



**MinRex Resources Limited  
and its Controlled Entities**

**ABN 81 151 185 867**

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**INTERIM FINANCIAL REPORT FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2018**

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## **CORPORATE DIRECTORY**

### **DIRECTORS**

Dr James Ellingford (Non-Executive Chairman)

Mr Simon Durack JP (Executive Director)

Mr Timothy Wilson (Non- Executive Director)

### **COMPANY SECRETARY**

Miss Aida Tabakovic

### **REGISTERED OFFICE**

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AUSTRALIA

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Website: [www.minrex.com.au](http://www.minrex.com.au)

### **SHARE REGISTRY**

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APPLECROSS WA 6153

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Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

### **AUDITORS**

PKF Perth

Level 4, 35 Havelock Street

WEST PERTH WA 6005

AUSTRALIA

### **LEGAL ADVISORS**

HWL Ebsworth Lawyers

Level 11 Westralia Plaza, 167 St Georges Terrace

Perth WA 6000

Steinepreis Paganin

Level 4 The Read Buildings, 16 Milligan Street

Perth WA 6000

### **STOCK 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 2018.

### DIRECTORS

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

**Dr James Ellingford - D.Mgt, MBA, Post Grad Corp Man (*Non-Executive Chairman*)**

Dr Ellingford previously served as International Executive President of a multi-billion dollar NASDAQ business Take-Two Interactive Software with its headquarters in Geneva and New York (TTWO). He has decades of international experience and has close ties with financial institutions and governments throughout the world. Dr Ellingford holds a Post Graduate degree in Corporate Management, Masters in Business Administration and a Doctorate in Management. Dr Ellingford has lectured MBA students in corporate governance, ethics and marketing at a leading Sydney University which are all areas he maintains a keen interest.

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

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

**Mr Timothy Wilson - AICD (*Non-Executive Director*)**

Mr Wilson is a Corporate Finance Associate with experience in managing and advising listing and unlisted companies, advising clients and settlement functions. Mr Wilson has delivered a broad range of services, including equity raisings, debt raisings, and institutional placements and has worked in a broad range of industry and commercial sectors.

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

### COMPANY SECRETARY

**Miss Aida Tabakovic** – appointed 28 August 2018

**Mrs Elizabeth Hunt** – resigned 27 August 2018

### PRINCIPAL ACTIVITY

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

## 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, are incorporated and domiciled in Australia.

### Operating Results

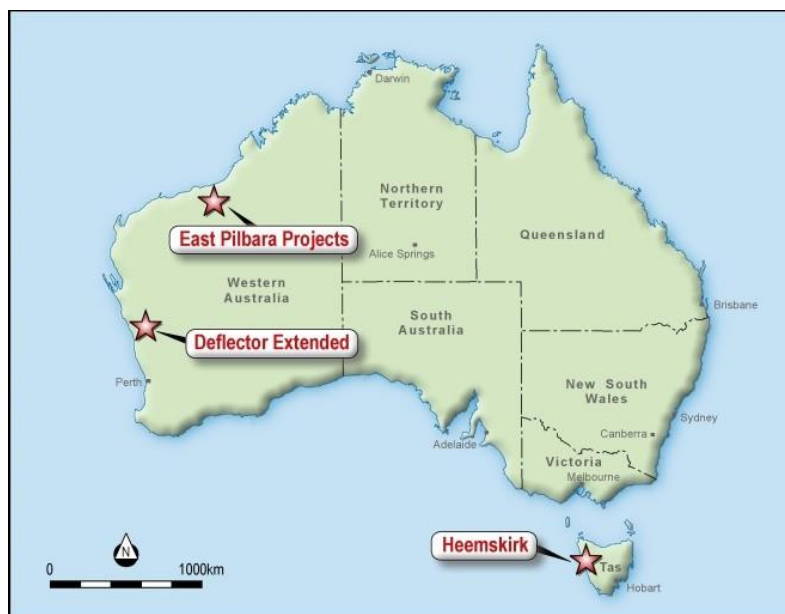
The Company's net loss attributable to the members of MinRex Resources Limited for the six months ended 31 December 2018 was \$430,680 (for the six months ended 31 December 2017: loss of \$380,659). As at 31 December 2018, the Company had \$930,229 in cash and cash equivalents. At the end of the period, the Company had the following securities on issue:

- 95,877,727 fully paid ordinary shares; and
- 60,000,000 unquoted options exercisable at \$0.144 on or before 26 February 2020.

### Operations Review

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 Western Australia and tin in Tasmania.

MinRex currently holds six projects, two of which it has held for several years. The Deflector Extended Project at Gullewa in Western Australia (about 400km north of Perth) and the Heemskirk Project on the west coast of Tasmania. During February 2018, the Company acquired 70% interest in four newer projects which are located in the East Pilbara of Western Australia. East Pilbara Projects, namely the Daltons Project (90km southwest of Marble Bar), the Bamboo Creek Project (about 70km northeast of Marble Bar), Marble Bar North and Marble Bar South Projects, comprising two discrete licences at Marble Bar, one being located 10km to the southwest of the town site and the other 3km to the north (Figures 1 & 2).



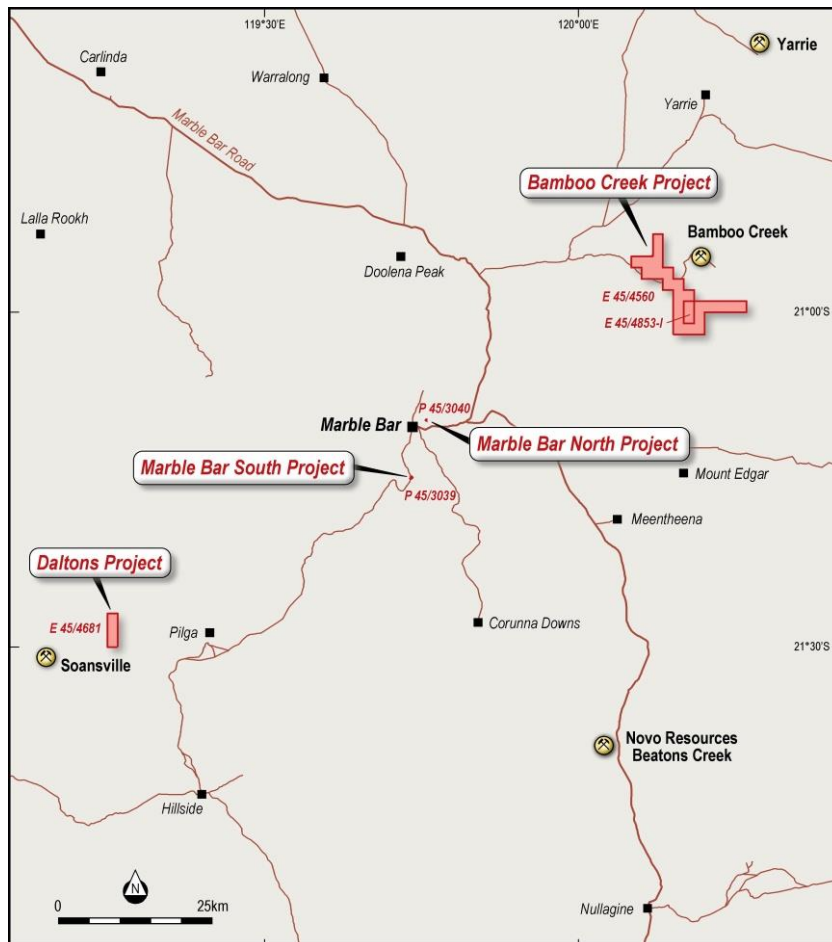
**Figure 1: Location of MinRex Project Areas**

## East Pilbara Gold Projects

MinRex commenced exploration of its 70% owned East Pilbara Project areas in December 2017, with the inaugural, due diligence program recovering six gold nuggets (totalling 22.7g) from the Marble Bar North Project (P45/3040), and also one gold nugget at the Daltons Project exploration licence (E45/4681)<sup>1</sup>. In February 2018, the Company announced assay results for ten rock chip samples collected from the Marble Bar South Project (P45/3039) with the highest gold value generating 17.1g/t Au, while the average for all ten samples generated 2.6g/t Au. Five (half) of the samples had assay values in excess of 1g/t Au. The metallic elements other than gold were also elevated but were not considered significantly anomalous. During May 2018, an additional 190 samples were subsequently collected, during a large detailed surface geological evaluation and sampling program on all four of the East Pilbara properties, with the results of this work were subsequently announced in June 2018<sup>2</sup>.

