MinRex Resources Limited and its Controlled Entities

ABN 81 151 185 867

ANNUAL REPORT

For the Year Ended 30 June 2019

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CORPORATE DIRECTORY

DIRECTORS
Dr James Ellingford (Non-Executive Chairman)
Mr Simon Durack JP (Executive Director)
Mr Constantine Tsesmelis (Non-Executive Director)

COMPANY SECRETARY
Miss Aida Tabakovic

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The Directors present their report for MinRex Resources Limited and its wholly owned subsidiaries ("MinRex" or "the Company" or "the Group") for the year ended 30 June 2019.

DIRECTORS

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

Dr James Ellingford - D.Mgt, MBA, Post Grad Corp Man (*Non-Executive Chairman)*
Dr Ellingford previously served as an International Executive President of a multi-billion dollar NASDAQ business in Take-Two Interactive Software with its headquarters in Geneva and New York (TTWO). He has decades of international business 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 a corporate governance, ethics and marketing at a leading Sydney University, which are all areas he maintains a keen interest in.

Appointment date	3 November 2017
Directorships of other ASX listed companies in last 3 years	-Creso Pharma Limited (since 20 November 2015) -Pursuit Minerals Limited [*formerly Burrabulla Corporation Limited*] (18 May 2016 until 14 August 2017) -Hardey Resources Limited [*formerly Elysium Resources Limited*] (3 March 2017 until 20 April 2018) -Manalto Limited (15 September 2017 until 30 January 2019) -Victory Mines Limited (8 November 2011 until 31 January 2019)
Interest in securities	Nil

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 a resident Director for several offshore companies with operations in Australia. Mr Durack brings a strong commercial and financial background to the Company.

Appointment date	30 May 2011
Directorships of other ASX listed companies in last 3 years	Nil
Interest in securities	125,001

Mr Constantine Tsesmelis –BScTech, FIChemE, MIEAust, CPEng (*Non-Executive Director)*
Mr Tsesmelis is a Chemical Engineering Consultant with over 40 years technical, managerial and commercial experience in gas processing, LNG, refining, petrochemicals and alternative fuels. He has held senior positions with major oil companies, independent refiners, engineering companies and consulting firms in Europe, the Middle-East and Australia. He is also a Managing Director of various unlisted companies. Mr. Tsesmelis experience includes expert knowledge of decision-support applications for production planning and scheduling, investment analysis, supply chain operations, distribution and logistics.

DIRECTORS (continued)

Appointment date	15 April 2019
Directorships of other ASX listed companies in last 3 years	Nil
Interest in securities	Nil

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.

Appointment date	27 November 2017
Resignation date	20 May 2019
Directorships of other ASX listed companies in last 3 years	-Manalto Limited (15 September 2017 until 16 April 2019)
Interest in securities	Nil

COMPANY SECRETARY

Miss Aida Tabakovic – *appointed 28 August 2018*
Miss Tabakovic is an accountant with over ten years' experience in the accounting and financial reporting of listed and unlisted companies. She has also had previous management experience in the luxury retail sector. Miss Tabakovic holds a Double Major Degree in Accounting and Finance and a Postgraduate Degree in Business Law. Miss Tabakovic assists clients with ASX and ASIC compliance, statutory reporting, company secretarial and financial accounting services. She has also been involved in the listing of a number of junior explorer companies on the ASX.

Mrs Elizabeth Hunt – *appointed 12 February 2018; resigned 27 August 2018*

PRINCIPAL ACTIVITY

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

RESULTS OF OPERATIONS

The Company's net loss attributable to the members of MinRex Resources Limited for the year ended 30 June 2019 was $898,401 (2018: net loss $1,550,702).

	2019	**2018**	**% increase /**
	$	**$**	**(decrease)**
Revenue – interest income only	12,114	8,329	45.4
Loss before tax	(898,401)	(1,550,702)	(42.1)
Loss after income tax – tax benefit not recognised	(898,401)	(1,550,702)	(42.1)
Loss per share	(1.00) cents	(2.17) cents	(99.5)

The decrease in the loss after income tax of 42% is primarily due to the reduction in Company's exploration expenditure spend during the year and the underspending of marketing and company promotional costs.

