpreted repetition of Spring Gully contact Sofala Volcanics and Chesleigh Formation
7	755303	6327926	Potassium anomaly along Spring Gully Fault
8	754902	6327330	Potassium anomaly along mineralised structure
9	756063	6325356	Potassium anomaly along mineralised structure

⁵ Refer to MRR ASX Announcement of 11 June 2021 titled 'RC Drilling to Commence at Wiles Gold Prospect', 29 June 2021 titled 'RC Drilling Completed at Wiles Gold Prospect' and 5 July 2021 titled 'RC Drilling Completed at Wiles Gold Prospect (updated)'.

⁶ Refer to MRR ASX Announcement of 21 July 2021 titled 'Sofala Project Geophysics Update'.

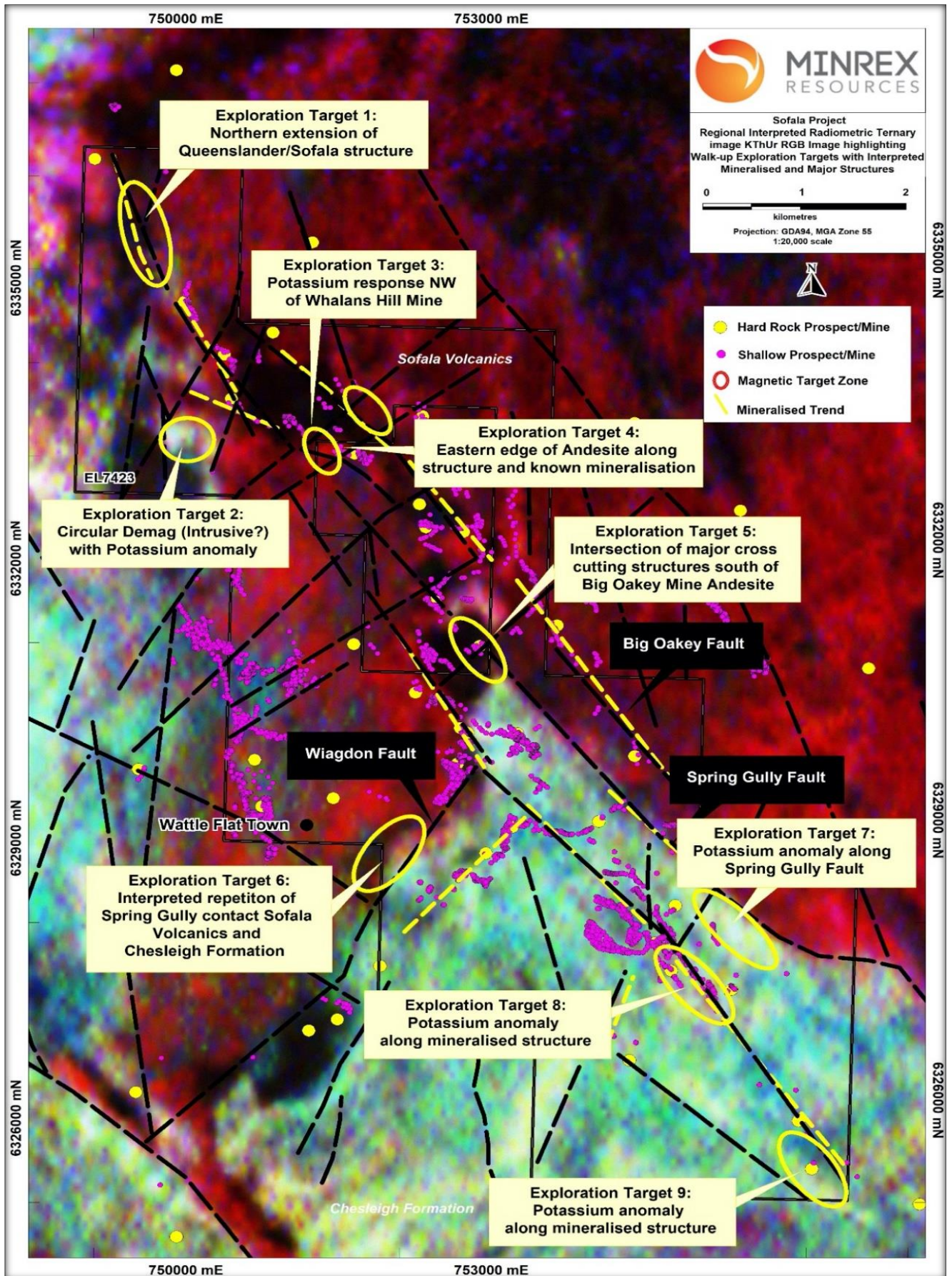


Figure 7: Regional Ternary image KThUr RGB Image highlighting walk-up targets based on magnetic, elevated potassium & radiometric responses over areas along mineralised structures

The locations of surface and hard rock mines now allow us to understand the regional geophysical signatures associated with the gold mineralisation which were previously unknown. The high-resolution magnetics clearly correlates defined trends and structures which appear to control the gold mineralisation. In addition, the historic working is closely correlating with potassium responses which reflect sericite and kaolinite alteration which is also known to be associated with gold mineralisation.

Previous Disclosure – 2021 JORC Code

This Annual Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Annual Report can be found in the following announcements lodged on the ASX:

• MRR to commence Geophysical Work	26 August 2020
• MinRex Completes Geophysical Work	22 September 2020
• MRR to commence Geophysical work at Deflector Extended	19 October 2020
• MRR to acquire Projects in Lachlan Fold Belt, NSW	22 October 2020
• Investor Presentation Cover	25 November 2020
• Investor Presentation	25 November 2020
• Results of Meeting	27 November 2020
• MRR Completes Ground Magnetic Survey at Deflector Extended	2 December 2020
• Prospectus	3 December 2020
• MRR Completes \$2.9M Placement & Sofala Projects Acquisition	4 December 2020
• Strategic Co-Op with Argent, Drill Rig Secured & Appointments	18 December 2020
• Farm-in & Joint Venture Agreement Signed for Sofala Project	27 January 2021
• Sofala Exploration Update	26 February 2021
• RC Drilling Completed at Wiles Gold Prospect (Updated)	5 July 2021
• Spring Gully Maiden JORC Resource	12 July 2021
• MinRex Exercise Sunny Corner Option	19 July 2021
• MinRex takes over Argent's Sunny Corner Farm-In Rights	19 July 2021
• Sofala Project Geophysics Update	21 July 2021

Copies of reports are available to view on the Company's website www.minrex.com.au. These reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Pedro Kastellorizos. Mr. Kastellorizos is the Chief Executive Officer of MinRex Resources Limited and is a Member of the AusIMM of whom have sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Targets, Exploration Results and Mineral Resources. Mr. Kastellorizos have verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled and reviewed by Mr. Alfred Gillman, Director of independent consulting firm, Odessa Resource Pty Ltd. Mr. Gillman is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (the AusIMM) and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Mineral Resources. Mr Gillman is a full-time employee of Odessa Resource Pty Ltd, who specialises in mineral resource estimation, evaluation, and exploration. Neither Mr Gillman nor Odessa Resource Pty Ltd holds any interest in MinRex Resource Ltd, its related parties, or in any of the mineral properties that are the subject of this announcement. Mr Gillman consents to the inclusion in this ASX release of the matters based

on information in the form and context in which it appears. Additionally, Mr Gillman confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Sunny Corner Farm-in Option

The Company progressed negotiations with Argent Minerals Limited (ASX: ARD) and the project owners in relation to MinRex's farm-in option over the exploration area of EL5964. This tenement, with an area of 19 units (~54 km²), forms part of the Sunny Corner Project together with EL9133, with an area of 54 units (~154 km²), and EL9133, with an area of 12 units (~34 km²) (Figure 8). MinRex formally exercised its Sunny Corner farm-in option as part of its strategy to further expand the Company's project portfolio.⁷

MinRex elected to exercise its option based on the significant exploration potential offered by known and undiscovered polymetallic mineralisation (including gold, silver, copper, lead, zinc, and molybdenum). The Company is close to finalising formal farm-in and joint venture agreements with the project owners. Should formal farm-in and joint venture agreements be signed, MinRex will have the right to earn a 90% interest in the exploration area of EL 5964 by spending \$1.5 million on exploration expenditure within 3 years.

