



MINREX
RESOURCES

**MinRex Resources Limited
and its Controlled Entities**

ABN 81 151 185 867

**INTERIM FINANCIAL REPORT FOR THE
HALF-YEAR ENDED 31 DECEMBER 2021**

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CORPORATE DIRECTORY

DIRECTORS

Mr James Bahen (Non-Executive Director)

Mr James Pearse (Non-Executive Director)

Mr George Karageorge (Non-Executive Director)

COMPANY SECRETARY

Miss Aida Tabakovic

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Perth WA 6000

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AUDITORS

PKF Perth

Level 4, 35 Havelock Street

WEST PERTH WA 6005

LEGAL ADVISORS

GTP Legal Pty Ltd

68 Aberdeen Street

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SECURITIES EXCHANGE

Australian Securities Exchange Limited

ASX Code: MRR

DIRECTORS' REPORT

The Directors submit their report for MinRex Resources Limited and its wholly owned subsidiaries ("MinRex" or "the Company" or "the Consolidated Entity") for the half-year ended 31 December 2021.

DIRECTORS

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

Mr James Bahen (*Non-Executive Director*)

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

Mr Glenn Whiddon (*Non-Executive Director*) – resigned 14 February 2022

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

Mr James Pearse (*Non-Executive Director*)

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*)

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

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

COMPANY SECRETARY

Miss Aida Tabakovic

PRINCIPAL ACTIVITY

The Company is an active resources exploration company with projects in the Lachlan Fold Belt of NSW, a world-class gold-copper province, and in the Marble Bar and Murchison Regions of WA. The Company's tenements package covers 619km² of highly prospective ground targeting multi-commodities type deposits, which host JORC 2012 Resources totalling 352,213 oz gold.

The Company has recently embarked on a tenement acquisition strategy to become an emergent lithium explorer with high-quality assets within a 70km radius of world-class Lithium and Tantalum producers Pilbara Minerals (ASX: PLS) Pilgangoora and Mineral Resources (ASX: MRL) Wodgina.

REVIEW AND RESULTS OF OPERATIONS

Corporate Structure

MinRex Resources Limited was incorporated in May 2011 and listed on the ASX on 7 November 2011. MinRex Resources Limited and its controlled entities (“MinRex” or “the Company” or “the Group”), namely East Pilbara Conglomerates Pty Ltd and SR (Sale Entity) Pty Ltd, which the Company acquired on 26 February 2018, Sofala Minerals Pty Ltd and MR Resources Pty Ltd, which the Company acquired on 3 December 2020 and Moghul Mining Pty Ltd, which the Company acquired on 20 October 2021¹, are incorporated and domiciled in Australia.

The Company’s primary focus was the lithium-tin-tantalum-rare earth project acquisitions in the East Pilbara of Western Australia and the completion of the RC drilling campaign over the Queenslander Gold Project within the Sofala Gold Project in New South Wales.

Operating Results

The Company’s net loss attributable to the members of MinRex Resources Limited for the six months ended 31 December 2021 was \$1,414,613 (for the six months ended 31 December 2020: loss of \$330,047). As at 31 December 2021, the Company had \$4,269,915 in cash and cash equivalents (31 December 2020: \$3,087,957). At the end of the period, the Company had the following securities on issue:

- 677,960,666 fully paid ordinary shares;
- 33,333,333 unlisted options exercisable at \$0.04 on or before 30 September 2022;
- 2,023,170 unlisted options exercisable at \$0.04 on or before 31 October 2022;
- 79,416,667 unlisted options exercisable at \$0.04 on or before 8 April 2023;
- 22,500,000 unlisted options exercisable at \$0.045 on or before 9 April 2023;
- 20,000,000 unlisted performance rights, expiring on 16 September 2025; and
- 2,000,000 unlisted performance rights, expiring 13 May 2025.

Operations Review

Western Australia

During the period, a project package comprising 8 exploration licences, 5 exploration licence applications and mineral rights to battery metals over an additional 3 exploration licences and 2 exploration licence applications, with a total project area of 890km², was secured by the MinRex. The projects vary in prospectivity based on known historical mining of tin and tantalum, recent high grade lithium rock chip samples, surface geochemistry and potassic linear features (potassic has the potential to delineating shallow pegmatites which might be hosting lithium-tin-tantalum-rare earth mineralisation).

¹ Acquisition ratified by shareholders at Company’s Annual General Meeting held on 26 November 2021.

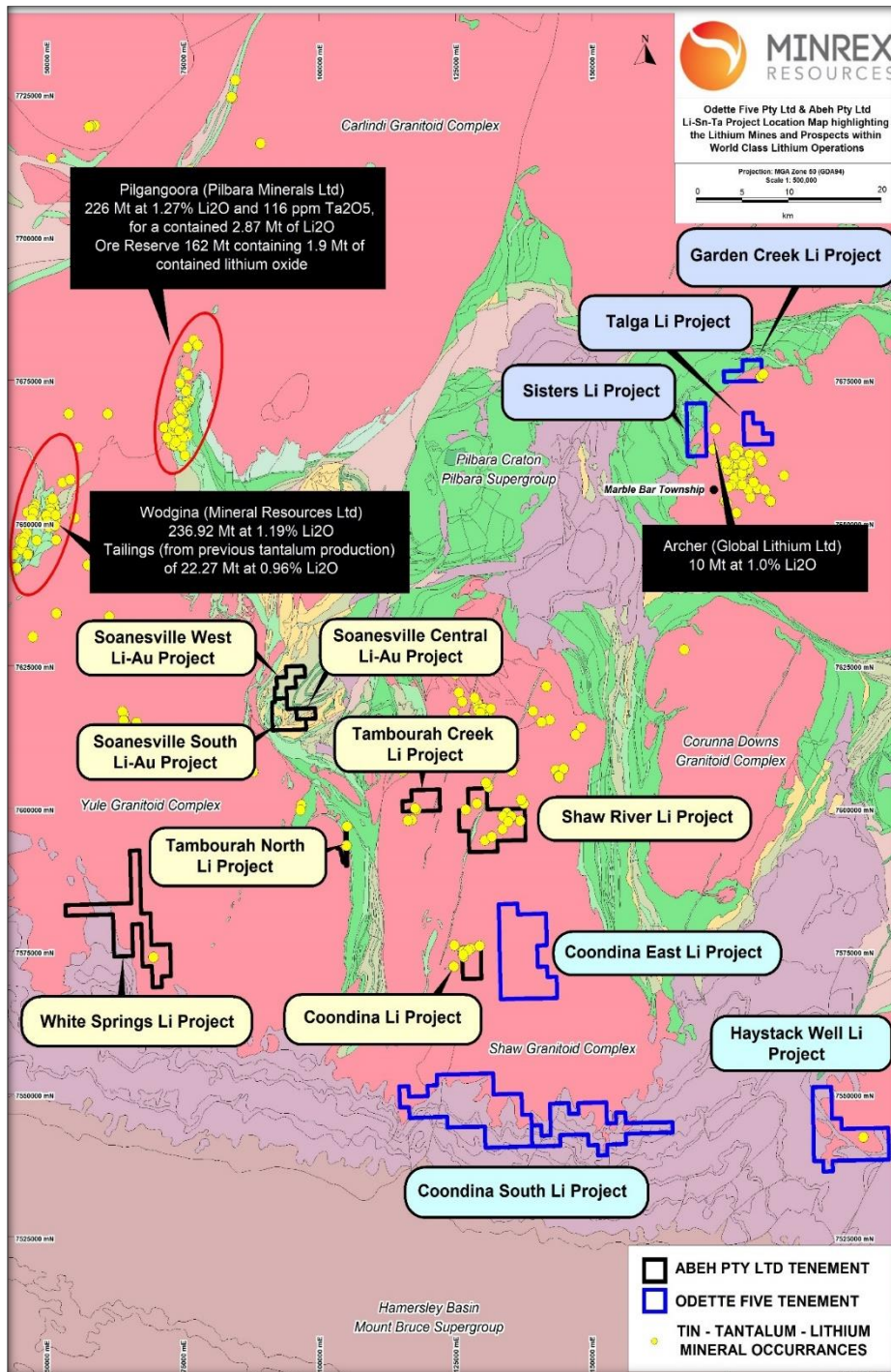


Figure 1 - Map of East Pilbara Lithium-Tin-Tantalum-Rare Earth Projects secured by MinRex

Sisters, Garden Creek & Moolyella North Lithium Projects

Projects are all located in close proximity to Global Lithium Lt'd Archer Deposit (10.5Mt @ 1.0% Li₂O). Sisters (E45/5871) hosts the same greenstone belt as the Archer Deposit, where visible tin/tantalum have been delineated within the creek systems spanning over 4.8km. Moolyella North (Tagla) (E45/5873) hosts the Moolyella Monzogranite which historically has yielded over 8,000t of alluvial tin concentrate due south of E45/5873. Garden Creek (E45/4569) is in the same lithium mineralised greenstone belt hosting the Archer Deposit and Hosts the Garden Creek tin-tantalum alluvial prospect hosted within extensive pegmatites with no drilling present or modern-day exploration.