The financial performance and position of the Company is presented in the attached financial statements.

DIVIDENDS

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

CORPORATE STRUCTURE

MinRex Resources Limited and its controlled entities, namely East Pilbara Conglomerates Pty Ltd and SR (Sale Entity) Pty Ltd, are mining exploration companies which are incorporated and domiciled in Australia.

REVIEW OF OPERATIONS

Overview

MinRex Resources Limited (ASX:MRR) ("MinRex" or "the Company") 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. At the end of the 2019 financial year, MinRex holds five projects, four which are in the East Pilbara region of WA, approximately 1200 km NNE of Perth in the vicinity of Marble Bar. These projects are 70% owned Marble Bar North Gold Project, the Marble Bar South Gold Project, the Daltons Project and the Bamboo Creek Gold Project. The Company also holds 100% owned Deflector Extended Gold Project at Gullewa in Western Australia (Figure 1). On 2 April 2019, The Heemskirk Tin Project licence expired. The Company decided not to renew this tenement licence, in favour of focusing its exploration activities on its tenements in Western Australia. The Company also continues to actively evaluate other exploration and corporate opportunities.

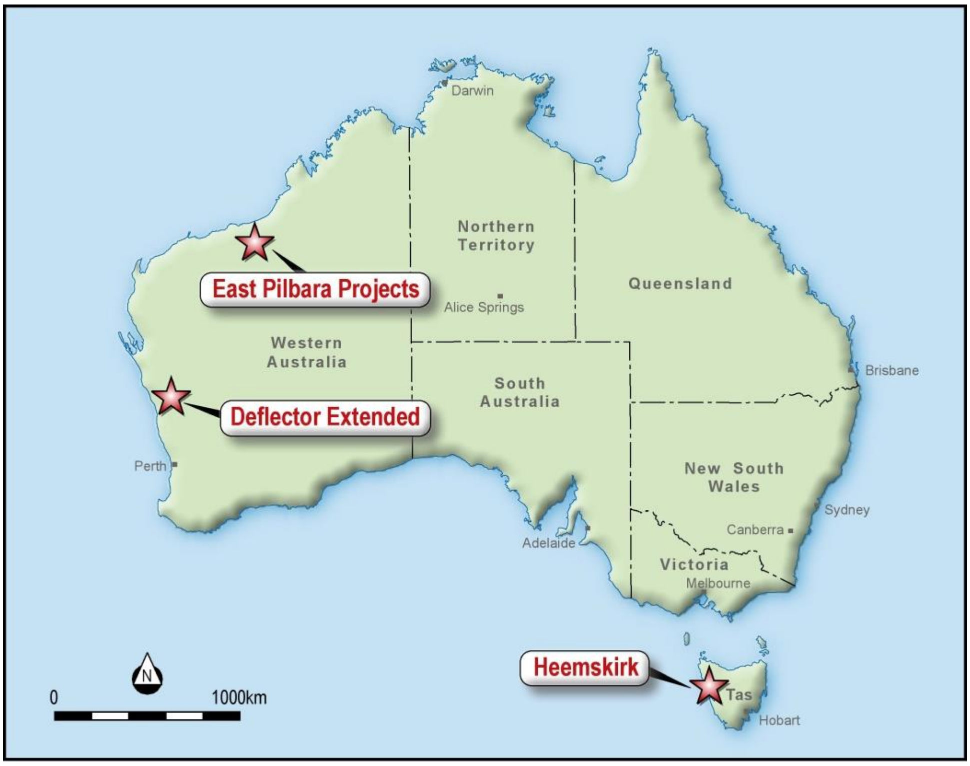

Figure 1: Location of MinRex Project areas held during the year

During 2019 financial year, MinRex has completed three extensive surface exploration programs on the East Pilbara project areas, near Marble Bar in the East Pilbara Region (Figure 2). This work commenced with a surface rock sampling program, geological mapping and reconnaissance in August 2018, followed by a surface geological evaluation and metal-detecting program in October 2018, and a third field program of sampling, geological mapping and reconnaissance work during June 2019. Eleven gold nuggets have been recovered by metal detecting and a total of 610 surface rock samples been collected from within the East Pilbara project areas, since December 2017.