During the December 2018 half year period, a third detailed geological evaluation and sampling program was completed in the East Pilbara, with the collection of 270 rock samples from three of the four project areas, Bamboo Creek Project (E45/4560 & 4853), Marble Bar North (P45/3040) and Marble Bar South (P45/3039)<sup>3</sup>.

In October 2018, a fourth evaluation and sampling program was completed at all four of the East Pilbara Project areas<sup>4</sup>. During this site visit all of the project areas were visited by the same metal-detecting and sampling team that conducted the initial December 2017 due diligence, site inspection and evaluation.



**Figure 2: Location of East Pilbara Gold Project Areas**

<sup>1</sup> Refer to ASX Announcement release on 15 January 2018.

<sup>2</sup> Refer to ASX Announcement release on 21 June 2018.

<sup>3</sup> Refer to ASX Announcement releases on 25 and 28 September 2018.

<sup>4</sup> Refer to ASX Announcement release on 10 January 2019.

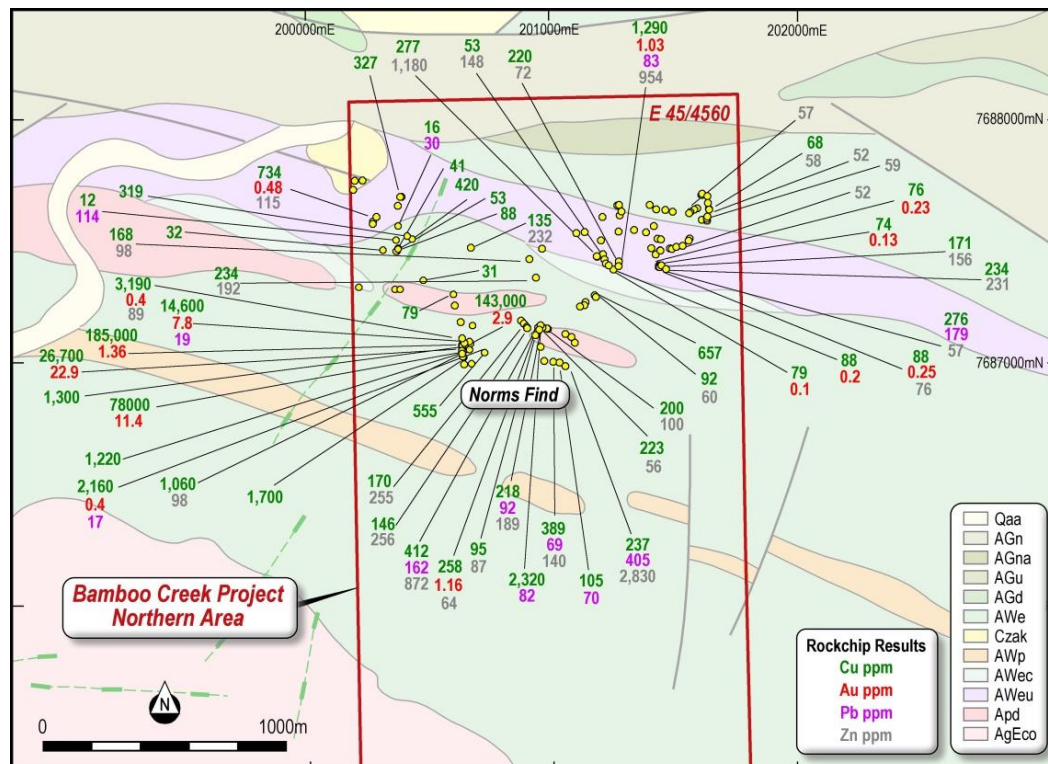
## Bamboo Creek Project

At the Bamboo Creek Project (E45/4560 & 4853) a total of 230 rock samples were collected during the third detailed geological evaluation and sampling program in August 2018, including samples from some of the known prospects, including Norms Find, BC07 and Nobb Well, as well as various outcropping quartz veins and breccia zones. MinRex announced full assay results for these 230 rock samples, collected at the two Bamboo Creek Project exploration licences on 25 September 2018.

At the main Bamboo Creek Project exploration licence (E45/4560) a total of 160 rock samples were collected, from multiple areas, including some of the previously identified gold, copper, chrome, nickel and polymetallic prospects, including Norms Find, BC07 and Nobb Hill, as well as various outcrop, float and scree zones. The results included assay values of up to 22.9g/t Au, 36g/t Ag, 18.5% Cu, 0.20% Cr, 0.15% Ni, 0.12% Pb and 0.28% Zn. The full assay results were detailed in the earlier release, while the better results for gold, base metals, nickel and chrome are shown on the plans below (Figures 3, 4, & 5).

In the northern portion of E45/4560, two assays of over 1.0g/t Au were returned from iron-stained quartz vein rocks, in greenstones, with a further six assays of similar rocks being between 0.1-1.0 g/t Au (Figure 3). These samples were from outcrop and float within Warrawoona Group ultramafic greenstone rocks of the same sequence that hosts the nearby gold mineralization at the main Bamboo Creek mining centre. These anomalous gold results are considered highly encouraging.

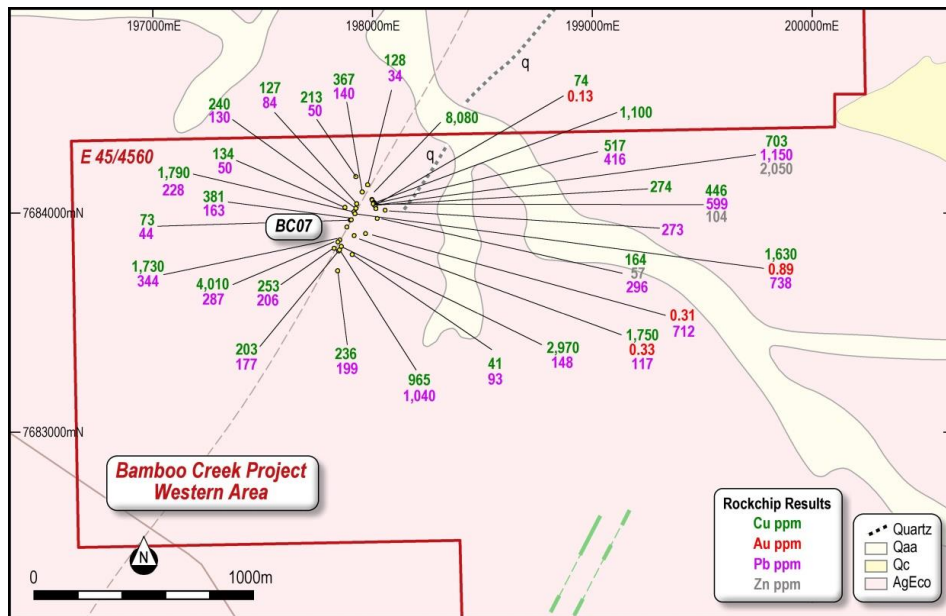
Further sampling at the Norms Find prospect, also in the northern portion of E45/4560, returned high assay results for gold and copper. On this occasion, testing was extended for up to 200m along the defined, north-south striking, quartz vein structure as well as into the hanging wall and footwall felsic and mafic volcanic rocks of the Warrawoona Group.