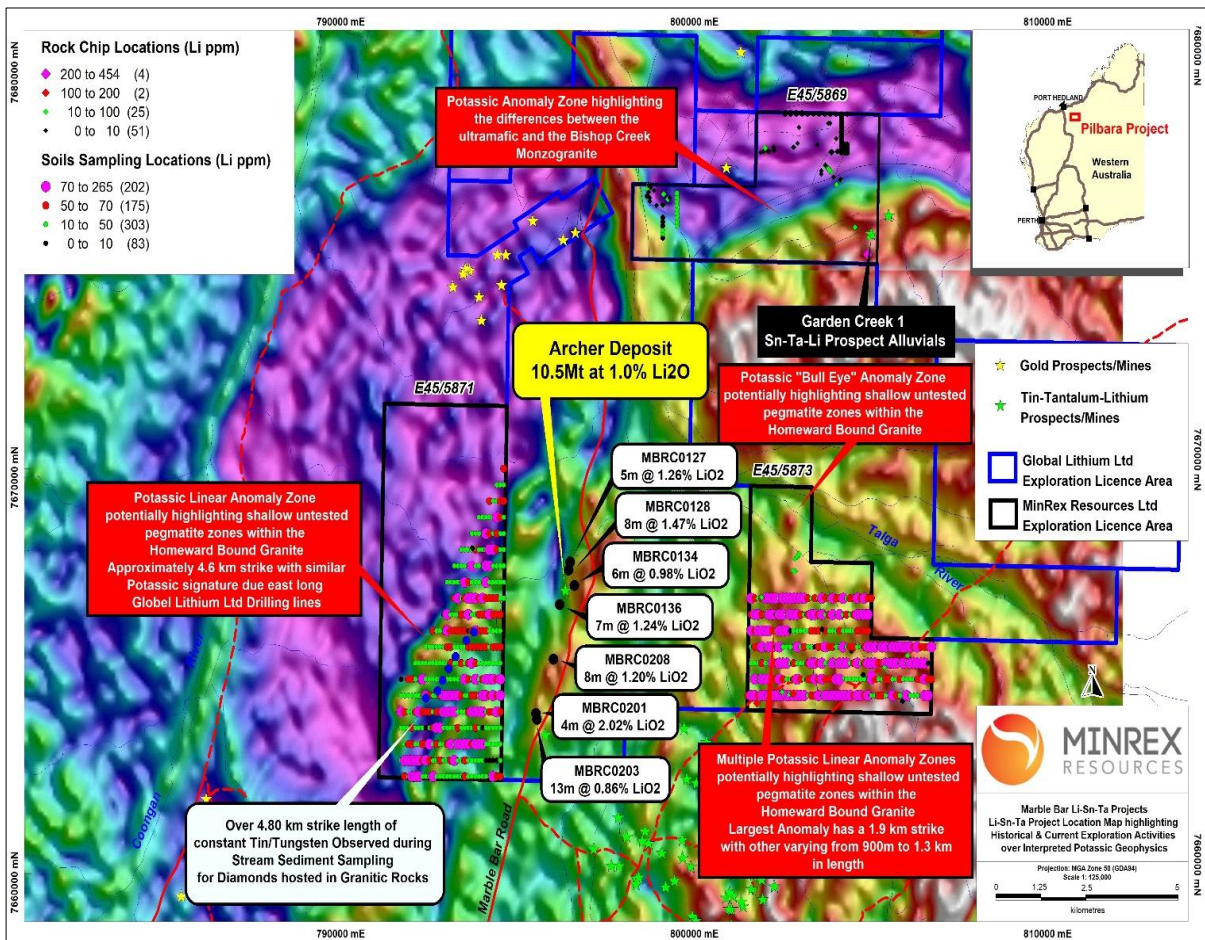


Figure 2 – Regional Geophysical Potassic Image highlighting similar responses over the Archer Lithium mineralised trend and potential untested zones within E45/5869, E45/5871 and E45/5873

Tambourah (Creek & North) Lithium Projects

Tambourah North (E45/4953) hosts known lithium mineralisation in pegmatites with significant assays from 0.22% to up 2.02% lithium oxide, 1.75% rubidium and 1,276 ppm caesium. In 2013 Altura Mining Limited identified outcropping lithium mineralisation hosted within pegmatites. Initial investigation of the licence for rare metal mineralisation suggests that lithium is present as lepidolite in pegmatites located along the granite-greenstone margin. Tambourah Creek (E45/4275) has pegmatite hosting spodumene and lepidolite hosted within the Shaw Granitoid Complex with significant assay results returning values of up to 0.74% lithium oxide. Tin bearing pegmatites are known to occur over the Tambourah Creek Alluvial Prospects 1 and 2.

Shaw River Lithium Project

At Shaw River (E45/4601) heavy stream sediment sampling has outlined very high-grade Sn-Ta mineralised zones (up to 42.2% tin and 3.41% tantalum) within extensive pegmatite occurrences. Greenbushes have delineated unmined mineralised zones for drill testing. The pegmatites on the project are quartz-K-feldspar rich, with albite, muscovite/biotite, and accessory spessartine, cassiterite, zinnwaldite, lepidolite, fluorite, tantalite, green muscovite and magnetite. The source for widespread alluvial and eluvial cassiterite-tantalite concentrations. Pegmatites are the sole primary source of the tin and tantalum mineralisation. No lithium exploration was conducted. Further work is required over the pegmatite stockworks and rich migmatites to determine the likelihood economic resources of lithium, tantalum, tin, and the yttrium group minerals.

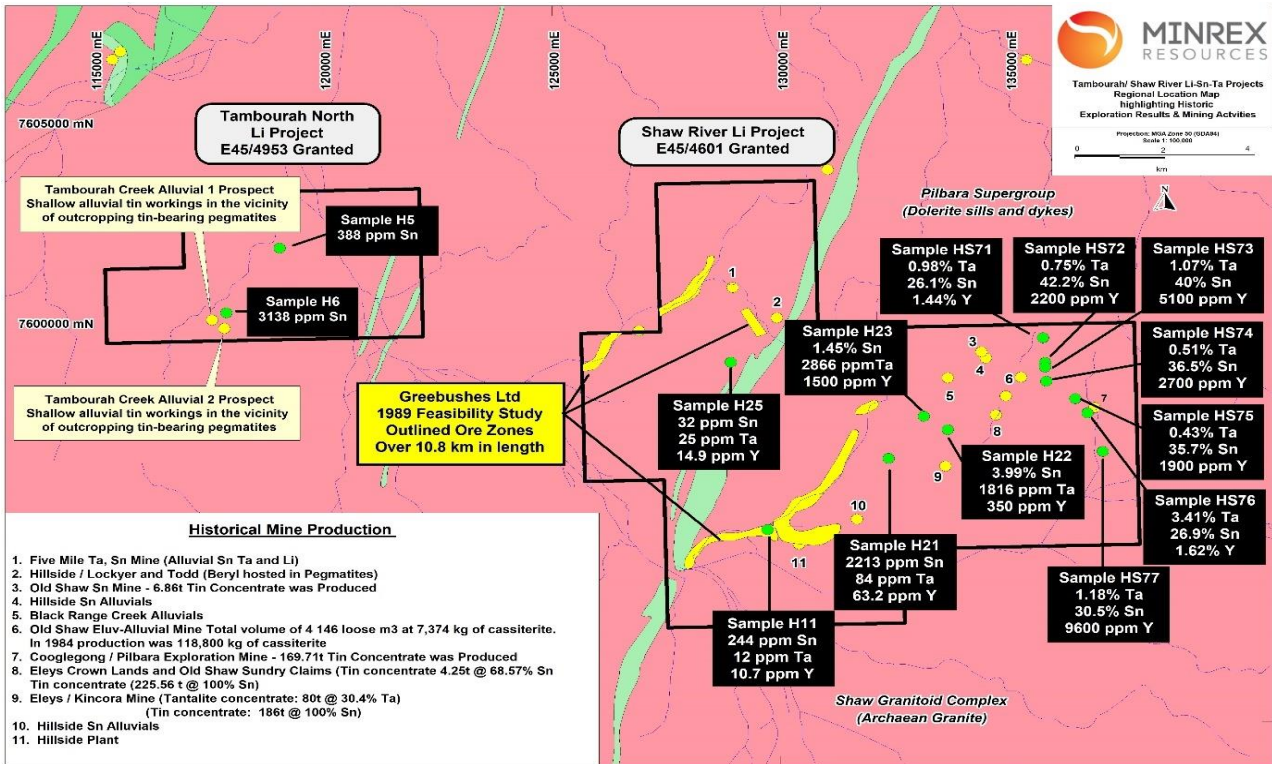


Figure 3 - Tambourah Creek/Shaw River Historical Exploration Results with Mining Production Statistics over E45/4601