During the financial year, MinRex has also completed two surface exploration programs at the Deflector Extended Project in the Murchison Region of WA. During October 2018 exploration programme a total of 253 soil samples were collected along a number of lines to the north of the Cagacaroon Hills and 32 rock samples in the same area, while the second exploration program in June 2019, collected a total of 34 rock samples from previously unsampled areas along with the completion of geological mapping and reconnaissance work.

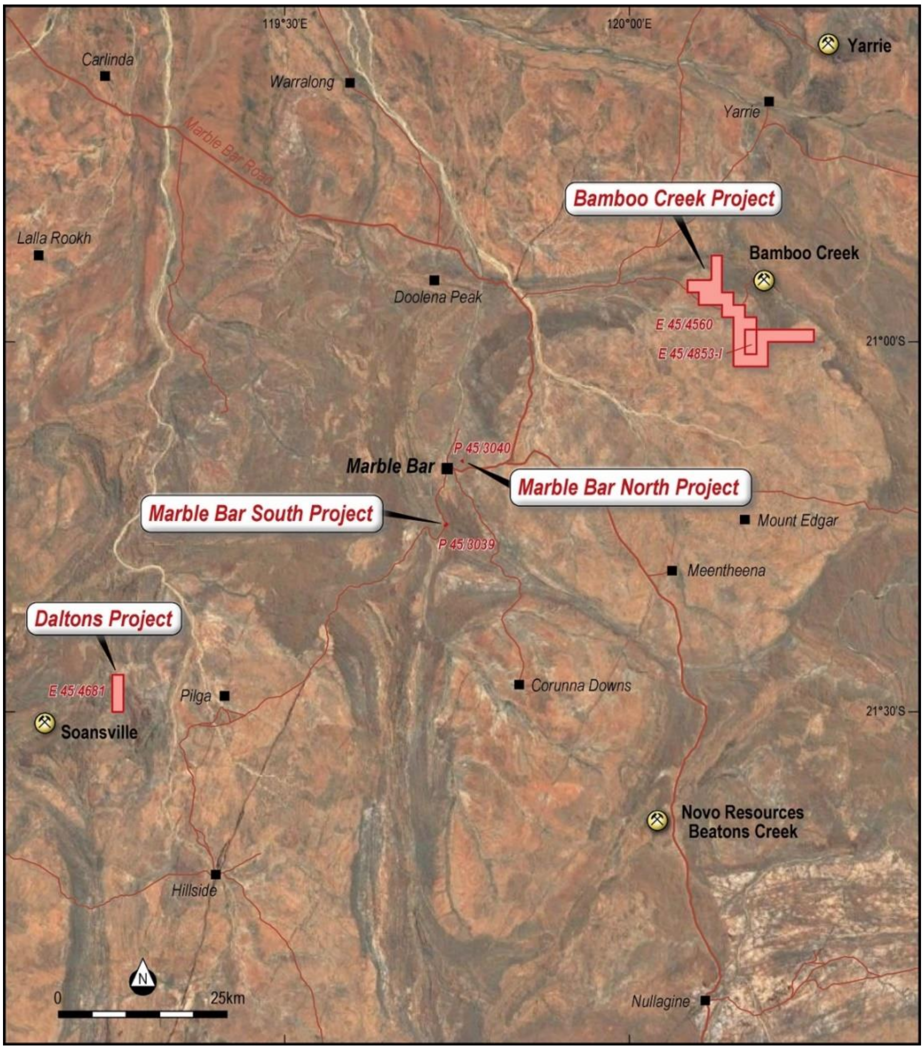

Figure 2: Plan showing the location of MinRex's four East Pilbara project Areas

Marble Bar North Gold Project

The Marble Bar North Project (P45/3040) incorporates a large part of the old Ironclad Gold Mine workings which were worked from the 1890's until 1933 and produced 1,451oz of gold from 2,843t of ore treated. A sizeable proportion of this production was from within the area now covered by MinRex's project area. The lease is 3km from Marble Bar Township with a well-maintained track running to the old Ironclad mine-site and battery (Figure 3). The Marble Bar Group of gold mines contains a total of 29 gold occurrences with a historic gold production of about 1,298kg of gold, within a strike extent of about 4km.

Figure 3: View to the north (along strike) at the Ironclad Gold Mine workings in P45/3040

During August 2018 detailed exploration and sampling program at the Marble Bar North Project, a total of 20 rock samples were collected from the old workings, variously named Ironclad, Jo Jo North and Betty Boo (Figure 3). In October 2018 a further detailed metal detecting and sampling program collected a total of five gold nuggets weighing 1.5g from the tenement, along with two gold-bearing quartz rock specimens (Figure 4). A total of 11 gold nuggets, weighing 24.2gms have now been recovered from the western portion of the Marble Bar North Project area (P45/3040). Closer examination of the soil and gravel layers where these gold nuggets were recovered suggests that there is a coarse-grained layer (80-90cm thick) of mainly quartz cobble scree at the surface which overlies a finer-grained, sandy gravel layer (30-35cm thick). This basal layer sits directly on bedrock and is thought to be the layer that hosts the nuggets. Further sampling of this basal gravel layer is planned for subsequent exploration programs.