**Figure 3:** Northern part of the Bamboo Creek Project showing assays for all samples collected to date

A number of samples were also collected during August 2018, from sheared and altered felsic volcanic rocks in the northern portion of E45/4560, to test for potential felsic-hosted base metals or molybdenum-copper mineralization, analogous with the nearby Spinifex Ridge molybdenum-copper porphyry deposit.

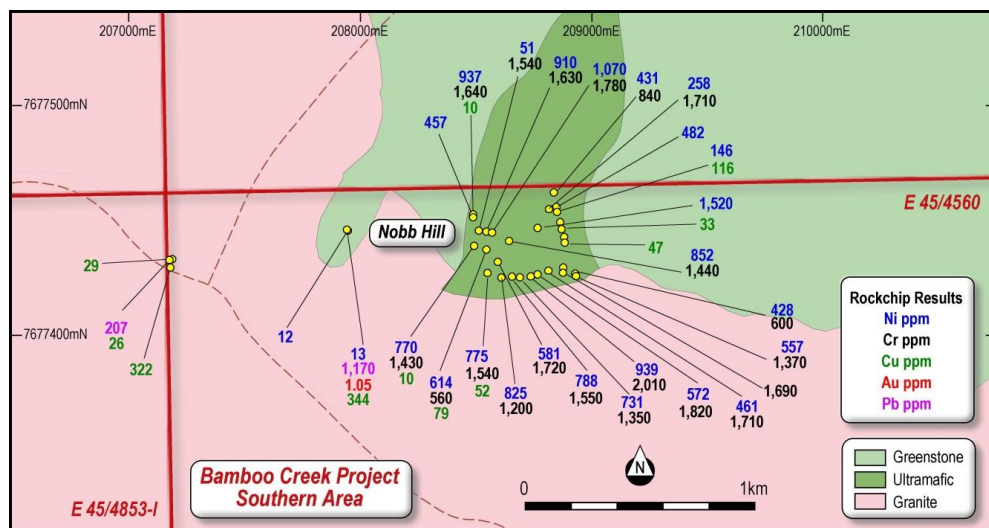




**Figure 4:** Western part of the Bamboo Creek Project with BC07 prospect area and assay results

More samples were also collected at the BC07 prospect area, with the sampling having been extended along this extensive quartz vein system and also into the footwall and hanging wall rocks, which include extensive xenoliths and rafts of greenstones within the roof zone of the Coppin Gap Granodiorite. This sampling in the western portion of E45/4560, returned assay values of up to 0.33g/t Au, 0.81% Cu, 0.20% Zn and 0.11% Pb (Figure 4).

A number of new samples were also collected during August 2018, at the large, coarse-grained ultramafic intrusion, in the eastern portion of E45/4560, which comprises the Nobb Hill prospect. This prominent hill outcrops in the eastern portion of E45/4560 and consists of layered bands of serpentinised peridotite and metapyroxenite, with some talcose alteration zones; the extent of any differentiation and accumulation of chromite and other metals within the intrusive body is as yet poorly understood. The new sampling returned assay values of up to 0.2% Cr (with half the samples being over 0.1% Cr), 0.15% Ni and 91ppm Co (Figure 5).



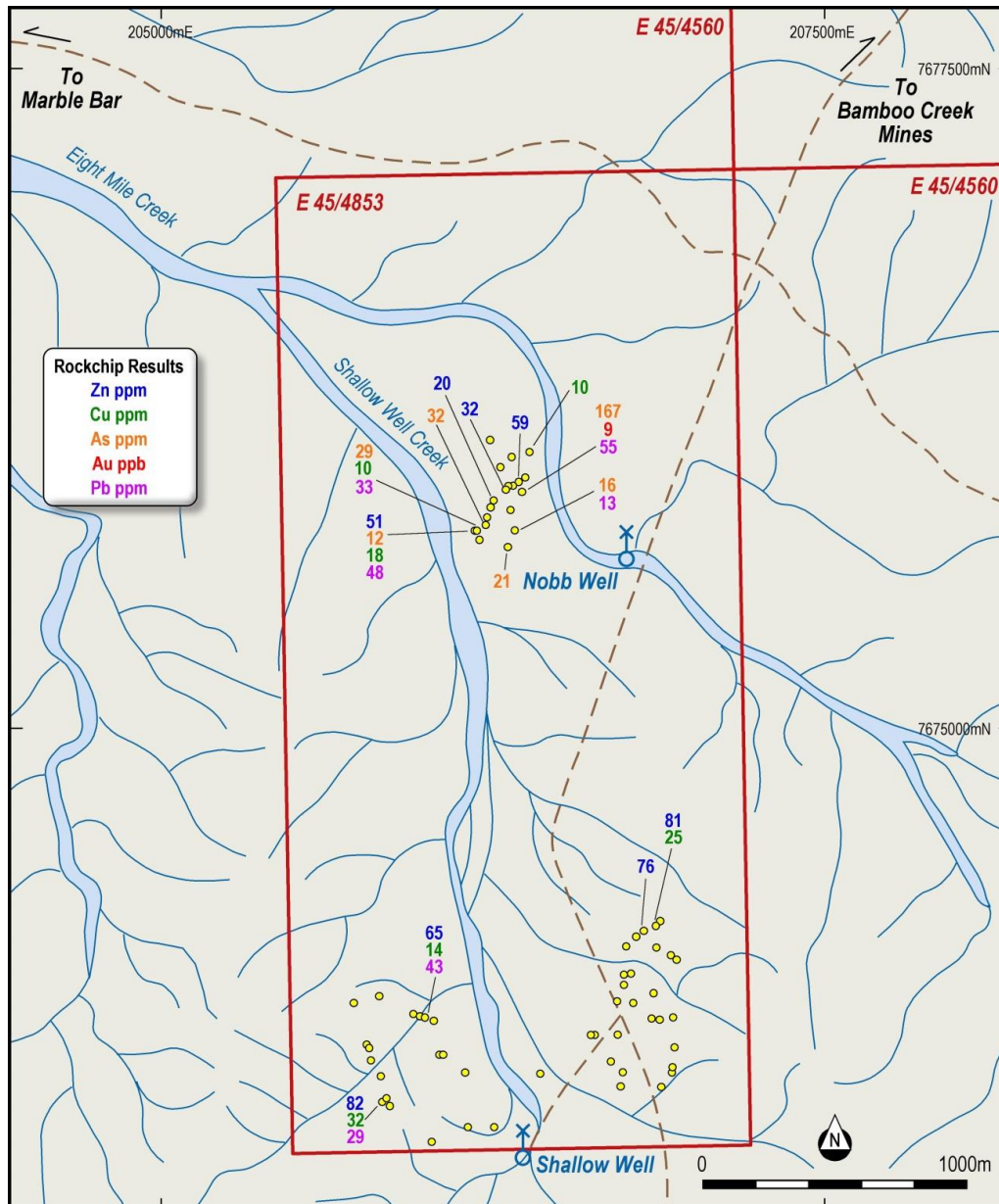
**Figure 5:** Eastern part of the Bamboo Creek Project with the Nobb Hill prospect area and assay results

The smaller of the two Bamboo Creek Project licences (E45/4853) is entirely underlain by granitic rocks, with some xenoliths of greenstone, pegmatite dykes and intrusive felsic dykes. The 70 samples collected during August 2018, were from the BC12 and BC13 aeromagnetic target zones, interpreted by a previous explorer of the area (in 2007) as possible late-stage magmatic intrusions or alteration zones. These samples returned low assay values with maximum values of 9ppb Au, 167ppm As, 77ppm Li, 55ppm Pb and 82ppm Zn. Full assay results for gold, base metals, nickel and chrome were listed in the earlier release, while the better results are also shown on the plan below (Figure 6).