Coondinia (South, East & West) Lithium Projects

Coondinia comprises Coondinia (E45/4266), Coondinia South (E45/1381 & E45/5850) and Coondinia East (E45/5851). Coondinia Project has a several historic non-JORC Tin/Tantalum mineral resource in an area delineated by Greenbushes as being tin rich with considerable scope for increasing the historic mineral reserve with further auger drilling. Coondinia hosts late-stage pegmatites swarms which principally host the tin/tantalum mineralisation. No sampling for lithium has been conducted.

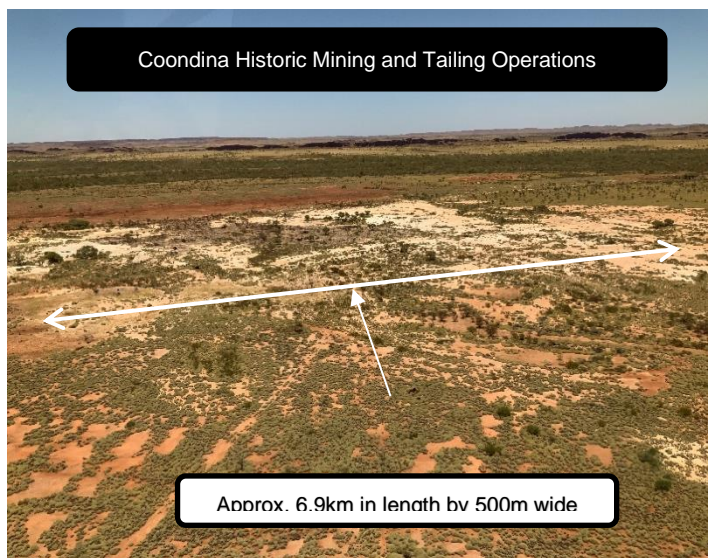


Figure 4 (Left) - Non-Executive Director George Karageorge standing in front of Fortescue R66 Helicopter at the Coondinia Project
 Figure 5 (Right) - Aerial Photo over Coondinia Historic Tin/Tantalum Field

Haystack Well Project E46/1380

Haystack Well (E46/1380) hosts historic tantalum alluvial workings, interpreted to be a strong indicator of localised LCT pegmatites. Soil sampling indicates two lithium in soil anomalies >200ppm Li (with assays up to 589ppm Li in soil) situated in the pegmatitic aureole surrounding the granite (equating to ~2.9km of contact strike-length). Trace elements analysis indicates that the granite is zoned anomalous in tin-beryllium-niobium grading to lithium and caesium in the surrounding zone - a typical zonation pattern for lithium pegmatites.

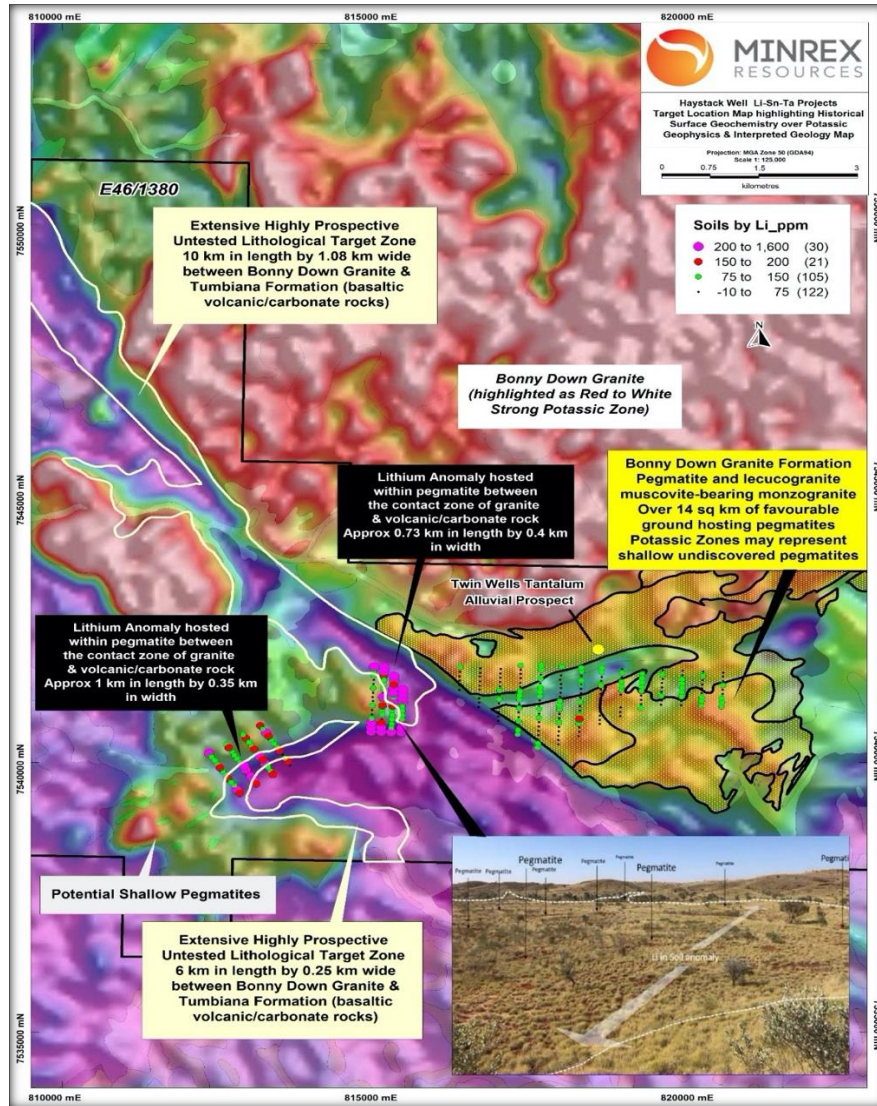


Figure 6 – Haystack Well highlighting Historical Results and Untested Targets

Soansville (West, Central & South) Lithium-Gold Projects

Soansville West (E45/5071), Soansville Central (E45/3926) and Soansville South (E45/4455) share similar geological and structural features to Pilbara Minerals Ltd’s Wodgina and Pilgangoora Lithium-Tantalum Deposits. Regional geological structure within E45/3926 is similar to Pilgangoora which hosts the Pilbara Minerals Limited (ASX: PLS) Mining Operations (226Mt@1.27% Li₂O, 116ppm Ta₂O₅). Limited exploration work included sampling around the Magnifique Gold Mine with high grade gold assays returning from the old tailings site and one rock chip sample near the Magnifique shaft (assays of 3.9g/t to 16g/t Au and 4g/t Ag to 10g/t Ag; and 0.14% to 0.53% Pb).