Gold was first discovered within the area covered by the Sunny Corner project area at Mitchells Creek and Bobs Creek during the 1850's. The gold occurred in both alluvial and quartz veins outcropping adjacent to the creeks. A total of 12,000 ounces of gold was reported to have been mined. Paddy Lackey was worked from 1885 to 1906 with recorded production of 11,740 oz of gold.

In 1875, the discovery of gold in gossans on the Daylight Creek led to the development of the Sunny Corner mine. The high silver content of the oxide and sulphide lodes at Sunny Corner was not recognised until 1881, after which the lodes were worked primarily for silver. The Sunny Corner Mine was the first silver smelting operation in Australia with production estimated approximately 210,000t of ore was treated for a recorded production of 2,900,000 oz of silver, 10,100 oz of Gold and 980t of copper.

The area of the Sunny Corner Exploration licences is characterised by the following mineralisation styles.

1. Volcanic associated massive sulphides (Sunny Corner – Pb-Zn-Cu)
2. Remobilised structural controlled shear hosted base metals (Nevada - Cu) and
3. Quartz vein hosted gold deposits with a genetic link to the quartz-feldspar porphyry intrusions (Bobs Creek, Little Hill and Big Hill Prospects).

Thick shallow zones of gold mineralisation have been delineated at the Bobs Creek Gold Prospect. They include

- Drillhole GBCRC11: 32m @ 0.41 g/t Au from 14m
inc 2m @ 4.88 g/t Au from 14m
Drillhole GBCRC05: 22m @ 0.21 g/t Au from 2m
- Drillhole GBCRC12: 52m @ 0.16 g/t Au from surface

Extensive base-metals mineralisation intersected within Drillhole GSC010. This includes

- 44m @ 0.31% Pb, 0.32% Zn from 2m
- 42m @ 0.12% Pb, 0.28% Zn from 52m

⁷ Refer to MRR ASX Announcement of 19 July 2021 titled 'MinRex Takes Over Argent's Sunny Corner Farm-In Rights'.

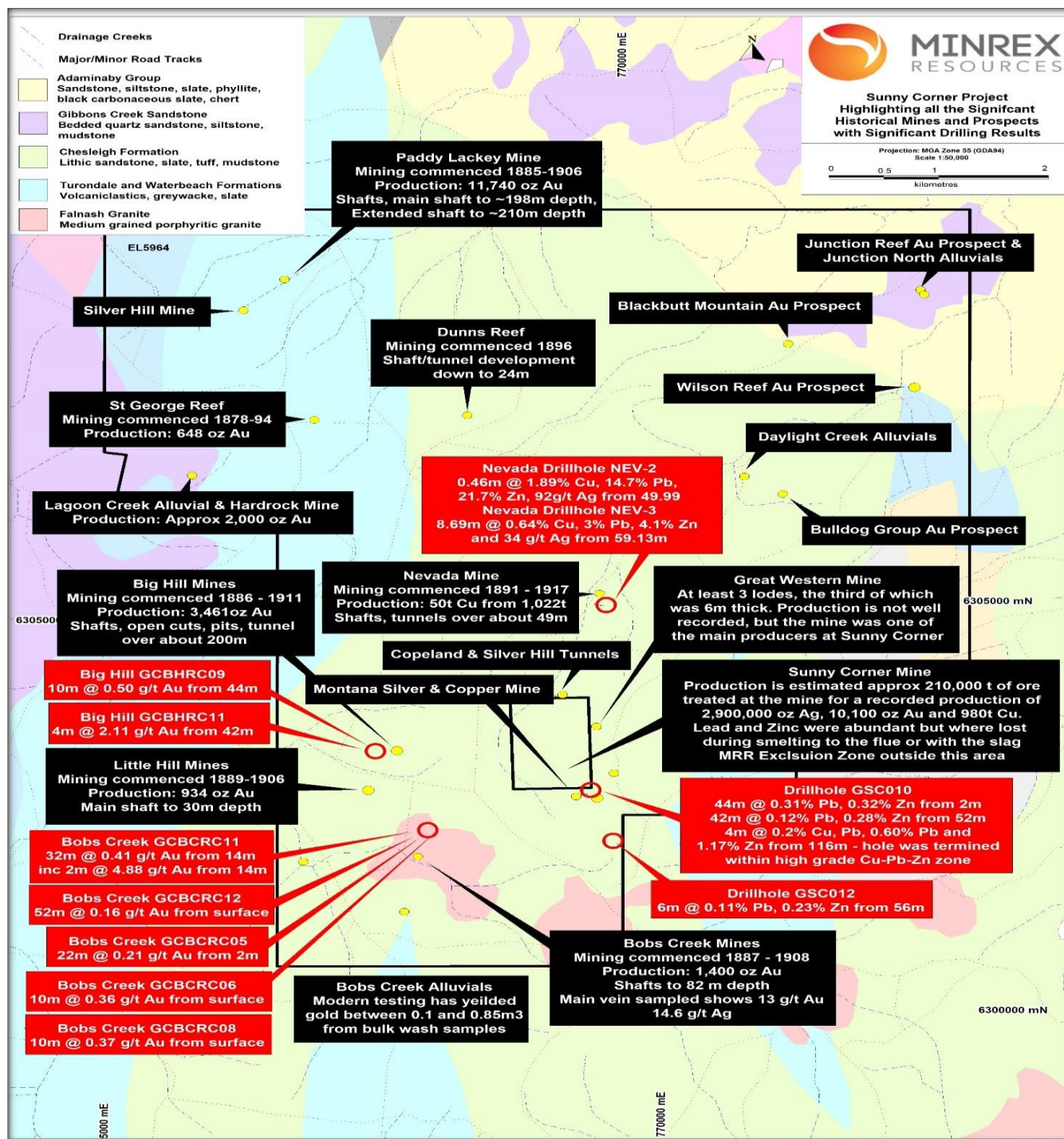


Figure 8: Sunny Corner Project area highlighting brief Mining/Production Summary with Significant Drillhole Mineralisation

Table 5: Historic Mines/Prospect Characteristics within EL5964

Prospect Name	Stratigraphy	Structure	Host Rock	Mineralisation Style	Oxide/Sulphide	Dimension	Mining Activity
Junction North	Silurian Tuff/Porphry	NNW Dips 50°W	Porphyry Tuff Contact	Vein, Disseminated	Oxide	100m N, 20m NW	25 Pits, 2 costeans
Wilson Reef	Silurian Sandstone	NW Dips 75°W	Altered Porphyry	Quartz Veins	Au, Cu, Pb, Pyrite	50m NW, 30m NE	4-5 Pits, 2 costeans
Blackbutt Mountain	Silurian Rhyolitic Tuffs	NNW 80°W	Sandstone	Quartz Veins	Oxide		

Paddy Lucky	Silurian Rhyolitic Shales	N strike Vertical	Altered Dacites	Vein, Disseminated	Oxide/Sulphide	500m N-S, 150m E-W	30 Shafts up to 150 deep
St George	Silurian Siltstone	N strike Vertical	Altered Tuffs & Shales	Quartz Veins	Oxide	200m N-S, 50m E-W	14 Shafts, some down to 750m
Dunns Reef	Rhyolite, Rhyodacite, Tuffs	North	Quartz Reef in volcs & tuffs	Veins	Oxide		
Bulldog	Pyritic Tuffs & Mudstone	3 Lines Reef, N (15°) Dip 7° to 35°E	Tuffs & Volcanics	Veins	Oxide/Sulphide	100m N-S, 100m E-W	30 Shafts and Pits with Cu-Pb
Nevada	Silurian contact of Tuffs & Sills	E-W Veins, N-S strike	Sulphide bleached sandstone	Quartz sulphide veins	Oxide + pyrite-Pb-Cu	100 N-S, 50m E-W	4 shafts, 2 Adits, 1 Pit
Big Hill	Faulted Silurian Tuff/Siltstones	North Strike, 60°E Dip	Bleached Tuff/Siltstone contact	Quartz veins, Disseminated	Oxide	500 N-S, 350m E-W	>100 shafts, prospect pits shallow
Bobs Creek	Silurian Tuffs intruded by porphyry	Circular NW trending intrusive	Qtz feldspar Porphyry	Carb-sericite Qtz veins	Fe, Mn Oxide Qtz vein	1,000 N-S, 120m E-W	20 Shafts, prospecting pits for Au
Little Hill	Silurian Tuffs & altered rhyodacite	NW Trend	Bleached pyrite Qtz veins	Veins, Disseminated	Disseminated Sulphides	500 NW, 120m NE	Abundant Shafts to NW