A total of 210 rock samples have now been collected, by MinRex, in the main Bamboo Creek exploration licence (E45/4560) and 70 rock samples from the smaller exploration licence (E45/4853). These samples were collected at diverse sites, but include some from the named prospects, including Norms Find, BC07 and Nobb Hill, as well as various outcrop, float and scree zones. There are no old workings in MinRex's Bamboo Creek project area but the 280 samples collected to date have returned numerous highly anomalous results and provided encouragement for further exploration programs in the future.

In the three exploration programs completed by MinRex, a number of anomalous gold assays had been received from rock samples in the northern portion of the Bamboo Creek Project area, both along strike from the old Bamboo Creek gold mines and within the quartz vein hosted Norms Find and BC07 prospect areas (Figures 3 & 4). As follow up to these anomalous results a fourth exploration program was completed during October 2018, comprising follow-up metal detecting in these prospective areas.

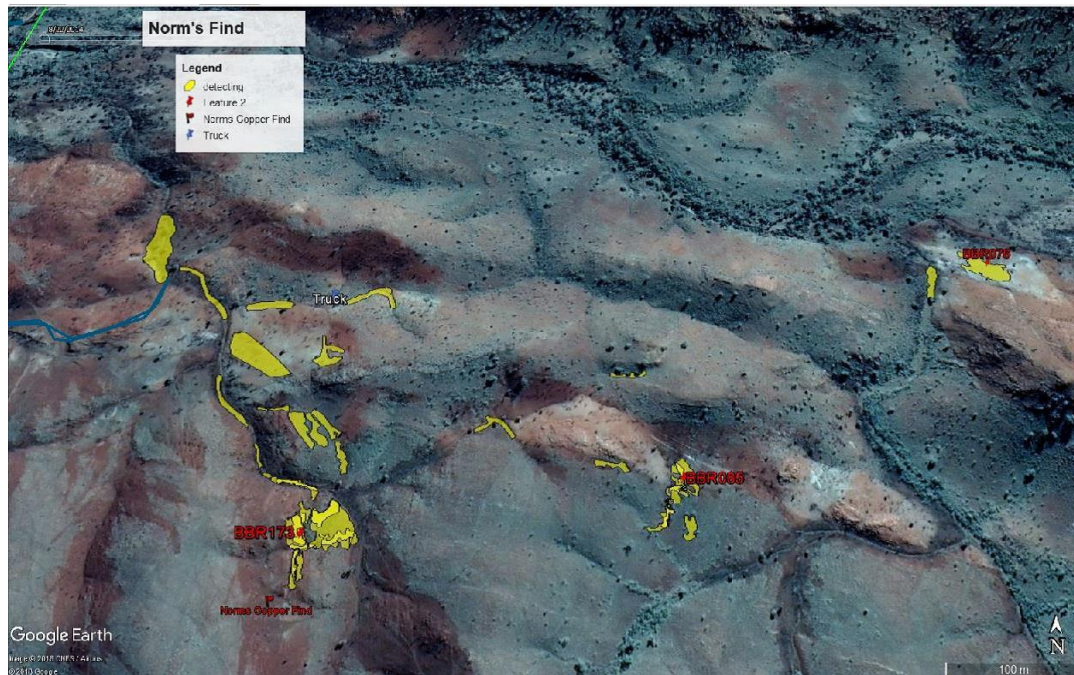


**Figure 6:** EL45/4853 at the Bamboo Creek Project showing August 2018 assay results

During October 2018 field program, the northern zone of the Bamboo Creek project area (in E45/4560) was subjected to extensive metal detecting in the vicinity of the above previous anomalous rock sampling results, but without the recovery of any gold nuggets (Figures 7 and 8).



The lack of gold nuggets found may be due to a variety of factors. Metal debris occurs in some areas and this may be interfering with the metal detector instruments. It is also possible that some gold is present as very fine-grained material and not as larger grains and nuggets that can be detected with metal detecting equipment.



**Figure 7:** Plan showing the areas tested by metal detecting during October 2018 in the north of the Bamboo Creek Project (E45/4560)



**Figure 8:** Surface view of the Norms Find area in the Bamboo Creek Project (E45/4560), during the October 2018 metal detecting program

### Marble Bar North Project

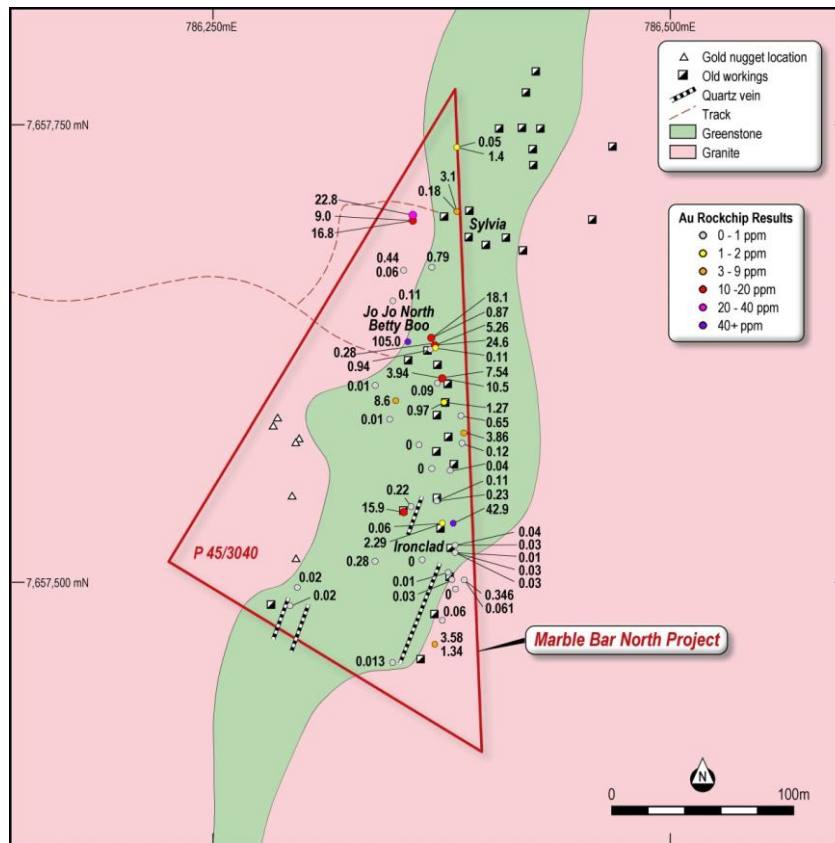
At the Marble Bar North Project (P45/3040) total of 20 rock samples were collected, during the third detailed geological evaluation and sampling program in August 2018. Many were samples from previously untested areas



but also some from other pits and minor workings at the old Ironclad Gold Mine. MinRex announced the full assay results for these rock samples on 28 September 2018. The gold mineralisation in this area occurs as quartz veins in sheared and strongly carbonated greenstones, and associated alteration zones, close to the greenstone/granite contact.

20 new rock samples from the Marble Bar North Project area were analysed for total of 20 elements at Bureau Veritas in Perth. These included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. Samples were generally low for most elements, except gold, which varied from zero up to 105g/t Au.

The plan below (Figure 9) shows the gold assay results for all 60 rock samples collected at the Marble Bar North Project during 2018, along with the location of the old workings and the six gold nuggets recovered from this licence in December 2017. Some of these assay results have been excellent, with the gold assays varying from zero up to 105g/t Au, with an average for all 60 samples of 5.3g/t Au.



**Figure 9:** Marble Bar North Project showing geology, workings, nugget finds and all 60 gold assays to date

The highest grade sample (105 g/t Au) came from loose, iron-rich quartz vein material in the spoil pile of a small pit near the granite/greenstone contact and part of the old Ironclad Mine workings. The new samples were collected from throughout the licence area and mainly from areas of scree, float, old dumps and other areas beyond the earlier sampling, which largely focussed on the old workings.