Figure 4: Left, five small gold nuggets and right, gold-bearing quartz, recovered in October 2018

A third exploration program during June 2019, collected a further 20 rock samples from the Marble Bar North Project area, bringing the total to 40 samples in the current year and 80 samples since MinRex commenced work in the area during December 2017. All 80 rock samples have been analysed for a total of 20 elements at Bureau Veritas in Perth which 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 zero up to 105g/t Au, with an average for all 80 samples of 4.0g/t Au. The full results were detailed in ASX releases on the 28 September 2018, 10 January 2019 and 15 July 2019 respectively, with the gold results for all 80 samples collected to date also being shown on the plan below (Figure 5).

The gold mineralisation in the Marble Bar area occurs as quartz veins in sheared and strongly carbonated mafic schists (greenstones) and associated alteration zones, in dolerite and other mafic rock types close to the greenstone/granite contact. This lease has been worked extensively in the past and within the lease a line of old gold workings lies along the sheared lithological contact between metamorphosed mafic volcanic rocks and intrusive granite. This highly sheared contact trends north-south and hosts an extensive gold-bearing quartz vein system that dips shallowly to the west, within the encompassing shear zone.

The next phase of field work at the Marble Bar North Project will comprise further rock sampling, soil sampling in colluvium and soil covered areas and detailed geological mapping to better understand this gold mineralised system. MinRex will be targeting the collection of a large number of rock chip samples from along the old workings and throughout the entire tenement. The large number of old workings and diggings in this area, in conjunction with the excellent assay results received from the initial rock samples is considered encouraging for the discovery of economic gold mineralisation in this area. It is probable that this work will be completed in the next few months and during the current field season in the East Pilbara.