Corporate

Appointment of Chief Executive Officer

Mr Pedro Kastellorizos was appointed as Chief Executive Officer of the Company.⁸ The appointment is a major step forward for the Company. Mr Kastellorizos' experience and knowledge of the Lachlan Fold Belt and Deflector Extended Projects adds significant opportunity for in ground success as MinRex pushes forward with its busy exploration plans.

Issues of Securities

During the quarter, the Company granted and issued a total of 4,000,000 performance rights and 1,000,000 unlisted options in various classes to Chief Executive Officer, Pedro Kastellorizos, as part of the agreed remuneration package and agreed, subject to shareholder approval, to grant a total of 5,000,000 performance rights to Non-Executive Director, George Karageorge, as part of the agreed remunerations package.⁹ Subsequent to the quarter end, on 21 July 2021 the Company issued 5,000,000 shares (at deemed price of \$0.02) were issued as a consideration for the \$100,000 option exercise fee due to Argent Minerals Limited.

As at the date of this report the Company has 556,137,055 ordinary shares, 137,523,170 unlisted options and 19,000,000 performance rights, on issue.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

- On 1 July 2020, the Company's Registered Office and Principal Place of Business changed to Level 11, 216 St Georges Terrace, Perth WA 6000;
- On 10 September 2020, shareholders approved a placement to Directors of a total of 26,666,667 fully paid ordinary shares at an issue price of \$0.012 to raise \$320,000 (before costs) together with 1 free

⁸ Refer to MRR ASX Announcement of 13 May 2021 titled 'MinRex Appoints Chief Executive Officer'.

⁹ Refer to MRR ASX Announcement of 11 June 2021 titled 'RC Drilling to Commence at Wiles Gold Prospect NSW' and 13 May 2021 titled 'MinRex Appoints Chief Executive Officer' for further details on the terms on the issuance of securities.

attaching Option for every 4 new shares issued (being on the same terms as offered under the Non-Renounceable Entitlement Issue Offer per above);

- On 10 September 2020, shareholders approved, further to the recent Board appointments of Messrs Bahen, Whiddon and Pearce as Non-Executive Directors of the Company, to issue each Director 5,000,000 Performance Rights expiring 5 years from the date of issue, which will convert into fully paid ordinary shares of MinRex on a 1 for 1 basis on the 20-day VWAP of the Company's share price reaching \$0.04. The Performance Rights were issued as part of the remuneration packages agreed with each Director and are intended to reward and further incentivise the Board for delivering value to shareholders. The Performance Rights were issued on 16 September 2020;
- On 18 December 2020, Mr George Karageorge was appointed as a Non-Executive Director;
- 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);
- On 13 May 2021, the Company announced the appointment of Mr Pedro Kastellorizos as Chief Executive Officer ("CEO") of MinRex, effective as of 1 June 2021.
- On 11 June 2021, the Company announced that, subject to shareholder approval, 5,000,000 Performance Rights will be granted to Mr George Karageorge as part of his remuneration package. The Performance Rights, expiring on 16 September 2025 from the date of issue, will convert into fully paid ordinary shares of MinRex on a 1 for 1 basis on the 20-day VWAP of the Company's share price reaching \$0.04. The Performance Rights will be issued on 17 September 2021.

In the opinion of Directors, there were no 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.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

- On 19 July 2021, the Company announced that it had exercised its option to acquire Argent Minerals Limited's (ASX: ARD) farm-in rights to earn up to a 90% interest in relation to tenement EL5964. The farm-in transaction was approved by shareholders at Company's Annual General Meeting held on 27 November 2020. As part consideration, the Company issued Argent Minerals Limited 5,000,000 fully paid ordinary shares at deemed price of \$0.02.

- On 27 August 2021 as a result of the certain milestones being achieved, 2,000,000 Performance Rights, which were issued to the CEO, were converted into 2,000,000 fully paid ordinary shares of MinRex pursuant to the CEO Service Agreement.
- On 17 September 2021, the Company announced that it has signed formal farm-in and joint venture agreements with Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd, confirming MinRex's right to earn a 90% interest in the exploration area EL5964 by spending \$1.5 million on exploration expenditure within 3 years. MinRex will make the following payments following the signing of the formal farm-in and joint venture agreements:
 - the issue of 25,000,000 MinRex fully paid ordinary shares to Argent Minerals Limited (ASX: ARD) as approved by shareholders on 27 November 2020 (and subject to a waiver obtained by MinRex under Listing Rule 7.3.4 to permit such shares to be issued by 14 October 2021); and
 - reimbursement to Sunny Silver Pty Ltd of amounts spent to keep EL5964 in good standing (approximated around \$50,000).
- The impact of the Coronavirus ('COVID-19') pandemic is ongoing for the Group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There are no matters or circumstances that have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the Company in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue with its exploration activities, whilst at the same time, will continue to review other corporate opportunities to drive shareholder wealth.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company holds participating interests in various exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the Company's environmental conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2021.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

INDEMNIFICATION OF AUDITORS

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

DIRECTORS' MEETINGS

During the financial year, 10 meetings of Directors were held. Attendances by each Director during the year were as follows:

Director	Directors' Meetings Eligible to Attend	Director's Meetings Attended
Mr James Bahen	10	10
Mr Glenn Whiddon	10	8
Mr James Pearse	10	10
Mr George Karageorge ¹	5	4

¹ Mr Karageorge was appointed as a Non-Executive Director on 18 December 2020.

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE

As at the date of this report, the following shares, options and performance rights were on issue.

Ordinary Shares	No.
Fully Paid Ordinary Shares	558,137,055
Options	
4 cents Unlisted options expiring 30 September 2022	33,333,333
4 cents Unlisted options expiring 31 October 2022	2,023,170
4 cents Unlisted options expiring 8 April 2023	79,666,667
4.5 cents Unlisted options expiring 8 April 2023	22,000,000
4.5 cents Unlisted options expiring 9 April 2023	500,000
Performance Rights	
Unlisted, expiring 16 September 2025	15,000,000
Unlisted, expiring 13 May 2024	2,000,000

CORPORATE GOVERNANCE

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

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

The Company's corporate governance policies and procedures are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principles and Recommendations" (the Recommendations). In accordance with the 4th Edition of the Recommendations, the Corporate Governance

Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the reporting period. Where a recommendation has not been followed that fact must be disclosed, together with the reasons for the departure. The Company has disclosed its corporate governance statement on the Company website at www.minrex.com.au.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the Directors of MinRex Resources Limited in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel ('KMP') of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. The 2020 Remuneration Report was approved and adopted by shareholders at the Company's Annual General Meeting held on 27 November 2020.