The fourth program of field work from October 2018, at the Marble Bar North Project (P45/3040) comprised a further extensive metal detecting exercise. This work collected a further five small gold nuggets, totalling 1.5gm in weight (Figure 10). Also two quartz rock specimens were collected, and upon close examination were seen to contain small particles of gold within them (Figure 11).



**Figure 10:** Photograph showing the five gold nuggets recovered in P45/3040 in October 2018



**Figure 11:** Photograph of a gold-bearing quartz specimen recovered in P45/3040 in October 2018

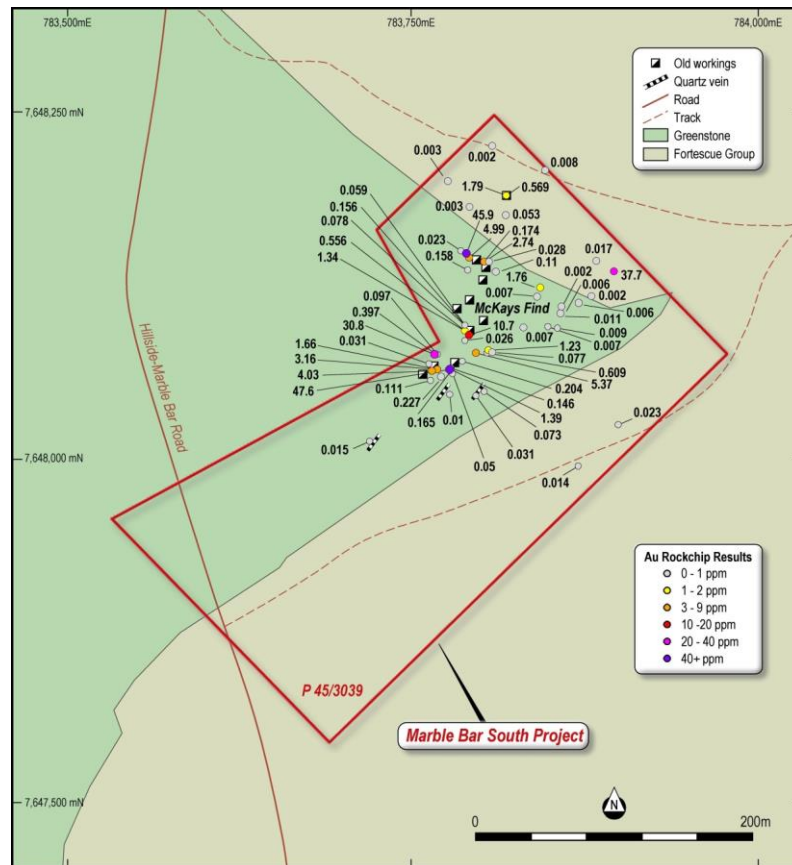
A total of 11 gold nuggets, weighing 24.2gms have been recovered from the western portion of the Marble Bar North Project area (P45/3040). The Company plans for further metal-detecting along with detailed rock sampling, soil sampling in colluvium and soil covered areas with detailed geological mapping to be utilised in future in order to better understand these gold occurrence and any potential mineralisation.

### **Marble Bar South Project**

At the Marble Bar South Project (P45/3039) total of 20 rock samples were collected, during the third detailed geological evaluation and sampling program in August 2018. Many collected samples were from conglomerate horizons, in the northern sector of the licence, and from scree, float and outcrops beyond and around the old workings. This licence contains the old McKays Find Gold Mine which runs along a 30-40m high ridge of greenstone rocks which is truncated to the north by basal Fortescue Group conglomerate rocks. The aim of the current work was to commence testing of other parts of the licence, beyond the old workings, and particularly the conglomerate-bearing areas in the north for previously undetected gold mineralisation.

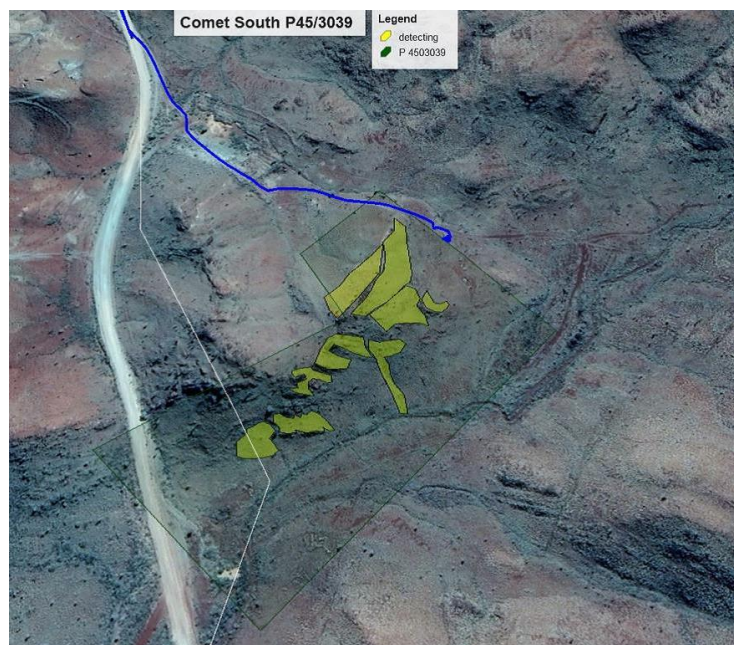
20 new rock samples from the Marble Bar South Project were analysed for a total of 20 elements at Bureau Veritas in Perth. These included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. A few samples were anomalous in various elements but the outstanding results were in the gold assays which varied from 2ppb Au up to 37.7g/t Au, with an average of 2.0g/t Au for all 20 samples. The plan below shows the gold assay results for all 70 rock samples collected at the Marble Bar South Project to date, along with the location of old workings and the

generalised geology plan (Figure 12). MinRex announced the full assay results for these rock samples on the 28 September 2018.



**Figure 12:** Marble Bar South Project showing geology, workings and all 70 gold assays to date

As part of the October 2018 exploration program, extensive metal detecting was conducted along the ridge line and over the slopes surrounding the old McKays Find Gold Mine at the Marble Bar South Project (P45/3039) (Figure 13). No nuggets were recovered during this work, which was hindered by the extensive amount of metallic rubbish and debris that occurs within this lease area. It is thought that this area has been used as a dumping ground in the past as it contains extensive surface layers of old metal, bottles, building materials and other debris.



**Figure 13:** The green shading shows areas metal detected in the Marble Bar South area (P45/3039) during the October 2018 exploration program