New South Wales

MinRex completed its first pass RC drilling campaign over the Queenslander Gold Prospect, within the Company's Sofala Project. 7 RC holes for 686m were completed designed to test the historical high-grade targets within a broad gold mineralisation structural corridor defined by coincident historical gold workings. The thick high-grade gold lodes show significant strike and down dip with strong gold mineralisation delineated at depth. Within the gold lodes, there are strong magnetic susceptibility recordings which are associated with pyrite alteration. This can be used as a targeting tool to delineate undiscovered gold mineralisation through magnetic surveys

Hole Id	From (m)	To (m)	Interval (m)	Gold Grade (g/t)
MQRC 1	32	33	1	1.83
MQRC 2	27	28	1	0.50
	69	79	10	4.74
including	72	79	7	6.59
including	73	76	3	11.86
MQRC 3	65	69	4	1.23
	68	73	5	1.39
	89	91	2	3.08
MQRC 5	53	55	2	0.66
	76	77	1	1.41
MQRC 6	64	68	4	3.51
MQRC 7	53	59	6	2.21
	57	59	2	6.66
	64	87	23	5.08
including	71	74	3	9.11
including	76	87	11	5.61
including	83	87	4	9.28

Table 1 - Significant Gold Intersection from 2021 RC Drilling Program (cut-off grade >0.5g/t Au)

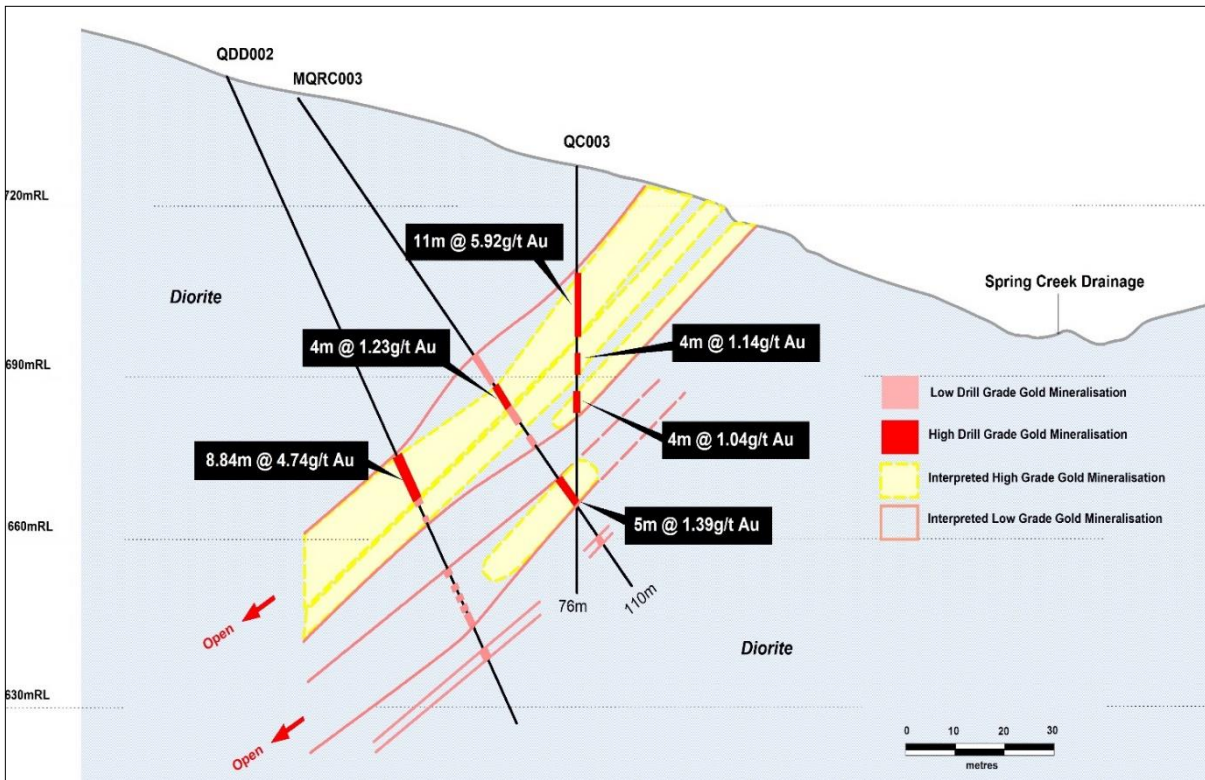


Figure 7 – Cross Section (eastern section) highlighting west dipping low/high grade gold zones from recent drilling at Queenslander

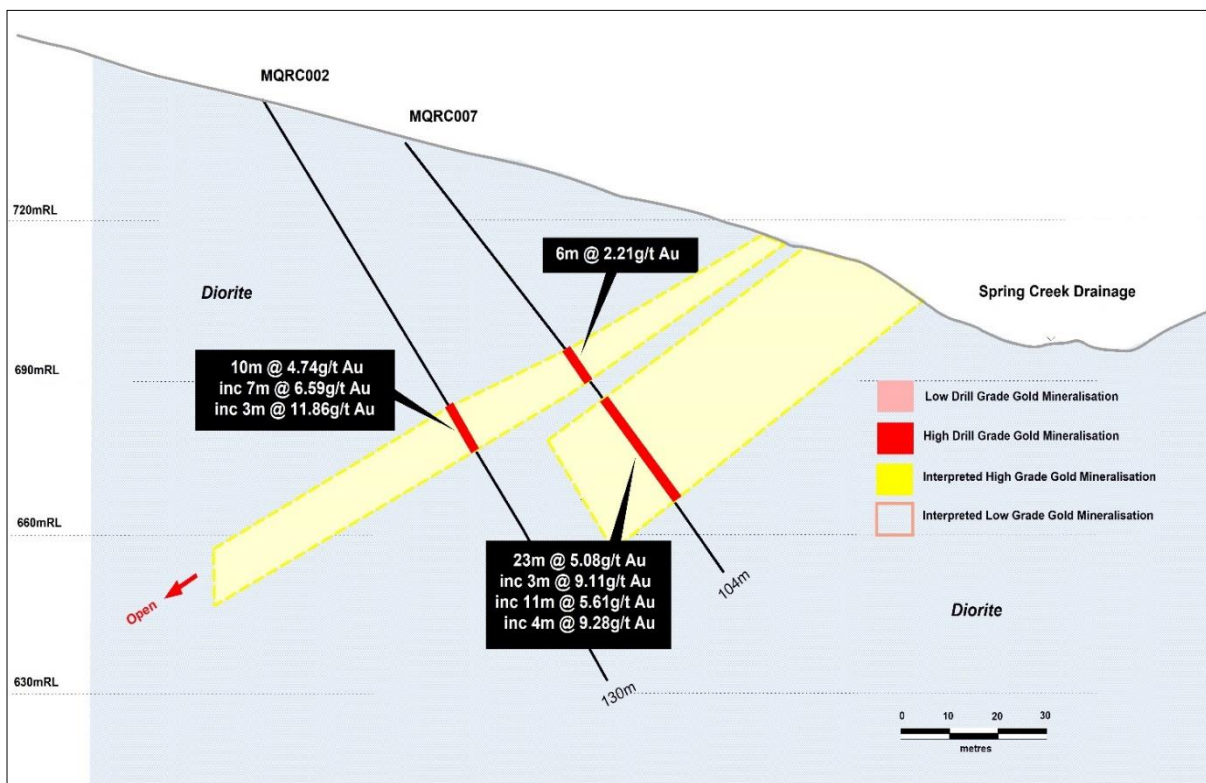


Figure 8 – Cross Section (western section) highlighting thick high grade gold mineralised lodes from recent drilling at Queenslander