Details of Key Management Personnel

Mr James Bahen	Non-Executive Director
Mr Glenn Whiddon	Non-Executive Director
Mr James Pearce	Non-Executive Director
Mr George Karageorge	Non-Executive Director – <i>appointed on 18 December 2020</i>

Remuneration Policy

The Board, in capacity as a Remuneration Committee, is responsible for determining and reviewing remuneration compensation arrangements for the executive and non-executive Directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and individual's experience and qualifications with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not directly link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of the remuneration policy is to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Remuneration Committee determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The table below shows the performance of the Company as measured by loss per share in the last five years:

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Loss per share during the year (cents)	(0.27)	(0.75)	(0.94)	(2.17)	(1.70)
Share price per share as at year end	\$0.019	\$0.013	\$0.013	\$0.041	\$0.054

MinRex Resources Limited
Directors' Report

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

2021	Short-term benefits			
<i>Director</i>	<i>Directors' Fees⁸</i>	<i>Consulting Fees⁹</i>	<i>Share-based Payments – Performance Rights¹⁰</i>	<i>Total</i>
Mr James Bahen	27,000	-	19,908	46,908
Mr Glenn Whiddon	27,000	-	19,908	46,908
Mr James Pearse ¹	27,000	28,548	19,908	75,456
Mr George Karageorge ²	12,903	28,490	-	41,393
Total	93,903	57,038	59,724	210,665
2020	Short-term benefits			
<i>Director</i>	<i>Directors' Fees</i>	<i>Consulting Fees</i>	<i>Share-based Payments – Performance Rights</i>	<i>Total</i>
Mr Simon Durack ³	122,640	-	-	122,640
Dr James Ellingford ⁴	103,980	-	-	103,980
Mr Constantine Tsismelis ⁵	39,000	-	-	39,000
Mr James Bahen ⁶	8,300	-	-	8,300
Mr Glenn Whiddon ⁷	2,817	-	-	2,817
Total	276,737	-	-	276,737

¹ Mr Pearse was appointed as a Non-Executive Director on 30 June 2020.

² Mr Karageorge was appointed as a Non-Executive Director on 18 December 2020.

³ Mr Durack resigned as an Executive Director on 17 June 2020.

⁴ Dr Ellingford resigned as a Non-Executive Chairman on 30 June 2020.

⁵ Mr Tsismelis was appointed as a Non-Executive Director on 15 April 2019 and resigned on 30 June 2020.

⁶ Mr Bahen was appointed as a Non-Executive Director on 8 April 2020.

⁷ Mr Whiddon was appointed as a Non-Executive Director on 5 June 2020.

⁸ Directors' fees include reimbursed expenses incurred in performing the duties.

⁹ These are fees incurred in performing additional services outside of the scope of ordinary duties as a director.

¹⁰ These are as per *Corporations Regulation 2M.3.03 (1) Item 11*.

There were no other Executive officers of the Company during the financial year ended 30 June 2021. Given the nature of the Company's present activity, no remuneration is performance related.

There were no cash bonuses, non-monetary bonuses, post-employment benefits and long term benefits made during this year or previous year to KMPs.

Directors' fees

All Non-Executive Directors receive a board fee of \$2,000 per month (exclusive of GST).

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of \$350,000 per annum, which was adopted by shareholders at a General Meeting held on 11 March 2020. This amount of the aggregate fixed sum may only be increased with the approval of Shareholders at a general meeting. Summary details of remuneration of the Non-Executive Directors are provided in the table above. The remuneration is not dependant on the satisfaction of performance conditions.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as

MinRex Resources Limited
Directors' Report

Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Consulting fees

As there are no full-time executives engaged by the Company and all Directors' fees charged have been historically very low, the Board of Directors resolved to pay each and any Director the sum of \$350 per hour (exclusive of GST) in consulting fees for any work performed in the pursuit of other corporate opportunities, as fair compensation for the professional work undertaken.

Share-based payments – Performance Rights

During the current financial year, 15,000,000 Performance Rights were issued as part of equity-based remuneration packages to the Directors. The fair value of the Performance Rights is of \$372,000 and they will vest over the period of five years. The amortised value for the current financial year is \$59,724.

Director's interests held in MinRex Resources Limited Shares

	1 July 2020	Net change during the year	30 June 2021
Directors			
Mr James Bahen	-	12,500,000	12,500,000
Mr Glenn Whiddon ¹	4,339,674	12,500,000	16,839,674
Mr James Pearce ²	-	1,666,667	1,666,667
Mr George Karageorge ³	-	1,750,000	1,750,000
	4,339,674	28,416,667	32,756,341

¹ Mr Whiddon has no relevant interest in the 1,926,412 shares held by Nautical Holdings WA Pty Ltd. Jane Whiddon is the controller of this entity. They are only included in this notice for good corporate governance purposes.

² Mr Pearce was appointed as a Non-Executive Director on 30 June 2020.

³ Mr Karageorge was appointed as a Non-Executive Director on 18 December 2020. The interest in shares reflects the number of shares Mr Karageorge held as at 18 December 2020.

Director's interests held in MinRex Resources Limited Options

	1 July 2020	Net change during the year	30 June 2021
Directors			
Mr James Bahen	-	3,125,000	3,125,000
Mr Glenn Whiddon	-	3,125,000	3,125,000
Mr James Pearce ¹	-	416,667	416,667
Mr George Karageorge ²	-	875,000	875,000
	-	7,541,667	7,541,667

¹ Mr Pearce was appointed as a Non-Executive Director on 30 June 2020.

² Mr Karageorge was appointed as a Non-Executive Director on 18 December 2020.

Director's interests held in MinRex Resources Limited Performance Rights

	1 July 2020	Net change during the year³	30 June 2021
Directors			
Mr James Bahen	-	5,000,000	5,000,000
Mr Glenn Whiddon	-	5,000,000	5,000,000
Mr James Pearse ¹	-	5,000,000	5,000,000
Mr George Karageorge ²	-	-	-
	-	15,000,000	15,000,000

¹ Mr Pearse was appointed as a Non-Executive Director on 30 June 2020.

² Mr Karageorge was appointed as a Non-Executive Director on 18 December 2020.

³ Performance Rights were issued as part of equity-based remuneration packages to the Directors, as approved by shareholders at 10 September 2020 General Meeting.

Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel, other than the consulting fees paid during the year to the Directors of the Company to pursue and review other corporate activities, as disclosed in the Remuneration Short-Term Benefits table in the Remuneration Report.

END OF REMUNERATION REPORT (AUDITED)



James Bahen
Non-Executive Director

Perth, 21 September 2021

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of MinRex with an Independence Declaration in relation to the audit of the full year financial report. A copy of this declaration appears on page 24 of this financial report.

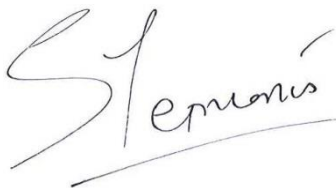
PKF Perth provided non-audit services to the Company during the year, with a fee \$6,000 for the provision of tax compliance services (refer note 16). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that the auditor independence was not compromised.

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINREX RESOURCES LIMITED

In relation to our audit of the financial report of Minrex Resources Limited for the year ended 30 June 2021, 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



SIMON FERMANIS
PARTNER

21 SEPTEMBER 2021
WEST PERTH,
WESTERN AUSTRALIA

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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.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	30-Jun-21 \$	30-Jun-20 \$
Revenue from ordinary activities			
Interest income		67	2,263
Other income		17,500	12,500
		<u>17,567</u>	<u>14,763</u>
Expenditure			
Depreciation and amortisation		(50,931)	(26,420)
Corporate expenses		(370,292)	(427,200)
Exploration and evaluation expenditure write-off		(341,355)	(223,005)
Management and administration expenses	5	(190,098)	(155,304)
Marketing and promotional expenses		(21,045)	(128,131)
Share-based payment expense		(70,369)	-
Impairment losses on right-of-use asset	10	(25,887)	-
Total expenditure		<u>(1,069,977)</u>	<u>(960,060)</u>
Finance costs	10	(3,422)	(2,799)
Loss from ordinary activities before income tax expense		(1,055,832)	(948,096)
Income tax expense	6	-	-
Net loss attributable to the members of MinRex Resources Limited		(1,055,832)	(948,096)
Other comprehensive income			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(1,055,832)	(948,096)
Basic loss per share attributable to the ordinary equity holders of the Company (cents)			
	18	(0.27)	(0.75)
Diluted loss per share attributable to the ordinary equity holders of the Company (cents)			
	18	(0.27)	(0.75)