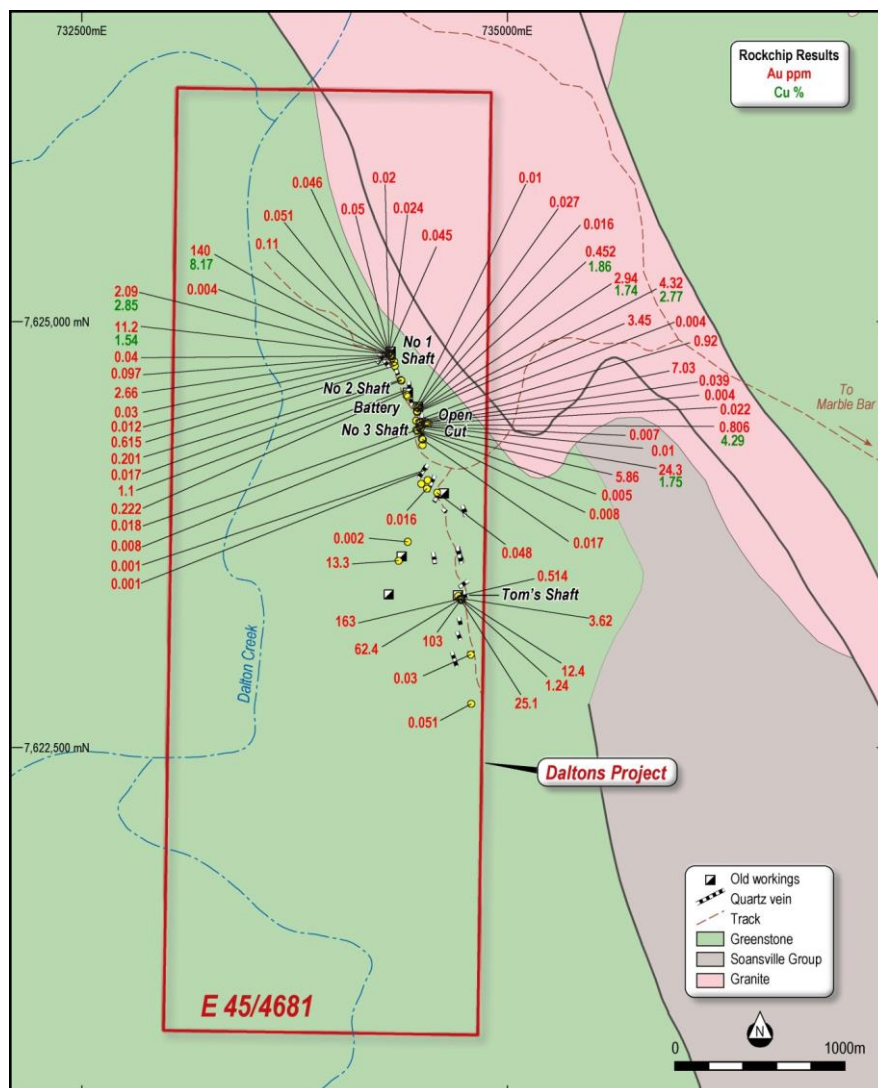


## Daltons Project

During October 2018 exploration program at the Daltons Project (E45/4681), metal detecting was conducted along the length of the old workings, some 1,500m of strike length. Again this work was hindered by the presence of metallic debris in the vicinity of most of the old workings (Figure 14). It was also noted that metal detecting had also been completed recently by other parties within the area of the old workings. It was recommended that a pattern soil sampling program be completed over the entire lease area to better determine the most anomalous areas, and then to subsequently carry out more detailed infill sampling and exploration within these preferred areas during 2019.

Previous work has collected 60 rock samples at the Daltons Project from the old mine workings, spoil piles and outcropping quartz veins. These samples returned outstanding results in the gold and copper assays which were up to 163g/t Au and 8.17% Cu, with the average grade of all 60 samples being 9.9g/t Au and 0.49% Cu, and 19 of the 60 samples assaying over 1.0g/t Au (Figure 14).

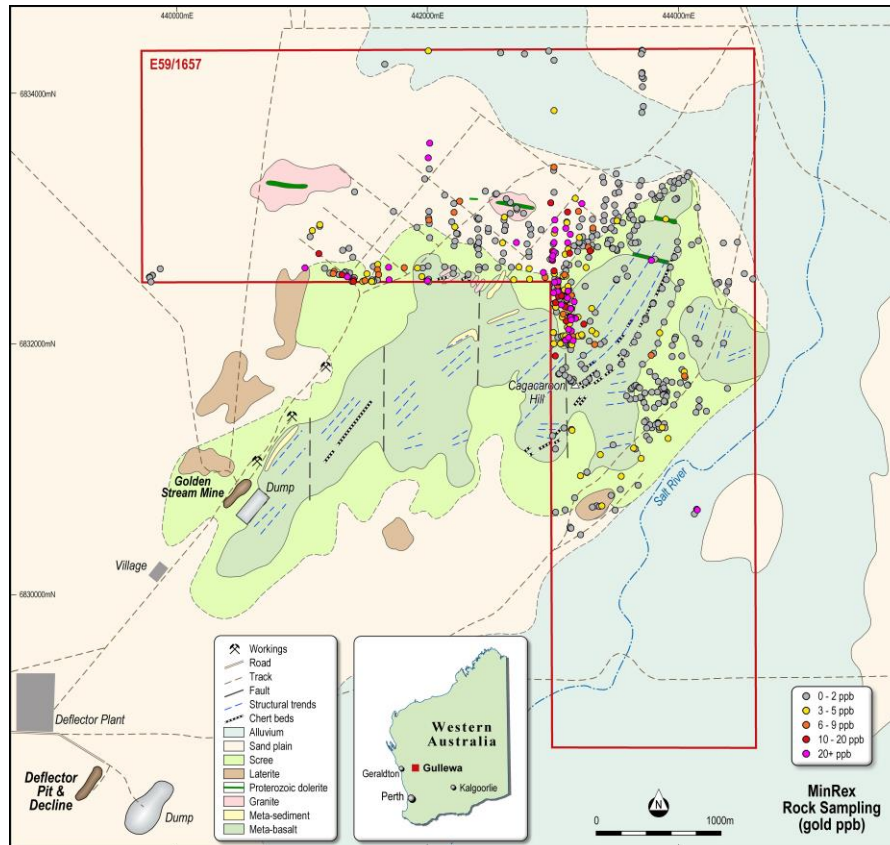
The lack of gold nuggets found may be due to a variety of factors. Metal debris is abundant in some areas and this may be interfering with the metal detector instruments. It is also possible that some gold is present as very fine-grained material and not as larger grains and nuggets that can be detected with metal detecting equipment. It is also possible that previous treatment of surface material and prior metal detecting has depleted any nuggets that may have been present.



**Figure 14:** Daltons Project E45/4681 showing geology, workings and all gold assay results

### Deflector Extended Gold Project

During late-September, early October 2018, MinRex completed a new detailed geological evaluation and sampling program at its Deflector Extended Project at Gullewa, in the Murchison Goldfields of Western Australia. This Project area (E59/1657) lies to the northeast of the Doray Minerals Limited Deflector Mine where copper-gold mineralisation occurs in shear zones in meta-basalt, and also the Golden Stream open-cut, where gold was produced from shear-zone hosted quartz veins in meta-basalt (Figure 15).



**Figure 15:** Plan of the geology and rock sample assay results in E59/1657 – and showing the Deflector Mine

MinRex has now collected total of 566 surface rock samples at the Deflector Extended Project, 594 soil samples and 185 auger drill samples, which have defined significant anomalous zones for further examination and sampling. There have also been prior programs of RAB and aircore drilling and soil sampling by earlier explorers of the area, the results from which support the definition of these anomalous zones. Further follow-up sampling and exploration is planned for this area during 2019. The geology and assay results, from the 566 rock samples collected by MinRex, are shown above in Figure 15.

### Heemskirk Tin Project

The Heemskirk Project lies in exploration licence EL18/2011, on the west coast of Tasmania. MinRex has now held its Heemskirk Tin Project for several years and has been successful in identifying a number of the old tin workings, dating from the 1870's-1880's. MinRex has collected a total of 129 stream sediment concentrate samples, 99 rock chip samples and 78 soil samples, for a total of 306 samples, in a search for large low-grade, or smaller, high to medium-grade tin deposits.

No field work has been completed on the Heemskirk Tin Project in Tasmania, during the December 2018 half year period.