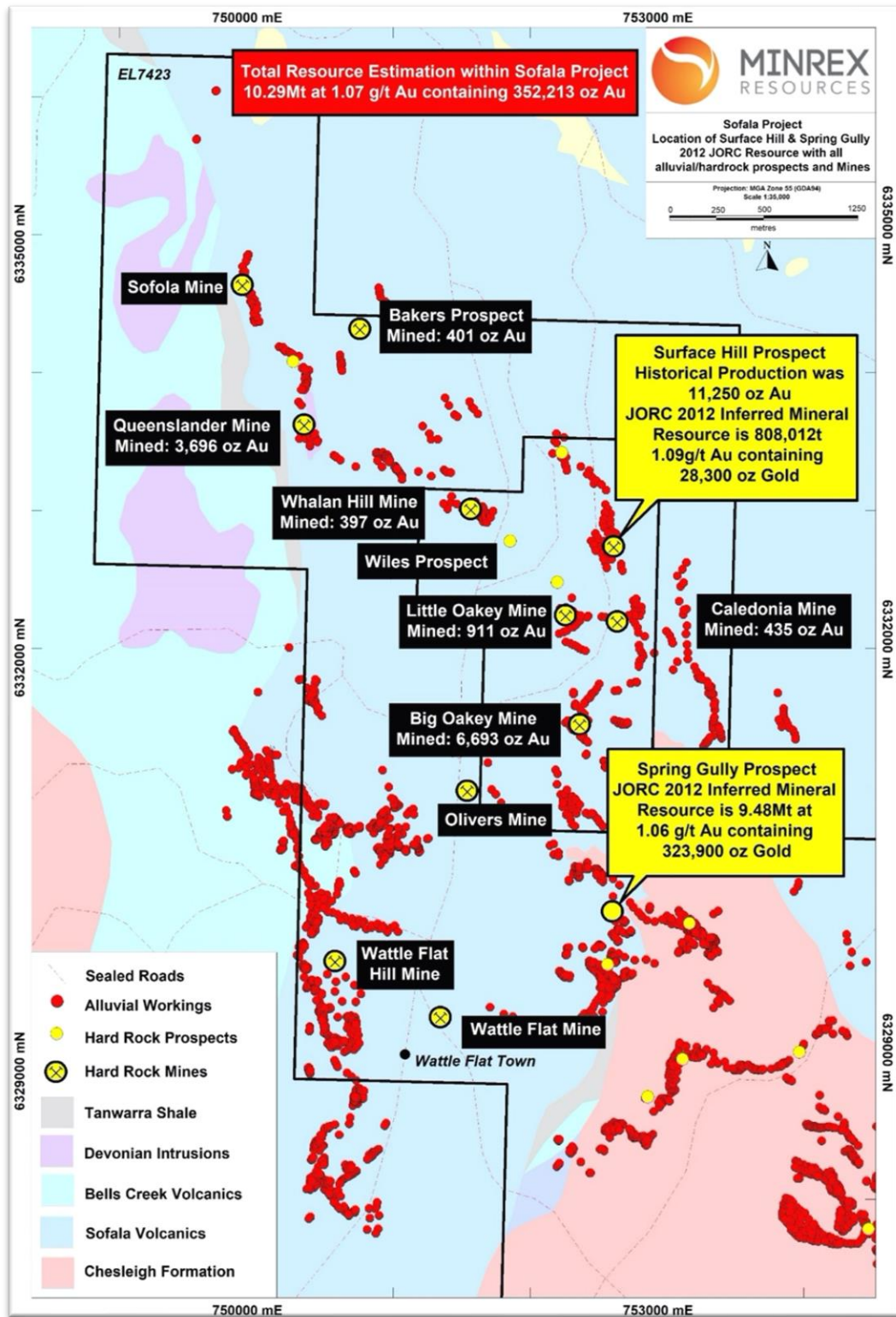


Figure 11 – Queenslander Miner Location Map with Sofala Gold Project Area

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 Results, Mineral Resources and Ore Reserves. 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.

This Operations Review 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 Operations Review can be found in the following announcements lodged on the ASX:

Sunny Corner Farm-In Commences	17 Sept 2021
MinRex Expands Lithium Portfolio in Highly Prospective Pilbara	17 Nov 2021
Acquisition of Further Highly Prospective Lithium Projects	24 Nov 2021
Lithium and Gold Exploration Projects Update	14 Jan 2022
High-Grade Gold Drilling Results Intersected at Queenslander	24 Jan 2022

Corporate Activities

Sunny Corner Option

MinRex exercised its option with Argent Minerals Ltd (ASX: ARD) to acquire farm-in rights to earn up to a 90% interest in the exploration area of EL 5964 (part of the Sunny Corner Project).

Placement

MinRex successfully completed an oversubscribed placement to raise \$3 million before cost. Funds raised have or will be applied to exploration on the new East Pilbara projects to be acquired by MinRex, subject to Shareholder approval, continuation of exploration on the Company’s existing WA and NSW gold-silver-base metal projects and for general working capital requirements.

MinRex completed the issue of 91,562,500 shares at \$0.032 under the placement pursuant to its Listing Rule 7.1 and 7.1A capacity on 22 December 2021. An additional 2,187,500 shares (at \$0.032) were issued under the placement to related parties and was subject to shareholder approval which was approved subsequent to the end of the period.

East Pilbara Project Acquisitions

During the period, MinRex signed various acquisition agreements in relation to the acquisition of the new East Pilbara Lithium-Tin-Tantalum-Rare Earth Projects set out above. The key terms of the acquisitions are set out below.

Odette

- MinRex will acquire 100% of the issued capital of Odette Five Pty Ltd (Odette Five) from shareholders of Odette Five.
- The consideration payable to the Odette Five vendors comprises 86,437,470 shares and the assumption of existing loans of Odette Five up to \$150,000, re-payable at completion of the acquisition.
- The acquisition is conditional on shareholder approval, which is being sought at a general meeting to be held on 16 February 2022 (Meeting). If this condition is not satisfied the acquisition agreement may be terminated by either MinRex or the Odette Five vendors.
- Odette Five also secured the rights to acquire certain mineral rights in exploration licence applications E45/5871, E45/5873 and E45/5869 from True Fella Pty Ltd (being the holder of such applications). The mineral rights extend all battery metals, tin and rare earth metals (including lithium (Li), Caesium (Cs), Rubidium (Rb), Tantalum (Ta), Niobium (Nb), beryllium (Be) and lanthanide series elements 57 to 71). Odette Five agreed to procure, subject to Shareholders approving the Odette Acquisition, that the Company will assume the obligations to pay the following consideration to True Fella for the acquisition of such mineral rights: \$50,000 in cash, 10,000,000 shares and a 1% gross overriding royalty payable on any minerals extracted from E45/5871, E45/5873 and E45/5869.

Abeh

- MinRex will acquire 100% of exploration licences E45/4953, E45/4275, E45/4601 and E45/4266 and mineral rights in exploration licences E45/5071, E45/4455 and E45/3926 from the Abeh Pty Ltd)and Maxwell Peter Strindberg (Abeh Vendors). The mineral rights extend all battery metals, tin and rare earth metals (including lithium (Li), Caesium (Cs), Rubidium (Rb), Tantalum (Ta), Niobium (Nb), beryllium (Be) and lanthanide series elements 57 to 71).
- The Consideration payable to the Abeh Vendors comprises a non-refundable deposit of \$5,000, 40,000,000 shares and the grant of a 1% NSR royalty payable on any minerals extracted from the acquired licences (E45/4953, E45/4275, E45/4601 and E45/4266) and pursuant to the Company's mineral rights on E45/5071, E45/4455 and E45/3926.
- The acquisition is conditional on shareholder approval, which is being sought at the Meeting. If this condition is not satisfied the acquisition agreement may be terminated by either MinRex or the Abeh Vendors.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- On 14 January 2022, the Company issued a total of 14,040,141 shares following the exercise of 5,306,250 Unlisted Options exercisable at \$0.04 on or before 8 April 2023, 8,500,000 Unlisted Options exercisable at \$0.04 on or before 30 September 2022 and 233,891 Unlisted Options exercisable at \$0.04 on or before 31 October 2022, raising a total of \$561,605 in cash.
- On 1 February 2022, the Company issued a total of 8,393,750 shares following the exercise of 3,381,250 Unlisted Options exercisable at \$0.04 on or before 8 April 2023, 5,000,000 Unlisted Options exercisable at \$0.04 on or before 30 September 2022 and 12,500 Unlisted Options exercisable at \$0.04 on or before 31 October 2022, raising a total of \$335,750.
- On 14 February 2022, Mr Glenn Whiddon resigned as the Non-Executive Director.
- On 18 February 2022 the Company announced, that with effect from 16 March 2022, Mr George Karageorge will be appointed as the Managing Director and Chief Executive Officer ('CEO'), and Mr Pedro Kastellorizos will step down as current CEO and will be appointed as Non-Executive Director of the Company.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company issued 86,437,470 shares (at a deemed issue price of \$0.018) in consideration for the acquisition of 100% of the issued capital of Odette Five Pty Ltd, who holds four exploration licences and five exploration licence applications in the Pilbara region of WA considered highly prospective for Lithium-Tin-Tantalum². Further consideration, being the assumption of existing loans of Odette Five of \$150,000, was paid in cash by MinRex on 22 February 2022.
- On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued 40,000,000 shares (at a deemed issue price of \$0.018) to Abeh vendors in consideration for the acquisition of four exploration licences and mineral rights to battery metals over three additional exploration licences in the Pilbara region of WA considered highly prospective for Lithium-Tin-Tantalum³. Further consideration, being a non-refundable deposit of \$5,000, was paid in cash by MinRex on 30 November 2021 and a 1% NSR royalty payable to Abeh vendors on any minerals extracted from the Abeh tenement licences and pursuant to MinRex's mineral rights.
- As announced by the Company on 14 January 2022, subsequent to the Odette Five Acquisition Agreement being executed, Odette Five Pty Ltd secured mineral rights to the battery metals over two additional exploration licence applications in the Pilbara held by True Fella Pty Ltd (**Pilbara Mineral Rights**), which the Company acquired via the Odette Acquisition. On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued 6,666,666 shares (at a deemed issue price of \$0.018) pursuant to the acquisition of Pilbara Mineral Rights. An addendum to the original term sheet between Odette Five Pty Ltd and True Fella Pty Ltd was subsequently executed for the

² Refer to ASX announcement dated 17 November 2021.