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

Consolidated Statement of Financial Position

As at 30 June 2021

		30-Jun-21 \$	30-Jun-20 \$
Current Assets	Notes		
Cash and cash equivalents	7(a)	2,450,024	503,687
Other receivables	8	51,540	31,973
Prepayments		18,208	18,791
Total Current Assets		2,519,772	554,451
Non-Current Assets			
Exploration, evaluation and development expenditure	9	9,437,857	5,656,000
Right-of-use asset	10	72,943	49,783
Plant and equipment	11	49,522	4,705
Total Non-Current Assets		9,560,322	5,710,488
Total Assets		12,080,094	6,264,940
Current Liabilities			
Trade and other payables	12	349,926	77,091
Lease liabilities	10	57,491	28,093
Total Current Liabilities		407,417	105,184
Non-Current Liabilities			
Lease liabilities	10	45,202	19,885
Total Liabilities		452,619	125,069
Net Assets		11,627,475	6,139,871
Equity			
Contributed equity	13	16,071,499	9,806,530
Share-based payment reserve	14	278,467	-
Accumulated losses		(4,722,491)	(3,666,659)
Total Equity		11,627,475	6,139,871

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

	Contributed equity (note 13)	Share-based payment reserve (note 14)	Accumulated losses	Total Equity
30 June 2020	\$	\$	\$	\$
Balance at 1 July 2019	8,867,065	3,156,000	(5,874,563)	6,148,502
Net loss for the year	-	-	(948,096)	(948,096)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(948,096)	(948,096)
Transaction with owners recorded directly in equity				
Shares issued	1,110,927	-	-	1,110,927
Share issue costs	(171,462)	-	-	(171,462)
Options expired unexercised	-	(3,156,000)	3,156,000	-
Balance at 30 June 2020	9,806,530	-	(3,666,659)	6,139,871
30 June 2021				
Balance at 1 July 2020	9,806,530	-	(3,666,659)	6,139,871
Net loss for the year	-	-	(1,055,832)	(1,055,832)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(1,055,832)	(1,055,832)
Transaction with owners recorded directly in equity				
Shares issued	3,220,000	-	-	3,220,000
Consideration for acquisition of exploration assets	3,450,000	-	-	3,450,000
Share issue costs	(405,031)	-	-	(405,031)
Share-based payments	-	278,467	-	278,467
Options expired unexercised	-	-	-	-
Balance at 30 June 2021	16,071,499	278,467	(4,722,491)	11,627,475

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	30-Jun-21 \$	30-Jun-20 \$
Cash flows from operating activities			
Payments to suppliers and employees		(341,005)	(734,633)
Payments for exploration, evaluation and development expenditure	9	(341,355)	(223,005)
Government grants and incentives		17,500	12,500
Interest received		67	2,263
Interest paid		-	(22,106)
Net cash used in operating activities	7(b)	<u>(664,793)</u>	<u>(964,981)</u>
Cash flows from investing activities			
Payments for exploration assets		(321,857)	-
Payments for plant and equipment	11	<u>(57,264)</u>	<u>(2,273)</u>
Net cash used in investing activities		<u>(379,121)</u>	<u>(2,273)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares		3,220,000	1,080,927
Proceeds from issue of options		2,200	-
Payment for share issue costs		(199,133)	(141,462)
Repayment of lease liabilities	10	<u>(32,816)</u>	<u>(25,701)</u>
Net cash from financing activities		<u>2,990,251</u>	<u>913,764</u>
Net increase/(decrease) in cash and cash equivalents		1,946,337	(53,490)
Cash and cash equivalents at beginning of the year		<u>503,687</u>	<u>557,177</u>
Cash and cash equivalents at end of the year	7(a)	<u>2,450,024</u>	<u>503,687</u>

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

1. Corporate Information

MinRex Resources Limited and its controlled entities (“the Company” or “the Group”) is a for-profit company domiciled in Australia and publicly listed on the Australian Securities Exchange (“ASX”). The nature of the operations and the principal activities of the Company are described in the Directors’ Report. The financial report for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 17 September 2021.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollar.

(b) Compliance with International Financial Reporting Standards (“IFRS”)

The financial report also complies with IFRS as issued by the International Accounting Standards Board.

(c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, MinRex Resources Limited, and all of its wholly-owned subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the wholly-owned subsidiaries is provided in note 24.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.

2. Summary of Significant Accounting Policies (continued)

(d) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Company has incurred a net loss of \$1,055,832 during the year ended 30 June 2021 (net loss 2020: \$948,096), and experienced net cash outflows from operating activities of \$664,793 (2020: \$964,981). 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 Company will be able to meet its obligations as and when they fall due.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

(e) New, revised or amending Accounting Standards and Interpretations adopted

During the year ended 30 June 2021, the Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(f) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Interest income

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

Other income

Other income is recognised when it is received or when the right to receive payment is established.

2. Summary of Significant Accounting Policies (continued)

(g) Income tax

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

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

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

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

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

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

2. Summary of Significant Accounting Policies (continued)

(h) Cash and cash equivalents

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

(i) Trade and other receivables

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

(j) Mining tenements and mineral exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred. Acquisition costs are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(k) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation and amortisation

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

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

- ◆ Plant and equipment 20%
- ◆ Motor vehicle 20%

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

2. Summary of Significant Accounting Policies (continued)

(l) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(m) Impairment of assets

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

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

(n) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 – 45 days of recognition.

(o) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

2. Summary of Significant Accounting Policies (continued)

(p) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(q) Provisions

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

(r) Contributed equity

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

(s) Goods and services tax ("GST")

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

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

(t) Segment reporting

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

(u) Earnings per share ("EPS")

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

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

(v) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 23.

2. Summary of Significant Accounting Policies (continued)

(w) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Significant accounting estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

Impairment of exploration and evaluation assets and investments in and loans to subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset.

A review of impairment indicators are carried out on a regular basis. There is significant estimation and judgement in assessing impairment indicators.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the planned operations and carrying values of assets and liabilities.

Carrying Value of Exploration and Evaluation Assets

The Company assessed the carrying value of its exploration expenditure for indicators of impairment and concluded that impairment testing of the project was not required.

Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 15 for further information.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain and geographic regions in which the Group operates.

4. 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 consolidated 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.

5. Management and administration expenses	30-Jun-21	30-Jun-20
	\$	\$
Audit and compliance costs	63,165	34,356
Legal and professional support	27,638	32,513
General office expenses	98,820	87,368
Bank charges	475	1,067
	190,098	155,304

6. Income tax	30-Jun-21	30-Jun-20
	\$	\$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the Consolidated Statement of Profit or Loss and tax expense calculated per the statutory income tax rate

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

	30-Jun-21	30-Jun-20
	\$	\$
Loss before income tax expense	(1,055,832)	(948,096)
Tax at the company rate of 26% (2020: 27.5%)	(274,516)	(260,726)
Impact of change in corporate tax rate	177,802	-
Non-deductible expenses	14,134	-
Tax losses and temporary differences not recognised	82,581	260,726
Income tax expense	-	-

6. Income tax (continued)

(c) Deferred tax

The following temporary differences existed at the balance sheet date:

	30-Jun-21	30-Jun-20
	\$	\$
<i>Deferred tax assets</i>		
Accruals	5,799	2,613
Superannuation payable	-	183
Unrecognised tax losses	2,018,066	1,890,492
Section 40-880 deductions	121,692	42,766
Net Lease Liability	2,272	19,764
Deferred tax assets not recognised	(1,354,277)	(1,935,099)
	<u>793,552</u>	<u>20,719</u>
<i>Deferred tax liabilities</i>		
Prepayments	4,552	457
Exploration	789,000	-
Right-of-use assets	-	20,262
	<u>793,552</u>	<u>20,719</u>
Net deferred tax	<u>-</u>	<u>-</u>

There was a deferred tax liability of \$793,552 as at 30 June 2021 (2020: \$20,719).