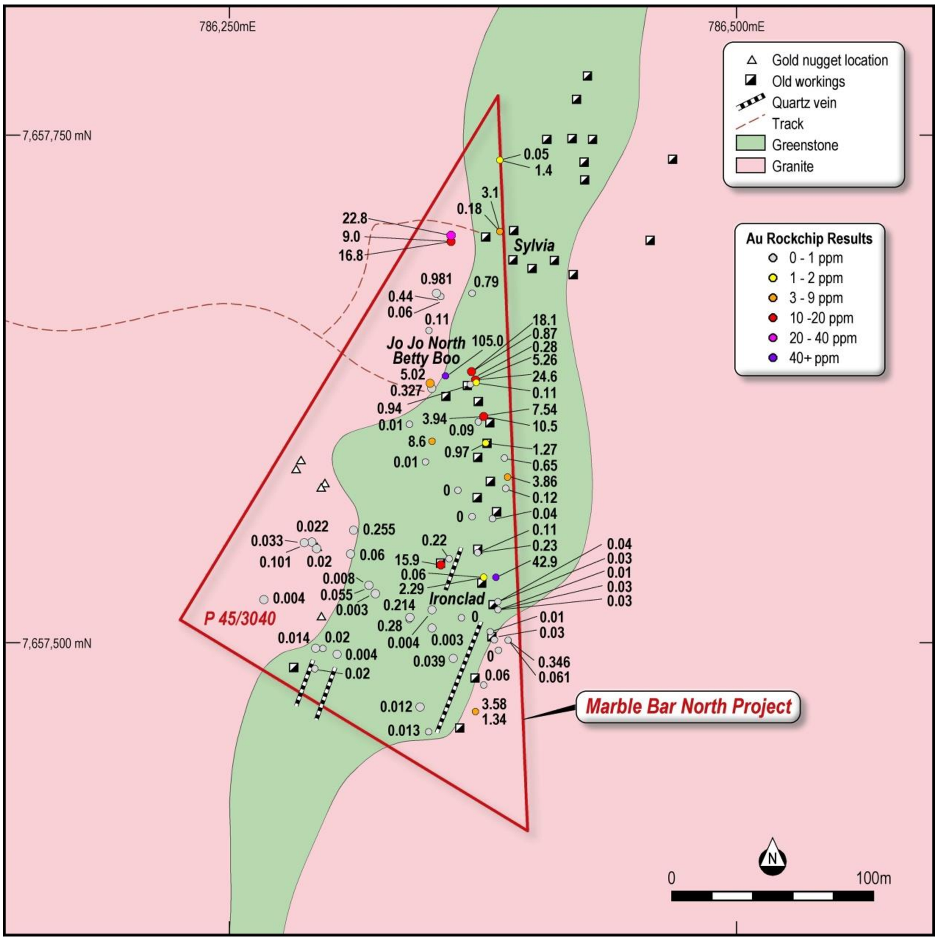

Figure 5: Marble Bar North Project P45/3040 showing the old workings and all 80 gold assay results to date

Marble Bar South Gold Project

The Marble Bar South Project (P45/3039) contains a ridge along which lie a significant number of historical workings that are up to 10m deep. The old McKays Find Gold Mine and its mineralisation lie within a 2m wide shear zone of pyritic-fuchsite-carbonate rock and associated quartz veining along a 30-40m high ridge of greenstone rocks. The mined zone was 100m long, 0.5-2m wide, strikes north-northeast and dips at 70-90^{o} to the east. The ore shoot plunges east/southeast parallel to the intersection of fracturing and regional schistosity. The lease is 11km from the Marble Bar Township on the main Marble Bar-Hillside Road, and has an old access track running through the lease.

During August 2018 detailed exploration and sampling program at the Marble Bar South Project, a total of 20 rock samples were collected from the old workings, conglomerate horizons and elsewhere within this licence, which is truncated to the north by basal Fortescue Group conglomerate rocks. In October 2018, metal detecting along the ridge line and over the slopes surrounding the old McKays Find gold mine workings failed to locate any nuggets due, in part, to the large amounts of metallic rubbish and debris that occur within this lease area (Figure 6). It is thought that this area has been used as a dumping ground in the past as it contains extensive deposits of old metal, bottles, building materials and other debris. The aim of the metal detecting and sampling work was to commence testing of other parts of the licence in particular the conglomerate-bearing areas, for previously undetected gold mineralisation.