³ Refer to ASX announcement dated 24 November 2021.

acquisition of additional mineral rights to battery metals over the exploration licence application known as the Garden Greek Lithium Project (E45/5869)⁴. MinRex was not a party to this addendum, but has since acquired Odette Five Pty Ltd and has settled this acquisition via issuance of 3,333,334 consideration shares (at a deemed issue price of \$0.018) under Company's Listing Rules 7.1 capacity. Further consideration to be paid by MinRex is a 1% gross overriding royalty payable on any minerals extracted from E45/5869 tenement.

- On 21 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 2,671,876 shares settling a total of \$85,500 in lieu of consulting fees for work outside the scope of usual non-executive director duties undertaken by Messrs Karageorge and Pearce, including evaluation of new opportunities, field work and business development activities.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 2,187,500 shares raising \$70,000 in cash, to related parties who participated in Company's Placement initially undertaken in December 2021.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company converted a total of 21,000,000 Incentive Performance Rights, held by Directors and CEO, into fully paid ordinary shares as a result of set milestones being achieved, being the VWAP of the Company's shares over 20 consecutive trading days (on which the shares have actually traded) reaching \$0.04 and \$0.045 at any time prior to the expiry date. The set milestones were achieved in January 2022.
- On 21 February 2021, the Company issued a total of 14,018,757 shares following the exercise of 11,843,750 Unlisted Options exercisable at \$0.04 on or before 8 April 2023, 175,007 Unlisted Options exercisable at \$0.04 on or before 31 October 2022 and 2,000,000 Unlisted Options exercisable at \$0.045 on or before 9 April 2023, raising a total of \$570,750.
- On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 5,857,500 shares (at a deemed issue price of \$0.018) as fees for introducing Abeh and Odette Acquisitions to the Company.
- On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 13,000,000 Incentive Performance Rights to Directors and Chief Executive Officer.⁵
- The impact of COVID-19 pandemic is ongoing and while it has not significantly impacted the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after Australian Federal and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

⁴ Refer to ASX announcement dated 21 February 2022.

⁵ Refer to Notice of General Meeting released to the market on 18 January 2022.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors, PKF Perth, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is disclosed on page 15 of this report and forms part of this Directors' Report for the half-year ended 31 December 2021.

PKF Perth provided non-audit services to the Company during the half year period to 31 December 2021, with a fee \$5,050 for the provision of tax compliance services. The Directors are satisfied that the provision of non-audit services is compatible with 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.

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



James Bahen
Non-Executive Director
Perth, 15th March 2021

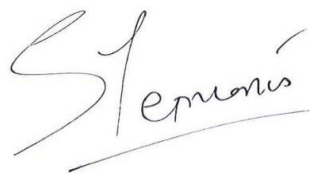
AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF MINREX RESOURCES LIMITED

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

15 MARCH 2022
WEST PERTH,
WESTERN AUSTRALIA

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2021

		31-Dec 2021 \$	31-Dec 2020 \$
	Note		
Revenue from ordinary activities			
Interest income		-	67
Other income		21,630	17,500
		<u>21,630</u>	<u>17,567</u>
Expenditure			
Depreciation and amortisation		(39,493)	(14,983)
Corporate expenses		(387,993)	(138,027)
Exploration, evaluation & development expenditure		(446,288)	(89,509)
Marketing and promotional expenses		(23,767)	(4,511)
Management and administration expenses		(56,570)	(77,754)
Share based payment expense	7, 8	(480,857)	(22,830)
Finance costs		(1,275)	-
Total expenditure		<u>(1,436,243)</u>	<u>(347,614)</u>
(Loss) from ordinary activities before income tax expense		(1,414,613)	(330,047)
Income tax expense		-	-
		<u>(1,414,613)</u>	<u>(330,047)</u>
Net (loss) attributable to the members of MinRex Resources Limited		(1,414,613)	(330,047)
Other comprehensive income			
Income tax relating to items of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive (loss) for the half-year		<u>(1,414,613)</u>	<u>(330,047)</u>
(Loss) per share:			
Basic loss per share attributable to the ordinary equity holders of the company (cents)	9	(0.24)	(0.13)
Diluted loss per share attributable to the ordinary equity holders of the company (cents)	9	(0.24)	(0.13)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2021

		31-Dec 2021 \$	30-Jun 2021 \$
	Notes		
Current Assets			
Cash and cash equivalents		4,269,915	2,450,024
Other receivables		101,853	51,540
Prepayments		50,762	18,208
Total Current Assets		<u>4,422,530</u>	<u>2,519,772</u>
Non-Current Assets			
Exploration, evaluation and development expenditure	4	10,072,857	9,437,857
Right-of-use asset	5	43,934	72,943
Property, plant and equipment		39,038	49,522
Total Non-Current Assets		<u>10,155,829</u>	<u>9,560,322</u>
Total Assets		<u>14,578,359</u>	<u>12,080,094</u>
Current Liabilities			
Trade and other payables		431,248	349,926
Lease liability	5	46,282	57,491
Total Current Liabilities		<u>477,530</u>	<u>407,417</u>
Non-current liabilities			
Lease liability	5	22,193	45,202
Total non-current Liabilities		<u>22,193</u>	<u>45,202</u>
Total Liabilities		<u>499,723</u>	<u>452,619</u>
Net Assets		<u>14,078,636</u>	<u>11,627,475</u>
Equity			
Issued capital	6	19,456,416	16,071,499
Share-based payments reserve	7	759,324	278,467
Accumulated losses		(6,137,104)	(4,722,491)
Total Equity		<u>14,078,636</u>	<u>11,627,475</u>

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

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2021

	31-Dec 2021 \$	31-Dec 2020 \$
Note		
Cash flows from operating activities		
Interest received	-	-
Payments for exploration, evaluation and development expenditure	(640,950)	(101,366)
Payments to suppliers and employees	(253,512)	(254,174)
Government grants and incentives	-	17,500
Net cash used in operating activities	<u>(894,462)</u>	<u>(338,040)</u>
 Cash flows from investing activities		
Payments for exploration assets	(25,000)	(110,000)
Net cash used in investing activities	<u>(25,000)</u>	<u>(110,000)</u>
 Cash flows from financing activities		
Proceeds from equity issues	2,940,000	3,220,000
Proceeds from unissued securities	20,000	300
Payments for share issue costs	(206,783)	(187,990)
Repayment of lease liabilities	(13,864)	-
Net cash from financing activities	<u>2,739,353</u>	<u>3,032,310</u>
 Net increase in cash and cash equivalents held	1,819,891	2,584,270
Cash and cash equivalents at the beginning of the period	2,450,024	503,687
Cash and cash equivalents at the end of the half-year	<u>4,269,915</u>	<u>3,087,957</u>

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

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2021

31 December 2020

Balance at 1 July 2020	9,806,530	-	(3,666,659)	6,139,871
Net loss for the year	-	-	(330,047)	(330,047)
Total comprehensive loss for the year	-	-	(330,047)	(330,047)
Transaction with owners recorded directly in equity				
Issue of shares	3,220,000	-	-	3,220,000
Issue of consideration shares	1,850,000	-	-	1,850,000
Share based payments	-	22,830	-	22,830
Capital raising costs	(187,990)	-	-	(187,990)
Balance at 31 December 2020	14,688,540	22,830	(3,996,706)	10,714,664

31 December 2021

Balance at 1 July 2021	16,071,499	278,467	(4,722,491)	11,627,475
Net loss for the year	-	-	(1,414,613)	(1,414,613)
Total comprehensive loss for the year	-	-	(1,414,613)	(1,414,613)
Transaction with owners recorded directly in equity				
Issue of shares	2,930,000	-	-	2,930,000
Conversion of options into shares	10,000	-	-	10,000
Issue of consideration shares	620,000	-	-	620,000
Shares issued in lieu of director fees	31,700	-	-	31,700
Share based payments	-	480,857	-	480,857
Capital raising costs	(206,783)	-	-	(206,783)
Balance at 31 December 2021	19,456,416	759,324	(6,137,104)	14,078,636

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

MinRex Resources Limited

Notes to the consolidated half-year financial statements

1. Corporate Information

MinRex Resources Limited and its controlled entities (“MinRex” or “the Company” or “the Group”), is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The condensed financial report was authorised for issue in accordance with a resolution of the Directors on 15 March 2021.