The Company has \$7,338,422 (2020: \$6,874,516) in losses for income tax purposes. The aggregate deferred tax benefit of \$1,354,277 has not been carried forward as an asset in the Consolidated Statement of Financial Position as realisation of the benefit is not regarded as probable and will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the exploration expenditure and tax losses to be realised;
- the Company continues to comply with the conditions for deductibility imposed by the law; and
- there has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima facie income tax reconciliation above.

7. Cash and cash equivalents

	30-Jun-21	30-Jun-20
	\$	\$
(a) Reconciliation of cash and cash equivalents		
Cash comprises of:		
Cash at bank	2,439,420	493,083
Bank guarantee	10,604	10,604
Total cash and cash equivalents	<u>2,450,024</u>	<u>503,687</u>

7. Cash and cash equivalents (continued)

(b) Reconciliation of operating loss after tax to the cash flows from operations

	30-Jun-21	30-Jun-20
	\$	\$
Loss from ordinary activities after tax	(1,055,832)	(948,096)
Non-cash flows in loss:		
Depreciation and amortisation	50,931	26,420
Share based payments	70,369	-
Impairment losses on right-of-use asset	25,887	-
Changes in assets and liabilities:		
Increase in other receivables	(19,567)	(2,113)
Decrease in prepayments	582	3,685
Increase/(decrease) in trade and other payables	262,837	(44,877)
Net cash used in operating activities	(664,793)	(964,981)

8. Other receivables

	30-Jun-21	30-Jun-20
	\$	\$
Term deposit	-	12,650
GST refundable	31,540	19,087
Other receivables	20,000	236
	51,540	31,973

The carrying amount of these receivables approximates their fair value and are not considered to be impaired.

9. Exploration, evaluation and development expenditure

	30-Jun-21	30-Jun-20
(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	3,781,857	-
Carrying amount at end of the year	9,437,857	5,656,000

(b) Reconciliation

Carrying amount at beginning of the year	5,656,000	5,656,000
Exploration and evaluation assets acquired ¹	3,781,857	-
Additions	341,355	223,005
Less write-off of exploration and evaluation expenditure ²	(341,355)	(223,005)
Carrying amount at end of the year	9,437,857	5,656,000

9. Exploration, evaluation and development expenditure (continued)

¹ 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. See table below.

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

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

		Shares issued		Cash paid (\$)	Total consideration (\$)
Contract	Party	Number	Deemed Value (\$)		
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
Acquisition of EL7423	Australia United Mining Ltd	50,000,000	1,000,000	50,000	1,050,000
Acquisition of EL7974	Wattle Resources Pty Ltd	30,000,000	600,000	160,000	760,000
Application fee Sofala Minerals					1,857
Total capitalised costs for Sofala projects and Sofala JV as at 30 June 2021					3,771,857
Sunny Corner JV					
Option fee	Argent Minerals Ltd				10,000
Total capitalised costs for Sunny Corner as at 30 June 2021					10,000
Total acquisition costs capitalised in this year end 30 June 2021					3,781,857

10. Leases

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

Set out below is the carrying amount of right-of-use asset recognised and the movements during the year:

	30-Jun-21	30-Jun-20
	\$	\$
Right-of-use asset		
Carrying amount at beginning of the year	49,783	-
Additions	87,531	73,679
Depreciation for the year	(38,484)	(23,896)
Impairment losses for the year	(25,887)	-
Carrying amount at end of the year	72,943	49,783

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

	30-Jun-21	30-Jun-20
	\$	\$
Lease liabilities		
Carrying amount at beginning of the year	47,978	-
Additions	87,531	73,679
Repayments	(32,816)	(25,701)
Carrying amount at end of the year	102,693	47,978
Lease liability – current	57,491	28,093
Lease liability – non-current	45,202	19,885
Depreciation expense for right-of-use asset	38,484	23,896
Impairment losses on right-of-use asset	25,887	-
Interest expense on lease liabilities	3,422	2,799
Total amount recognised in statement of profit or loss	67,793	26,695

11. Plant and equipment

	30-Jun-21	30-Jun-20
	\$	\$
Office equipment and furniture		
Carrying amount at beginning of the year	4,705	4,957
Additions	-	2,273
Depreciation for the year	(3,349)	(2,525)
Carrying amount at end of the year	1,356	4,705
Cost	43,744	50,793
Accumulated depreciation	(42,388)	(46,088)
Carrying amount at end of the year	1,356	4,705

11. Plant and equipment (continued)	30-Jun-21	30-Jun-20
Motor vehicle	\$	\$
Carrying amount at beginning of the year	-	-
Additions	57,264	-
Depreciation for the year	(9,098)	-
Carrying amount at end of the year	48,166	-
Cost	57,264	-
Accumulated depreciation	(9,098)	-
Carrying amount at end of the year	48,166	-
Total plant and equipment		
Carrying amount at beginning of the year	4,705	4,957
Additions	57,264	2,273
Depreciation for the year	(12,447)	(2,525)
Carrying amount at end of the year	49,522	4,705
Cost	101,008	50,793
Accumulated depreciation	(51,486)	(46,088)
Carrying amount at end of year	49,522	4,705
12. Trade and other payables	30-Jun-21	30-Jun-20
	\$	\$
Trade payables	257,715	57,467
Accruals	92,211	12,000
Other	-	7,624
	349,926	77,091

Trade creditors are expected to be paid on 30-day terms.

13. Contributed equity	30-Jun-21	30-Jun-21	30-Jun-20	30-Jun-20
	No.	\$	No.	\$
Ordinary Shares				
Fully paid ordinary shares	551,137,055	16,071,499	206,970,388	9,806,530
	551,137,055	16,071,499	206,970,388	9,806,530

13. Contributed equity (continued)

	30-Jun-21	30-Jun-21	30-Jun-20	30-Jun-20
	No.	\$	No.	\$
Movements in ordinary shares on issue:				
At beginning of the year	206,970,388	9,806,530	95,877,727	8,867,065
Issue of Convertible Notes	-	-	100,000,000	1,000,000
Rights Issue	-	-	8,092,661	80,927
EverBlu Capital Pty Ltd	-	-	3,000,000	30,000
Share issued during the year for cash	171,666,667	3,220,000	-	-
Consideration for acquisition of exploration assets	172,500,000	3,450,000	-	-
Share issue costs	-	(405,031)	-	(171,462)
At end of the year	551,137,055	16,071,499	206,970,388	9,806,530

Terms and conditions of contributed equity

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital risk management

The Group's and the Parent's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the costs of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets. During 2021 financial year, the Group's strategy, which was unchanged from 2020 financial year, was to maintain borrowings outside of trade and other payables.

14. Share-based payments reserve

	30-Jun-21	30-Jun-20
	\$	\$
At beginning of the year	-	3,156,000
Unlisted Options expired unexercised	-	(3,156,000)
Share-based payments vesting expense*	276,267	-
Unlisted Options issued	2,200	-
At end of the year	278,467	-

* Refer to note 15 for valuation technique and assumptions.

The share-based payments reserve records the fair value of options issued to CEO, Directors and suppliers.

15. 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	15,000,000	16-Sep-20	0.0248	372,000*
Performance Rights issued on 13 May 2021 exercisable on or before 13 May 2024	4,000,000	13-May-21	0.0248	93,015**
Total value at 30 June 2021				465,015

*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 \$59,724. Refer to (i) below.

** Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by CEO as consideration for the Rights will be received in the future and will vest over the period of 3 years. Fair value in the amount of \$93,015 represents total Performance Right value. Refer to (ii) below.