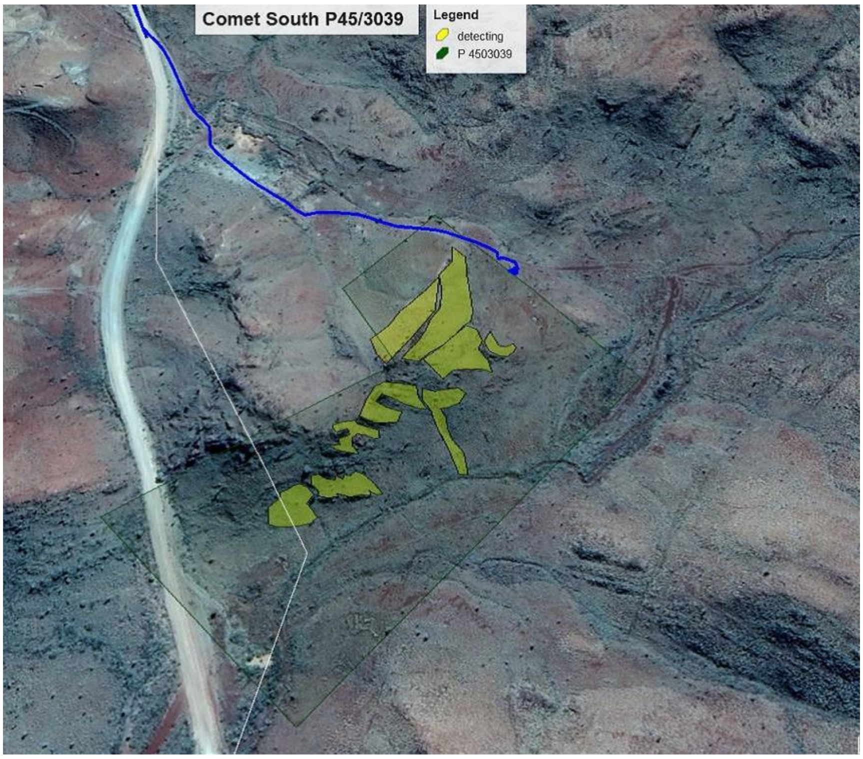

Figure 6: Marble Bar South Project (P45/3039) showing metal detecting areas to date

In June 2019 further 20 rock samples were collected from the Marble Bar South Project (P45/3039) from various locations, mainly in the southern sector of the licence from scree, float and outcrops beyond and around the old workings. In total, 40 samples were collected in the current year and 90 samples since MinRex commenced work in the area during December 2017. The aim of the work completed during the current year was to commence testing of the previously untested eastern and southern parts of the licence for undetected gold mineralisation (Figure 7).

Figure 7: View to the east from the McKays Find gold mine into the conglomerate outcrop area (P45/3039)

All 90 rock samples collected at 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 zero up to 47.6g/t Au, with all 90 assays averaging 3.1g/t Au. The full assay results for gold and base metals were released in ASX Announcements on the 28 September 2018, 10 January 2019 and 15 July 2019 respectively, with the gold results for all 90 samples collected to date also being shown on the plan below (Figure 8).