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

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

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

(b) Basis of Preparation

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

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group’s 2021 annual financial report for the financial year 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

(c) Going Concern

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

The Group incurred a loss for the period ended 31 December 2021 of \$1,414,613 (31 December 2020: \$330,047) and net cash outflows from operating activities of \$894,461 (31 December 2020: \$338,040). At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group’s financial position and the Directors’ belief that the entity will be successful in securing additional funds through equity issues and conversion of options, the Group will be able to meet its obligations as and when they fall due.

The impact of Coronavirus pandemic (COVID-19) is ongoing and while it has not significantly impacted the Group up to 31 December 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 Federal and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

MinRex Resources Limited

Notes to the consolidated half-year financial statements

3. Segment Information

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

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

4. Exploration, evaluation and development expenditure

	31-Dec- 2021 \$	30-Jun- 2021 \$
Exploration, evaluation and development assets		
(a) Area of interest:		
East Pilbara Gold Projects – Western Australia	5,656,000	5,656,000
East Lachlan Fold Belt Projects – New South Wales	4,381,857	3,781,857
White Springs Project – Western Australia	30,000	-
Abeh tenements– Western Australia	5,000	-
Carrying amount at end of the period	<u>10,072,857</u>	<u>9,437,857</u>
(b) Reconciliation:		
Carrying amount at beginning of the period	9,437,587	5,656,000
Exploration and evaluation assets acquired	635,000 ¹	3,781,857
Additions	446,288	341,355
Less write-off of exploration and evaluation expenditure	<u>(446,288)²</u>	<u>(341,355)</u>
Carrying amount at end of the period	<u>10,072,857</u>	<u>9,437,857</u>

¹ Asset Acquisition

During the period, MinRex exercised its option to farm into the Sunny Corner tenement EL5964 through the issue of 30,000,000 shares at a deemed issue price of \$0.02 per share. Refer to Notice of Annual General Meeting held on 26 November 2021 for more details on Sunny Corner JV. During the December 2021 quarter, the Company acquired Moghul Mining Pty Ltd, being the owner of the White Springs Project which comprises a single tenement EL45/5852, located in the East Pilbara, WA. The consideration paid by MinRex comprised a \$10,000 cash payment and the issue of 1,250,000 shares at a deemed issue price of \$0.016 (representing the price of the Company's shares when the acquisition was agreed), and a 0.75% NSR royalty payable on minerals extracted from EL45/5852. Shareholders ratified the acquisition at Company's Annual General Meeting held on 26 November 2021. The Company also entered into a binding term sheet for the acquisition of a portfolio of exploration licences and mineral rights from Abeh Pty Ltd vendors. During the period, the Company paid \$5,000 non-refundable cash deposit. Refer to Notice of General Meeting held on 16 February 2022 for more details relating to Abeh exploration licences and mineral rights acquisition.

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

MinRex Resources Limited

Notes to the consolidated half-year financial statements

4. Exploration, evaluation and development expenditure (continued)

Refer to the table below for the summary of the consideration costs recognised by MinRex for the Sunny Corner JV, the White Springs Project and the non-refundable deposit paid for Abeh tenements and mineral rights acquisition as at 31 December 2021.

		Shares issued		Cash paid	Total consideration
Contract Party		Number	Deemed Value (\$)	(\$)	(\$)
Sunny Corner JV					
Consideration for exercise of farm-in option	Argent Minerals Ltd	30,000,000	600,000	-	600,000
Total Capitalised costs for Sunny Corner JV 31/12/21					600,000
White Springs Project					
Acquisition of Moghul Mining Pty Ltd, the owner of EL45/5852 tenement	John Heugh Victory Trust	1,250,000	20,000	10,000	30,000
Total Capitalised costs for acquisition of Moghul Mining Pty Ltd 31/12/21					30,000
Non-Refundable deposit - Abeh Tenements					
Deposit paid on acquisition	Abeh Pty Ltd vendors	-	-	5,000	5,000
Total Capitalised costs for Abeh Tenements 31/12/21					5,000
Total Acquisition costs capitalised during the reporting period					635,000

5. Leases

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

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

	31-Dec-2021	30-Jun-2021
Right-Of-Use Asset	\$	\$
Balance at the beginning of period	72,943	49,783
Additions	-	87,531
Depreciation for the period	(29,009)	(38,484)
Impairment losses for the period		(25,887)
Balance at the end of the period	43,934	72,943

MinRex Resources Limited

Notes to the consolidated half-year financial statements

5. Leases (continued)

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

Lease Liabilities	31-Dec-2021	30-Jun-2021
	\$	\$
Balance at the beginning of period	102,693	47,978
Additions	-	87,531
Payments	(12,588)	(32,816)
(Gain) on right-of-use-asset	(21,630)	-
Balance at reporting date	68,475	102,693
Lease liability – current	46,282	57,491
Lease liability – non-current	22,193	45,202
Depreciation expense for right-of-use asset	29,009	38,484
Impairment loss on right-of-use asset	-	25,887
(Gain) on right-of-use-asset	(21,630)	-
Interest expense on lease liabilities	1,275	3,422
Total amount recognised in statement of profit or loss	8,654	67,793

6. Issued Capital

	31-Dec-21	31-Dec-21	30-Jun-21	30-Jun-21
	No.	\$	No.	\$
Ordinary Shares				
Fully paid ordinary shares	677,960,666	16,071,499	551,137,055	16,071,499
Movements in ordinary shares on issue	No.	\$	No.	\$
At beginning of period	551,137,055	16,071,499	206,970,388	9,806,530
Shares issued during the period for cash	91,562,500	2,930,000	171,666,667	3,220,000
Shares issued from conversion of options	250,000	10,000	-	-
Shares issued in lieu of director's & consulting fees	1,761,111	31,700	-	-
Shares issued on vesting of CEO performance rights	2,000,000	-	-	-
Consideration for acquisition of exploration assets	31,250,000	620,000	172,500,000	3,450,000
Share issue costs	-	(206,783)	-	(405,031)
At end of period	677,960,666	19,456,416	551,137,055	16,071,499

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

7. Share-based payments reserve

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

	31-Dec-2021	30-Jun-2021
	\$	\$
Opening Balance	278,467	-
Unlisted Options expired unexercised	-	-
Share-based payments vesting expense	480,857	276,267
Unlisted options issued	-	2,200
Closing Balance	<u>759,324</u>	<u>278,467</u>

Refer to Note 8 for valuation technique and assumptions.

8. Share-based payments

Grant Date/entitlement	Number of Instruments	Grant Date	Fair value per instrument \$	Value \$
Performance Rights issued on 16 September 2020 exercisable on or before 16 September 2025	15,000,000	16/09/2020	0.0248	372,000*
Performance Rights issued on 13 May 2021 exercisable on or before 13 May 2024	4,000,000	13/05/2021	0.0207-0.024	93,015**
Performance Rights issued on 22 December 2021 exercisable on or before 16 September 2025 (i)	5,000,000	22/12/2021	0.0189	94,500***
Total value at 31 December 2021				559,515

*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 expensed value for the current period is \$312,277.

**Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by the 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. The expensed value for the current period is \$74,080.

***Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by a Director as consideration for the Rights will be received in the future and will vest over the period of 3.81 years. Fair Value in the amount of \$94,500 represents total Performance Right value. The expensed value for the current period is \$94,500.

MinRex Resources Limited

Notes to the consolidated half-year financial statements

- (i) 5,000,000 Performance Rights issued as part of equity-based remuneration package of a Director have been calculated using binomial option pricing model with the following inputs:

Performance Rights Granted on 26 November 2021	
Expected volatility (%)	100
Risk free interest rate (%)	1.44
Weighted average expected life of Performance Right (years)	3.81
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.021
Fair value of Performance Right (\$)	0.0189
Expiry date	16 September 2025

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

	31-Dec-21	31-Dec-21	30-Jun-21	30-Jun-21
	No.	\$	No.	\$
Balance at beginning of the period	156,523,170	278,467	35,356,503	-
Options exercised (at \$0.040)	(250,000)	-	79,166,667	-
Options issued (exercisable at \$0.045)	-	-	22,000,000	208,098
Options issued to CEO	-	-	1,000,000	10,645
Performance Rights issued to Directors	5,000,000 ¹	94,500	15,000,000	59,724
Vesting of Performance Rights issued to Directors/CEO	-	386,357	-	-
Performance Rights issued to CEO	-	-	4,000,000	-
Performance Rights exercised	(2,000,000)	-	-	-
Expired	-	-	-	-
Balance at the end of the period	159,273,170	759,324	156,523,170	278,467

¹ Performance Rights issued to a Director on 22 December 2021. Refer to (i) above.