**MinRex Tenement List**

Region	Project	Tenement	Area approx.	Grant Date	Expiry Date	MinRex Interest
East Pilbara	Daltons	E45/4681	9 km <sup>2</sup>	13-07-17	12-07-22	70%
East Pilbara	Bamboo Creek	E45/4560	69 km <sup>2</sup>	27-10-17	26-10-22	70%
East Pilbara	Bamboo Creek	E45/4853	6 km <sup>2</sup>	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	15 km <sup>2</sup>	12-07-11	11-07-21	100%
Tasmania	Heemskirk	EL18/2011	9 km <sup>2</sup>	03-04-11	02-04-19	100%

**Follow-up Exploration Activities Planned for 2019**

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

**East Pilbara Gold Projects**

In 2019, the next phase of field work in the East Pilbara will include exploration work at all four of MinRex's project areas around Marble Bar. Further rock sampling, soil sampling in colluvium and soil covered areas and detailed geological mapping will be used to better understand these complex gold, base metal and poly-metallic mineralised systems. This work will aim to build on the results received from the previous four exploration programs that MinRex has completed in the area within the past year. It is planned to commence this work as soon as possible after the current summer hot and wet season in the Pilbara, probably in March or April 2019.

**Deflector Extended Project**

It is anticipated that the next stage of work at the Deflector Extended Project will comprise a shallow RAB drilling program of lines of holes within the most anomalous surface sampling areas. Commencement of the heritage and environmental surveys over the proposed drilling areas will start in 2019, in conjunction with the collection of further surface rock and soil samples, with a view to better pin pointing the most anomalous areas for subsequent drilling. This work will concentrate on the defined anomalous zones, but also include some further reconnaissance work elsewhere in the Deflector Extended Project.

**Heemskirk Project**

Assessment of the stream sediment, rock and soil sampling results received to date is ongoing and follow up sampling at the identified old mine workings is being considered.

**Competent Persons Statement:**

*The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Kieron Munro, a Competent Person who is a Member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Munro is employed as an independent geological consultant by MinRex and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

- On 14 February 2019, the Company announced the change in external auditor from Ernst & Young to PKF Perth, effective immediately.

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

**AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES**

Section 307C of the Corporations Act 2001 requires the Company's auditors, PKF Perth, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is disclosed on page 16 of this report and forms part of this Directors' Report for the half-year ended 31 December 2018.

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

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



**Simon Durack**

**Executive Director**

West Perth, 13 March 2019

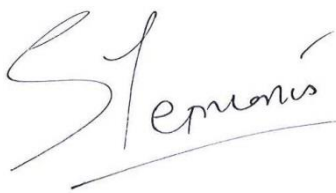
## AUDITOR'S INDEPENDENCE DECLARATION

### 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 2018, 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

13 MARCH 2019  
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 2018

		31-Dec 2018 \$	31-Dec 2017 \$
	Note		
<b>Revenue from ordinary activities</b>			
Interest income		6,976	4,987
<b>Expenditure</b>			
Depreciation and amortisation		(1,178)	(1,939)
Corporate expenses		(215,831)	(125,510)
Exploration, evaluation & development expenditure		(125,846)	(44,905)
Management and administration expenses		(94,801)	(213,292)
<b>Total expenditure</b>		<b>(437,656)</b>	<b>(385,646)</b>
<b>(Loss) from ordinary activities before income tax expense</b>		<b>(430,680)</b>	<b>(380,659)</b>
Income tax expense		-	-
<b>Net (loss) attributable to the members of Minrex Resources Limited</b>		<b>(430,680)</b>	<b>(380,659)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive (loss) for the half-year</b>		<b>(430,680)</b>	<b>(380,659)</b>
<b>(Loss) per share:</b>			
Basic loss per share attributable to the ordinary equity holders of the company (cents)	6	(0.005)	(0.007)
Diluted loss per share attributable to the ordinary equity holders of the company (cents)	6	(0.005)	(0.007)

*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 2018**

		<b>31-Dec 2018 \$</b>	<b>30-Jun 2018 \$</b>
	<b>Notes</b>		
<b>Current Assets</b>			
Cash and cash equivalents		<b>930,229</b>	1,540,302
Other receivables		<b>26,122</b>	54,274
Prepayment		<b>52,128</b>	7,523
<b>Total Current Assets</b>		<b>1,008,479</b>	1,602,099
<b>Non-Current Assets</b>			
Exploration, evaluation and development expenditure	4	<b>5,656,000</b>	5,656,000
Property, plant and equipment		<b>5,635</b>	6,138
<b>Total Non-Current Assets</b>		<b>5,661,635</b>	5,662,138
<b>Total Assets</b>		<b>6,670,114</b>	7,264,237
<b>Current Liabilities</b>			
Trade and other payables		<b>53,891</b>	310,450
<b>Total Current Liabilities</b>		<b>53,891</b>	310,450
<b>Total Liabilities</b>		<b>53,891</b>	310,450
<b>Net Assets</b>		<b>6,616,223</b>	6,953,787
<b>Equity</b>			
Issued capital	5	<b>8,867,065</b>	8,773,949
Share-based payments reserve	5	<b>3,156,000</b>	3,156,000
Accumulated losses		<b>(5,406,842)</b>	(4,976,162)
<b>Total Equity</b>		<b>6,616,223</b>	6,953,787

*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 2018

		31-Dec 2018 \$	31-Dec 2017 \$
	Note		
<b>Cash flows from operating activities</b>			
Interest received		6,826	4,987
Payments for exploration, evaluation and development expenditure		(125,846)	(44,905)
Payments to suppliers and employees		(488,495)	(356,245)
<b>Net cash used in operating activities</b>		<b>(607,515)</b>	<b>(396,163)</b>
<b>Cash flows from investing activities</b>			
Deposit paid for tenement acquisition		-	(100,000)
Payments for purchase of PPE		(674)	-
<b>Net cash used in investing activities</b>		<b>(674)</b>	<b>(100,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	2,444,902
Payments for share issue costs	5	(1,884)	(72,335)
<b>Net cash from financing activities</b>		<b>(1,884)</b>	<b>2,372,567</b>
Net increase/(decrease) in cash and cash equivalents held		(610,073)	1,876,404
Cash and cash equivalents at the beginning of the half-year		1,540,302	1,129,876
<b>Cash and cash equivalents at the end of the half-year</b>		<b>930,229</b>	<b>3,006,280</b>

*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 2018

	Contributed equity	Share-based payment reserve	Accumulated losses	Total Equity
31 December 2017	\$	\$	\$	\$
Balance at 1 July 2017	4,551,382	-	(3,425,460)	1,125,922
Net loss for the year	-	-	(380,661)	(380,661)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(380,661)	(380,661)
<b>Transaction with owners recorded directly in equity</b>				
Share based payments	-	-	-	-
Shares issued	2,444,902	-	-	2,444,902
Share issue costs	(72,335)	-	-	(72,335)
Balance at 31 December 2017	6,923,949	-	(3,806,121)	3,117,828
<b>31 December 2018</b>				
<b>Balance at 1 July 2018</b>	8,773,949	3,156,000	(4,976,162)	6,953,787
Net loss for the year	-	-	(430,680)	(430,680)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(430,680)	(430,680)
<b>Transaction with owners recorded directly in equity</b>				
Shares issued	-	-	-	-
Share-based payment	95,000	-	-	95,000
Share issue costs	(1,884)	-	-	(1,884)
<b>Balance at 31 December 2018</b>	8,867,065	3,156,000	(5,406,842)	6,616,223

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



**1. Corporate Information**

MinRex Resources Limited and its controlled entities, East Pilbara Conglomerates Pty Ltd and SR (Sale Entity) Pty Ltd, ("MinRex" or "the Company" or "the Group"), is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The condensed financial report was authorised for issue in accordance with a resolution of the Directors on 13 March 2019.

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 2018 annual financial report for the financial year 30 June 2018, 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.

In the current year, 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.

**(b) 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 2018 of \$430,680 (31 December 2017: \$380,659) and net cash outflows from operating activities of \$607,515 (31 December 2017: \$396,163). These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The Directors believe the Group is a going concern as they have appropriate plans to raise additional capital to fund forecasted activities.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in its financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

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

The following standards and amendments became applicable during the current reporting period:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed below.