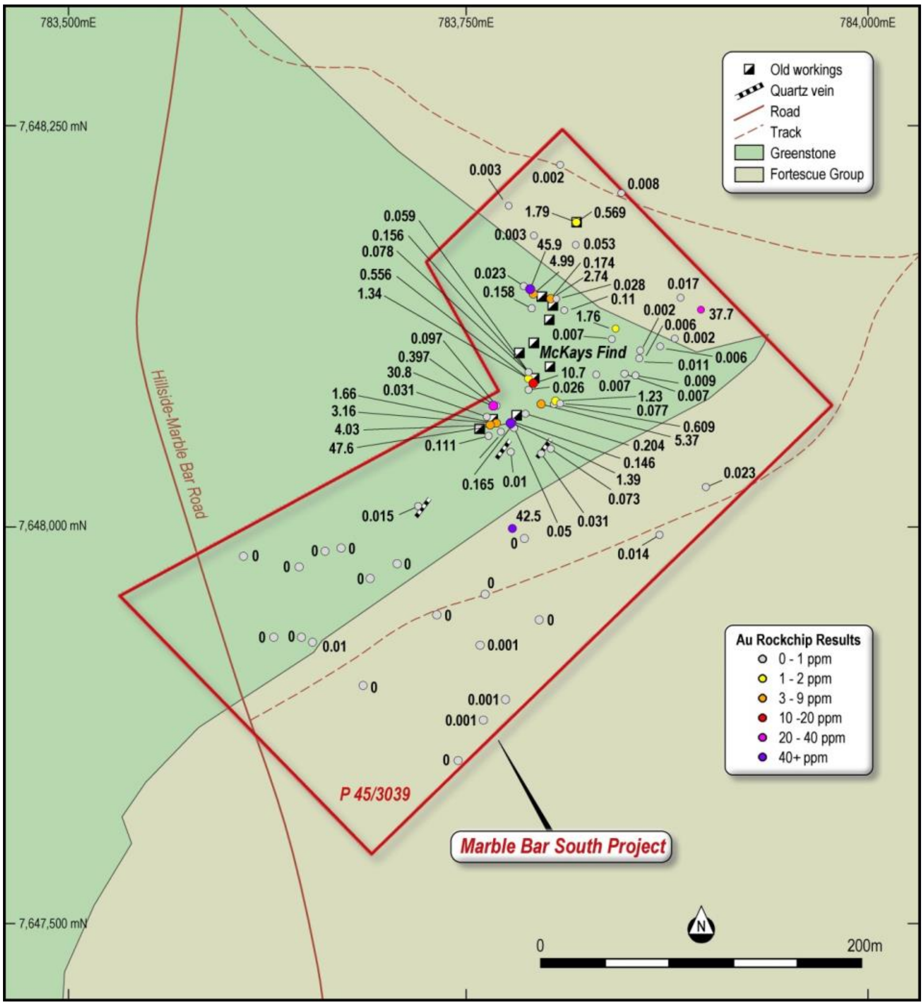

Figure 8: Marble Bar South Project P45/3039 showing workings and all 90 gold assays to date

The next phase of field work at the Marble Bar South Project will comprise further rock sampling, soil sampling in colluvium and soil covered areas and detailed geological mapping to better understand this gold mineralised system. MinRex will be targeting the collection of a large number of rock chip samples from along this ridge line and throughout the entire tenement as part of its exploration work in the East Pilbara. The large number of old workings and diggings in this area, in conjunction with the excellent assay results received from the initial rock samples is considered encouraging for the discovery of economic gold mineralisation in this area.

Daltons Gold Project

Between August 2018 and June 2019, three exploration programs were conducted at the Daltons Project area (E45/4681) which included geological mapping, rock sampling and extensive metal detecting along the entire length of the old workings some 1,500m of strike length. This work collected a total of 100 rock samples from the old mine workings and dumps as well as various rock types, quartz veins and prospective horizons throughout the area. In October 2018, metal detecting was hindered by the presence of metallic debris in the vicinity of the old workings leading to a recommendation for a pattern soil sampling program over the area of the old workings to better determine the most anomalous zones.

During the year, a total of 100 rock samples were collected at the Daltons Project (E45/4681) from a large area including the centre and across the entire width of the exploration licence (Figure 9). This included multiple rock types, structural settings, alteration zones, float, scree and colluvium. The principal aim of the sampling programme was to test further north and south from the old workings and also west across the strike, although a few samples were also from the main old workings and previously un-sampled old workings.

Figure 9: View to the west across the licence from the old workings at Daltons in E45/4681

The old gold workings at the Daltons Mining Centre are located along a north-northwest-trending line of quartz and quartz-carbonate veins which have developed within the foliation of mafic greenstone schists and associated alteration zones in metabasalt, high-Mg basalt, dolerite and other mafic and ultramafic rock types of the Archean Warrawoona Group Greenstones. The geology in the project area strikes north-northwest is steeply dipping and layered with bands of jaspilite, quartzite, banded iron formation, ultramafic, felsic, mafic and amphibolite rocks, and granitoid. There are many structurally complex areas, numerous shear zones, major faults and steeply plunging fold axes, dips are steeply east-dipping to vertical.