9. Loss per share

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

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

	For the half- year ended 31 December 2021 \$	For the half- year ended 31 December 2020 \$
Net loss attributable to ordinary shareholders	(1,414,613)	(330,047)
Weighted average number of ordinary shares	576,245,675	254,015,839
Basic and diluted loss per ordinary share (cents)	<u>(0.24)</u>	<u>(0.13)</u>

10. Events Subsequent to Balance Date

- On 14 January 2022, the Company issued a total of 14,040,141 shares following the exercise of 5,306,250 Unlisted Options exercisable at \$0.04 on or before 8 April 2023, 8,500,000 Unlisted Options exercisable at \$0.04 on or before 30 September 2022 and 233,891 Unlisted Options exercisable at \$0.04 on or before 31 October 2022, raising a total of \$561,605 in cash.
- On 1 February 2022, the Company issued a total of 8,393,750 shares following the exercise of 3,381,250 Unlisted Options exercisable at \$0.04 on or before 8 April 2023, 5,000,000 Unlisted Options exercisable at \$0.04 on or before 30 September 2022 and 12,500 Unlisted Options exercisable at \$0.04 on or before 31 October 2022, raising a total of \$335,750.
- On 14 February 2022, Mr Glenn Whiddon resigned as the Non-Executive Director.
- On 18 February 2022 the Company announced, that with effect from 16 March 2022, Mr George Karageorge will be appointed as the Managing Director and Chief Executive Officer ('CEO'), and Mr Pedro Kastellorizos will step down as current CEO and will be appointed as Non-Executive Director of the Company.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company issued 86,437,470 shares (at a deemed issue price of \$0.018) in consideration for the acquisition of 100% of the issued capital of Odette Five Pty Ltd, who holds four exploration licences and five exploration licence applications in the Pilbara region of WA considered highly prospective for Lithium-Tin-Tantalum⁶. Further consideration, being the assumption of existing loans of Odette Five of \$150,000, was paid in cash by MinRex on 22 February 2022.
- On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued 40,000,000 shares (at a deemed issue price of \$0.018) to Abeh vendors in consideration for the acquisition of four exploration licences and mineral rights to battery metals over three additional exploration licences in the Pilbara region of WA considered highly prospective for Lithium-Tin-Tantalum⁷. Further consideration, being a non-refundable deposit of \$5,000, was paid in cash by MinRex on 30 November 2021 and a 1% NSR royalty payable to Abeh vendors on any minerals extracted from the Abeh tenement licences and pursuant to MinRex's mineral rights.

⁶ Refer to ASX announcement dated 17 November 2021.

⁷ Refer to ASX announcement dated 24 November 2021.

- As announced by the Company on 14 January 2022, subsequent to the Odette Five Acquisition Agreement being executed, Odette Five Pty Ltd secured mineral rights to the battery metals over two additional exploration licence applications in the Pilbara held by True Fella Pty Ltd (**Pilbara Mineral Rights**), which the Company acquired via the Odette Acquisition. On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued 6,666,666 shares (at a deemed issue price of \$0.018) pursuant to the acquisition of Pilbara Mineral Rights. An addendum to the original term sheet between Odette Five Pty Ltd and True Fella Pty Ltd was subsequently executed for the acquisition of additional mineral rights to battery metals over the exploration licence application known as the Garden Greek Lithium Project (E45/5869)⁸. MinRex was not a party to this addendum, but has since acquired Odette Five Pty Ltd and has settled this acquisition via issuance of 3,333,334 consideration shares (at a deemed issue price of \$0.018) under Company's Listing Rules 7.1 capacity. Further consideration to be paid by MinRex is a 1% gross overriding royalty payable on any minerals extracted from E45/5869 tenement.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 2,671,876 shares settling a total of \$85,500 in lieu of consulting fees for work outside the scope of usual non-executive director duties undertaken by Messrs Karageorge and Pearce, including evaluation of new opportunities, field work and business development activities.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 2,187,500 shares raising \$70,000 in cash, to related parties who participated in Company's Placement initially undertaken in December 2021.
- On 21 February 2022, following shareholder approval on 16 February 2022, the Company converted a total of 21,000,000 Incentive Performance Rights, held by Directors and CEO, into fully paid ordinary shares as a result of set milestones being achieved, being the VWAP of the Company's shares over 20 consecutive trading days (on which the shares have actually traded) reaching \$0.04 and \$0.045 at any time prior to the expiry date. The set milestones were achieved in January 2022.
- On 21 February 2021, the Company issued a total of 14,018,757 shares following the exercise of 11,843,750 Unlisted Options exercisable at \$0.04 on or before 8 April 2023, 175,007 Unlisted Options exercisable at \$0.04 on or before 31 October 2022 and 2,000,000 Unlisted Options exercisable at \$0.045 on or before 9 April 2023, raising a total of \$570,750.
- On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 5,857,500 shares (at a deemed issue price of \$0.018) as fees for introducing Abeh and Odette Acquisitions to the Company.
- On 25 February 2022, following shareholder approval on 16 February 2022, the Company issued a total of 13,000,000 Incentive Performance Rights to Directors and Chief Executive Officer.⁹
- The impact of COVID-19 pandemic is ongoing and while it has not significantly impacted the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after Australian Federal and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

⁸ Refer to ASX announcement dated 21 February 2022.

⁹ Refer to Notice of General Meeting released to the market on 18 January 2022.

11. Contingent Assets and Liabilities

-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;

-Pursuant to the Sunny Corner Farm-in, 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;

-Pursuant to acquisition of Moghul Mining Pty Ltd , a 0.75% net smelter royalty in respect to minerals extracted from EL45/5852 (White Springs Project) will be payable by MinRex upon the achievement of the set milestone;

-Pursuant to Abeh exploration licences and mineral rights tenement Acquisition, a 1% net smelter royalty is payable by MinRex on any minerals extracted from the acquired tenement licences and mineral rights;

-Pursuant to the acquisition of Odette Five Pty Ltd, a 1% gross overriding royalty is payable by MinRex on any minerals extracted from E45/5871 and E45/5873 tenements; and

-Pursuant to Odette Five's acquisition of mineral rights to battery metals on E45/5869 tenement, a 1% gross overriding royalty is payable on any minerals extracted from E45/5869 tenement.

As at the date of this report, no other contingent liabilities, other than as disclosed above and in the 30 June 2021 Annual Report, had been identified in relation to the half-year ended 31 December 2021.

12. Capital Commitments

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

	31-Dec-2021	30-Jun-2021
	\$	\$
Within 1 year	328,002	278,858
Between 2 and 5 years	136,119	232,006
	464,121	510,864

13. Financial Assets and Financial Liabilities

Cash and cash equivalents, other receivables and trade and other payables accounts are the only financial instruments. The carrying amounts of these accounts approximate their fair values as at 31 December 2021 due to their short term nature.

14. Related Party Transactions

During the period under review, there were no other related party transactions apart from the payment of directors' fees to four directors amounting to \$52,500 and consulting fees totalling \$114,480 relating to the work undertaken outside the scope of usual non-executive director duties, including in relation to evaluation of new opportunities, field work and business development activities. Directors are entitled to receive \$180p/h for performing such duties, subject to approval by the other Board members. (For the half-year ended 31 December 2020: \$41,403 in director fees and \$26,132 consulting fees relating to the acquisition of East Lachlan Fold assets).

MinRex Resources Limited

Notes to the consolidated half-year financial statements

15. Interests in controlled entities

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

Name	Country of incorporation	Date of incorporation	Equity holding	
			31 December 2021	30 June 2021
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%	100%
MR Resources Pty Ltd	Australia	30 July 2020	100%	100%
Moghul Mining Pty Ltd	Australia	23 November 2020	100%	-

MinRex Resources Limited

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
 - (ii) complying with AASB 134 – Interim Financial Reporting (including International Financial Reporting Standards) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

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



James Bahen
Non-Executive Director
Perth, 15th March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINREX RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Minrex Resources Limited (the Company) and controlled entities (consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2021, or during the half year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

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

Independence

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

Directors' Responsibility for the Half-Year Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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



PKF PERTH



SIMON FERMANIS
PARTNER
15 MARCH 2022
WEST PERTH,
WESTERN AUSTRALIA