***AASB 9: Financial Instruments***

***Classification of financial assets***

AASB 9 requires the use of two criteria to determine the classification of financial assets: the entity's business model for the financial assets and the contractual cash flow characteristics of the financial assets. The Standard goes on to identify three categories of financial assets - amortised cost; fair value through profit or loss (FVTPL); and fair value through other comprehensive income (FVOCI).

There have been no changes to the categorisation of financial assets following the adoption of AASB 9 and all of the Group's financial assets remain classified at amortised cost.

***Impairment***

AASB 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to the Group's financial assets. No changes to the impairment provisions were made on transition to AASB 9. Trade and other receivables are generally settled on a short time frame and the Group's other financial assets are due from counterparties without material credit risk concerns at the time of transition.

The Group adopted AASB 9 from 1 July 2018. In accordance with the transition provisions in the Standard, comparatives have not been restated.

***AASB 15: Revenue from Contracts with Customers***

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The implementation of AASB 15 has not had a material impact on the Group's financial statements as it is currently a pre-revenue business.

**Revenue recognition**

The consolidated entity recognises revenue as follows:

**Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Other revenue**

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

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

**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**

	<b>31-Dec 2018 \$</b>	<b>30-Jun 2018 \$</b>
Exploration, evaluation and development assets		
(a) Area of interest:		
Deflector Extended Gold Project - Western Australia	-	-
Heemskirk Tin Project - Tasmania	-	-
East Pilbara Gold Project – Western Australia <sup>1</sup>	<u><b>5,656,000</b></u>	<u>5,656,000</u>
Carrying amount at end of half-year	<u><b>5,656,000</b></u>	<u><b>5,656,000</b></u>
(b) Reconciliation:		
Carrying amount at beginning of half-year	<b>5,656,000</b>	-
Additions	<b>125,846</b>	6,172,012
Less write-off of exploration and evaluation expenditure	<u><b>(125,846)<sup>2</sup></b></u>	<u>(516,012)<sup>3</sup></u>
Carrying amount at end of half-year	<u><b>5,656,000</b></u>	<u><b>5,656,000</b></u>

<sup>1</sup> On 27 February 2018, the Company announced that it had settled the acquisition of a 70% interest in the highly prospective East Pilbara tenements, on the terms previously announced to the market on 27 November 2017. The carrying amount represents the fair value of East Pilbara acquisition.

<sup>2</sup> Exploration expenditure written off as at 31 December 2018 is in line with Company's accounting policy on exploration, evaluation and development assets.

<sup>3</sup> Included in exploration expenditure written off as at 30 June 2018, are \$225,916 worth of costs associated with the acquisition of Clean Power Resources as announced 26 March 2018. On 21 June 2018, following completion of due diligence, the Company announced it was not proceeding with the acquisition of Clean Power. As a result, all Clean Power pre-acquisition costs have been expensed accordingly as at 30 June 2018.

**5. Issued Capital**

	<b>31-Dec-2018</b>	<b>31-Dec-2018</b>
	<b>No.</b>	<b>\$</b>
<b>Ordinary shares</b>		
Issued and fully paid	<b>95,877,727</b>	<b>8,867,065</b>
Movements in ordinary shares on issue	<b>No.</b>	<b>\$</b>
At beginning of half-year	92,711,060	8,773,949
Share-based payment to settle trade creditor	3,166,667	95,000
Share issue costs		(1,884)
At end of half-year	<b>95,877,727</b>	<b>8,867,065</b>

	<b>31-Dec-2017</b>	<b>31-Dec-2017</b>
	<b>No.</b>	<b>\$</b>
<b>Ordinary shares</b>		
Issued and fully paid	<b>77,127,726</b>	<b>6,923,949</b>
Movements in ordinary shares on issue	<b>No.</b>	<b>\$</b>
At beginning of half-year	36,979,684	4,551,382
Private placement August 2017	5,546,952	277,348
Rights issue	10,782,844	539,142
Placement of shortfall shares	17,568,246	878,412
Private placement November 2017	6,250,000	750,000
Share issue costs	-	(72,335)
At end of half-year	<b>77,127,726</b>	<b>6,923,949</b>

	<b>31-Dec-2018</b>	<b>31-Dec-2018</b>
	<b>No.</b>	<b>\$</b>
<b>Share Based Payments Reserve</b>		
Options on issue	<b>60,000,000</b>	<b>3,156,000</b>
Movements in options on issue		
At beginning of half-year	60,000,000	3,156,000
Movement during the period	-	-
At end of half-year	<b>60,000,000</b>	<b>3,156,000</b>

	<b>31-Dec-2017</b>	<b>31-Dec-2017</b>
	<b>No.</b>	<b>\$</b>
<b>Share Based Payments Reserve</b>		
Options on issue	-	-
Movements in options on issue		
At beginning of half-year	-	-
At end of half-year	-	-

**6. 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.

	<b>For the half- year ended 31 December 2018 \$</b>	<b>For the half- year ended 31 December 2017 \$</b>
Net loss attributable to ordinary shareholders	<b>(430,680)</b>	(380,659)
Weighted average number of ordinary shares	<b>94,286,239</b>	56,291,875
<b>Basic and diluted loss per ordinary share</b>	<b><u>(0.005)</u></b>	<b><u>(0.007)</u></b>

**7. Events Subsequent to Balance Date**

- On 14 February 2019, the Company announced the change in external auditor from Ernst & Young to PKF Perth, effective immediately.

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. Contingent Liabilities**

As at the date of this report, no other contingent liabilities, other than as disclosed in the 30 June 2018 Annual Report, had been identified in relation to the half-year ended 31 December 2018.

**9. Capital Commitments**

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

	<b>31-Dec-2018</b>	<b>30-Jun-2018</b>
Not longer than 12 months	25,253	75,572
Between 12 months and 5 years	212,299	291,055
	<b><u>237,552</u></b>	<b><u>366,627</u></b>

**10. Lease Commitments**

During the half year period to 31 December 2018, the Company maintained an office in the same premises it previously occupied at an annual rental of \$18,000 per annum plus outgoings. The tenancy is held on a flexible basis. Subsequent to the year end, the Company is negotiating on a new office lease with the final occupancy details to be finalised.

**11. 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 2018 due to their short term nature.

**12. Related Party Transactions**

During the period under review, EverBlu Capital Pty Ltd, a company of which Non-Executive Director, Tim Wilson was a director as at 31 December 2018, was paid an aggregate amount of \$66,000 for marketing and promotional services.

There are no other related party transactions during the period apart from the payment of directors' fees to three directors amounting to \$122,600 (for the half-year ended 31 December 2017: \$59,454).

**13. 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 2018	30 June 2018
East Pilbara Conglomerates Pty Ltd	Australia	17 November 2017	100%	100%
SR (Sale Entity) Pty Ltd	Australia	17 November 2017	100%	100%



## MinRex Resources Limited

### DIRECTORS' DECLARATION

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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 2018 and of its performance for the half-year then ended; and
  - (ii) complying with Australian Accounting Standards (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 has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the *Corporations Act 2001*.

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



**Simon Durack**  
**Executive Director**

West Perth, 13 March 2019

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

### Conclusion

We have reviewed the accompanying half-year financial report of Minrex Resources Limited (the Company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2018, 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 2018 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.

### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which confirmed that the consolidated entity incurred a net loss after tax of \$430,680 (2017: \$380,659) and an operating cash outflow of \$607,515 (2017: \$396,163) during the half year ended 31 December 2018. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

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## 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.

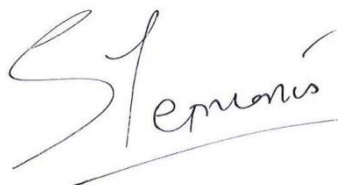
## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2018 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. As the auditor of Minrex Resources Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



PKF PERTH



SIMON FERMANIS  
PARTNER

13 MARCH 2019  
WEST PERTH,  
WESTERN AUSTRALIA