- (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 16 September 2020	
Expected volatility (%)	100
Risk free interest rate (%)	0.43
Weighted average expected life of Performance Rights (years)	4.22
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.026
Fair value of Performance Right (\$)	0.0248
Expiry date	16 September 2025

- (ii) 4,000,000 Performance Rights issued as part of equity-based remuneration packages of CEO have been calculated using binomial option pricing model with the following inputs:

Performance Rights Granted on 13 May 2021	
Expected volatility (%)	100
Risk free interest rate (%)	0.11
Weighted average expected life of Performance Rights (years)	2.87
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.024
Fair value of Performance Right (\$)	0.0207 - 0.024***
Expiry date	13 May 2024

*** The 4,000,000 Performance Rights comprised 500,000 Performance Rights which vest upon achievement of 20-day VWAP of the Company's share price reaching \$0.040 (their fair value is \$0.0213), 500,000 Performance Rights which vest upon achievement of 20-day VWAP of the Company's share price reaching \$0.045 (their fair value is \$0.0207) and 3,000,000 Performance Rights which vest upon achievement of various non-market condition milestones (their fair value is \$0.024).

15. Share-based payments (continued)

(iii) A summary of movements of Options and Performance Rights is as follows:

	30-Jun-21	30-Jun-21	30-Jun-20	30-Jun-20
	No.	\$	No.	\$
At beginning of the year	35,356,503	-	60,000,000	3,156,000
Options issued (exercisable at \$0.040)	79,166,667 ¹	-	35,356,503 ⁶	-
Options issued (exercisable at \$0.045)	22,000,000 ²	205,898	-	-
Options issued to CEO	1,000,000 ³	10,645	-	-
Performance Rights issued to Directors	15,000,000 ⁴	59,724	-	-
Performance Rights issued to CEO	4,000,000 ⁵	-	-	-
Expired	-	-	(60,000,000)	(3,156,000)
At end of the year	156,523,170	276,267	35,356,503	-

¹ Free-attaching Unlisted Options issued during the current financial year. Such Options are exercisable at \$0.040 and expire on 8 April 2023.

² Free-attaching Unlisted Options issued during the current financial year. Such Options are exercisable at \$0.045 and expire on 8 April 2023.

³ Comprised 500,000 Unlisted Options exercisable at \$0.040 and expire on 8 April 2023 and 500,000 Unlisted Options exercisable at \$0.045 and expire on 9 April 2023.

⁴ Refer to (i) above.

⁵ These Performance Rights expire three years from the date of issue and are subject to a continuous service vesting condition. Refer to (ii) above.

⁶ Options 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.

16. Auditor's remuneration

	30-Jun-21	30-Jun-20
	\$	\$
Amounts received or due and receivable by PKF Perth and Ernst & Young are as follows:		
Audit Services – PKF Perth	39,000	27,500
Other Services – PKF Perth	6,000	-
	45,000	27,500

17. Key management personnel disclosures

The totals of remuneration paid or due to be paid to the KMP of the Company during the year are as follows:

(a) Remuneration of Key Management Personnel

	30-Jun-21	30-Jun-20
	\$	\$
Short-term employment benefits		
Directors' fees	93,903	276,737
Consulting fees	57,038	-
Share-based payments	59,724	-
Total short-term employment benefits	210,665	276,737

17. Key management personnel disclosures (continued)

(b) Other transactions with key management personnel

There were no other transactions with Key Management Personnel, with the exception of that disclosed at (d) below.

(c) Outstanding balances

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

During 2021 financial year, \$2,817 in Directors' fees were payable to Directors of the Company (2020: \$2,817). No consulting fees were payable to Directors of the Company during the financial year (2020: \$Nil).

(d) Related party transactions

There are no related party transactions during the period apart from the payment of Directors' fees.

18. Loss per share	30-Jun-21	30-Jun 20
Basic loss per share (cents)	(0.27)	(0.75)
Weighted average number of ordinary shares used in calculating basic loss per share	392,403,081	126,900,163
Effect of dilution	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	392,403,081	126,900,163

19. Financial risk management

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

The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security. Risk management is carried out by executive management with guidance from the Audit & Risk Management Committee. Primary responsibility for the identification and management of financial risks rests with the Board.

(a) Liquidity risk

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

19. Financial risk management (continued)

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables. As at 30 June 2020 and 30 June 2021, all financial liabilities are contractually matured within 30 days.

(b) Interest rate risk

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

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

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's Consolidated Statement of Comprehensive Income to a reasonably possible change in variable interest rates, with all other variables constant.

	Effect on post tax earnings increase/(decrease)	Effect on equity including accumulated losses increase/(decrease)	Effect on post tax earnings increase/ (decrease)	Effect on equity including accumulated losses increase/(decrease)
	30-Jun-21	30-Jun-21	30-Jun-20	30-Jun-20
	\$	\$	\$	\$
Increase 50 basis points	12,250	12,250	2,518	2,518
Decrease 50 basis points	(12,250)	(12,250)	(2,518)	(2,518)

A sensitivity of 50 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit risk exposures

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

At 30 June 2021, the Company held cash at bank. The cash was held with financial institution with a rating from Standard & Poor of AA or above (long term). The Company has no past due or impaired debtors as at 30 June 2021 (2020: Nil).

(d) Fair value

The carrying values of the financial instruments as at 30 June 2021 approximates their fair values due to their short term nature.

20. Contingent liabilities and commitments

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.

As at the date of this report, no other contingent liabilities had been identified.

21. Capital commitments

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

	30-Jun-21	30-Jun-20
	\$	\$
Within 1 year	278,858	113,927
Between 2 and 5 years	232,006	75,768
	510,864	189,695

22. Events subsequent to reporting date

There are no matters or circumstances that have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the Company in future financial periods except for:

- On 19 July 2021, the Company announced that it had exercised its option to acquire Argent Minerals Limited's (ASX: ARD) farm-in rights to earn up to a 90% interest in relation to tenement EL5964. The farm-in transaction was approved by shareholders at Company's Annual General Meeting held on 27 November 2020. As part of consideration, the Company issued Argent Minerals Limited 5,000,000 fully paid ordinary shares at deemed price of \$0.02.
- On 27 August 2021, 2,000,000 Performance Rights, which were issued to the CEO, were converted into 2,000,000 fully paid ordinary shares of MinRex pursuant to the CEO Service Agreement.
- On 17 September 2021, the Company announced that it has signed formal farm-in and joint venture agreements with Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd, confirming MinRex's right to earn a 90% interest in the exploration area EL5964 by spending \$1.5 million on exploration expenditure within 3 years. MinRex will make the following payments following the signing of the formal farm-in and joint venture agreements:
 - the issue of 25,000,000 MinRex fully paid ordinary shares to Argent Minerals Limited (ASX: ARD) as approved by shareholders on 27 November 2020 (and subject to a waiver obtained by MinRex under Listing Rule 7.3.4 to permit such shares to be issued by 14 October 2021); and

-reimbursement to Sunny Silver Pty Ltd of amounts spent to keep EL5964 in good standing (approximated around \$50,000).

- The impact of the Coronavirus ('COVID-19') pandemic is ongoing for the Group up to 30 June 2021, 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 Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

23. Parent information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

STATEMENT OF FINANCIAL POSITION	30-Jun-21	30-Jun-20
	\$	\$
ASSETS		
Current assets	2,481,109	549,334
Non-current assets	10,053,012	6,013,632
TOTAL ASSETS	12,534,121	6,562,966
LIABILITIES		
Current liabilities	233,940	104,470
Non-current liabilities	45,202	19,885
TOTAL LIABILITIES	279,142	124,355
NET ASSETS	12,254,979	6,438,611
Contributed equity	16,071,499	9,806,530
Share-based payment reserve	278,467	-
Accumulated losses	(4,094,987)	(3,367,919)
TOTAL EQUITY	12,254,979	6,438,611
Loss for the year	(727,068)	(806,889)
Other comprehensive income	-	-
Total comprehensive loss	(727,068)	(806,889)

There are no material guarantees or capital commitments to be disclosed.

24. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Country of incorporation	Date of incorporation	Equity holding	
			30 June 2021	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, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of MinRex Resources Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its performance, for the year ended on that date; and
 - (ii) complying with Accounting Standard (including the Australian Accounting Interpretation) and the Corporations Regulations 2001;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b); and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections of 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

On behalf of the Board



James Bahen
Non-Executive Director

Perth
21 September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MINREX RESOURCES LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Minrex Resources Limited (the Company and its subsidiaries(the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion the accompanying financial report of Minrex Resources Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context

Capitalised Exploration and Evaluation Asset

Why significant

As at 30 June 2021 the carrying value of exploration and evaluation assets was \$9,437,857 (2020: \$5,656,000) and the total impairment recognised during the year was \$341,355 (2020: \$223,005), as disclosed in Note 9.

The Group's accounting policy in respect of exploration and evaluation asset is outlined in Note 2(j) with the nature of critical estimates and judgements relating to this balance outlined in Note 3. Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the Group's accounting policy. In particular:
 - whether areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- to assess indicators of impairment and analyse the correctness of the impairment charge made during the year we performed the following:
 - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
 - holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
- obtaining and assessing evidence of the Group's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the Group's accounting policy; and assessing the appropriateness of the related disclosures in Note 9.

Going Concern

Why significant

For the year ended 30 June 2021, the Group had incurred a net loss of \$1,055,832, net cash outflows from operating activities of \$664,793.

The directors have prepared the financial report on the going concern basis. The directors' assessment of the Group's ability to continue as a going concern is based on the working capital position at the date of this report and cash flow forecast.

- We determined this assessment of going concern to be a key audit matter due to the significant judgments involved in preparing the cashflow budget, and the potential material impact of the results of management's assessment.

How our audit addressed the key audit matter

Our audit procedures included, among others:

- Assessing the management's reasons as to why they believe it is appropriate to prepare the financial report on a going concern basis;
- Reviewing the current working capital position of the Group;
- Assessing the appropriateness and mathematical accuracy of the cash flow forecasts and budgets prepared by management;
- Performing sensitivity testing on these assumptions; and
- Assessing the adequacy of the going concern disclosures in the financial report.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

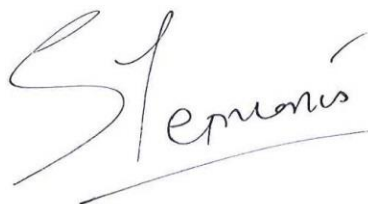
In our opinion, the Remuneration Report of Minrex Resources Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF PERTH



SIMON FERMANIS
PARTNER

21 SEPTEMBER 2021
WEST PERTH,
WESTERN AUSTRALIA

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 8 September 2021.

(a) Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	27	5,878
1,001 - 5,000	41	130,581
5,001 - 10,000	79	704,787
10,001 - 100,000	330	14,961,763
100,001 and over	394	542,334,046
Total	871	558,137,055

The number of shareholders holding less than a marketable parcel is 289.

Top Twenty Shareholders

	Holder name	Securities	%
1	St Barnabas Investments Pty Ltd <The Melvista Family A/C>	64,500,000	11.56
2	Australia United Mining Limited	50,000,000	8.96
3	Wattle Resources Pty Ltd	30,000,000	5.38
4	Mr Glen Goulds	17,500,000	3.14
5	High Fidelity Capital Pty Ltd <Championship Vinyl A/C>	13,500,000	2.42
6	Rimoyne Pty Ltd	10,630,208	1.90
7	DRH Superannuation Pty Ltd <DRH Superannuation No 2 A/C>	10,000,000	1.79
8	Mr Mark John Bahen & Mrs Margaret Patricia Bahen <Superannuation Account>	9,500,000	1.70
8	Payzone Pty Ltd <St Barnabas Super A/C>	9,500,000	1.70
9	Kyriazis Holdings Pty Ltd <Kyriazis Family A/C>	9,000,000	1.61
10	Seamist Enterprises Pty Ltd	8,333,333	1.49
11	Hammerhead Holdings Pty Ltd <HHH S/F A/C>	7,000,000	1.25
12	Nautical Holdings WA Pty Ltd <Abandon Ship S/F A/C>	6,250,000	1.12
12	Lagral Strategies Pty Ltd <The Lagral Family A/C>	6,250,000	1.12
13	Jake Group Pty Ltd <The Ciantar Family A/C>	5,601,860	1.00
14	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	5,281,831	0.95
15	Argent Minerals Limited	5,000,000	0.90
15	The Trust Company (Australia) Limited <MOF A/C>	5,000,000	0.90
16	Mr Andrew Carlton Casey	4,750,000	0.85
17	Jazc Developments Pty Ltd <Pappas Family A/C>	4,375,315	0.78
18	Mr James Timothy Bahen <Grajagan A/C>	4,166,667	0.75
19	123 Home Loans Pty Ltd	4,000,000	0.72
20	Brown Bricks Pty Ltd <HM A/C>	3,750,000	0.67
	Total	293,889,214	52.66

(b) Schedule of Interests in Mining Tenement

Region	Project	Tenement	Area approx.	Grant Date	Expiry Date	MinRex Interest
East Pilbara	Daltons	E45/4681	9 km ²	13-07-17	12-07-22	70%
East Pilbara	Bamboo Creek	E45/4560	69 km ²	27-10-17	26-10-22	70%
East Pilbara	Bamboo Creek	E45/4853	6 km ²	11-10-17	10-10-22	70%
East Pilbara	Marble Bar South	P45/3039	8.26 ha	02-07-18	01-07-22	70%
East Pilbara	Marble Bar North	P45/3040	3.03 ha	02-07-18	01-07-22	70%
Murchison	Deflector Extended	E59/1657 ¹	15 km ²	12-07-11	11-07-21	100%
East Lachlan Fold	Mt Pleasant	EL9266 ²	58 units	25-08-2021	19-08-2024	100%
East Lachlan Fold	Sofala	EL7423 ³	14 units	30-11-09	30-11-21	Farm-In
East Lachlan Fold	Sofala	EL7974 ⁴	4 units	11-10-12	11-10-23	Farm-In
East Lachlan Fold	First Find	EL8976	7 units	14-04-20	14-04-23	100%
East Lachlan Fold	Sunny Corner North	EL5964 ⁵	19 units	12-07-02	12-07-21	Farm-In
East Lachlan Fold	Sunny Corner North	EL9133	54 units	13-04-21	13-04-24	100%
East Lachlan Fold	Sunny Corner South	EL9504	12 units	17-02-21	17-02-24	100%

¹Renewal for E59/1657 lodged on 7 July 2021 and is pending.

²Application ELA5954 was granted on 25 August 2021. Upon granting of the tenement ELA5954 changed to EL9266.

³Subject to Farm-In and Joint Venture with Fortius Mines Pty Ltd to earn up to an 80% interest in EL7423.

⁴Subject to Farm-In and Joint Venture with Wattle Resources Pty Ltd to earn up to an 80% interest in EL7974.

⁵Renewal for EL5964 lodged on 9 July 2021 and is pending.

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

	Holder name	Securities	%
1	St Barnabas Investments Pty Ltd <The Melvista Family A/C>	64,500,000	11.56
2	Australia United Mining Limited	50,000,000	8.96
3	Wattle Resources Pty Ltd	30,000,000	5.38

(d) Class of Shares and Voting Rights

There is only one class of share. All ordinary shares carry one vote per share.

(e) Unquoted option and performance rights securities

The Company has the following classes of unquoted options and performance rights on issue.

MinRex Resources Limited
Additional Information

Number	Issue date	Expiry Date	Exercise price
33,333,333	1 April 2020	30 September 2022	\$0.040
2,023,170	1 May 2020	31 October 2022	\$0.040
6,666,667	9 October 2020	8 April 2023	\$0.040
72,500,000	15 December 2020	8 April 2023	\$0.040
22,000,000	26 February 2021	8 April 2023	\$0.045
500,000	13 May 2021	8 April 2023	\$0.040
500,000	13 May 2021	9 April 2023	\$0.045
15,000,000	16 September 2020	16 September 2025	\$0.00
2,000,000	13 May 2021	13 May 2024	\$0.00

(f) Restricted Securities

Nil

(g) On-Market Buy Back

There is no current on-market buy back of ordinary shares.