The Daltons gold workings can be traced for 1,500m strike length, with the main quartz lode marked by workings for 700m and a maximum width of up to 10m and the strike of 340-350^{o}. Recorded production was 5.543kg of gold from 409.5t of ore for an average grade of 13.5g/t Au. The quartz reefs are principally parallel with the schistosity within the greenstones. There are several shafts, two of which extend to depths of over 20m, an inclined adit and some open stoping. There are copper minerals as well as gold in the workings.

During the year, 100 rock samples were collected at the Daltons Project bringing the total samples collected by MinRex to 160 rock samples. These were from various rock types, including quartz veins, shear zones, dumps, scree and float. The samples were all analysed for a total of 20 elements at Bureau Veritas in Perth. They included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. The outstanding assay results from all 160 of these samples were in the gold and copper assays which returned assays of up to 163g/t Au and 8.2% Cu, with the average grade of all 160 samples being 4.8g/t Au and 0.26% Cu. The full assay results for gold and base metals were released in ASX Announcements on the 21 June 2018, 10 January 2019 and 15 July 2019 respectively, while the gold results for all 160 samples are also shown on the plan below (Figure 10).

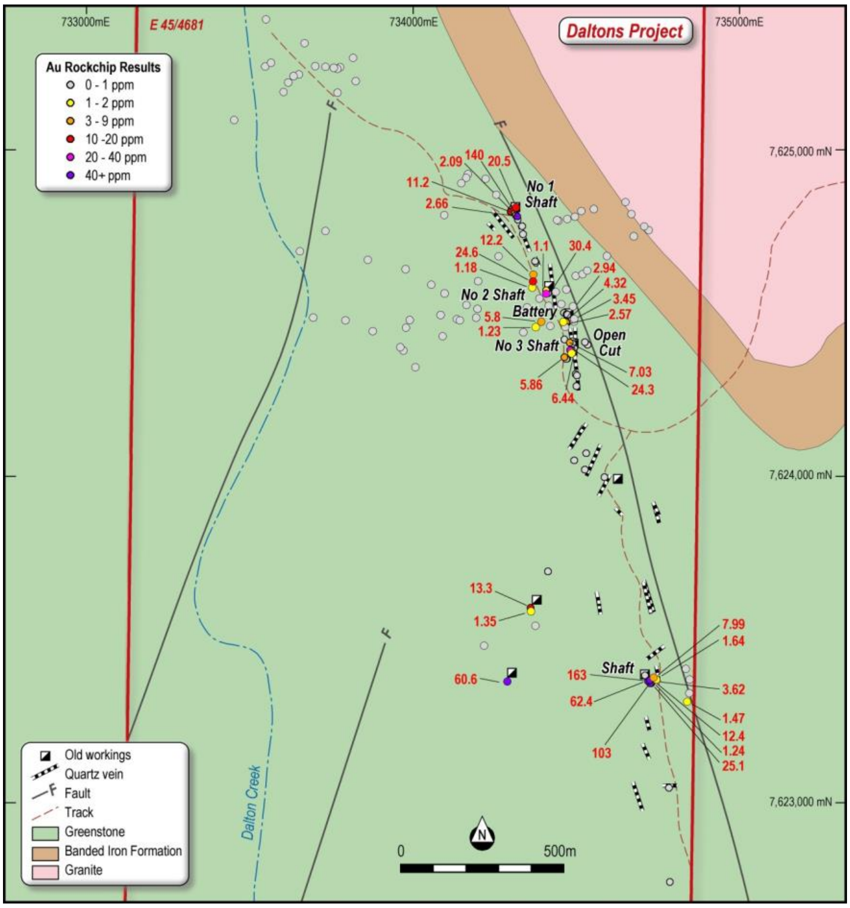

Figure 10: Daltons Project E45/4681 showing workings and all 160 gold assay results to date

The Daltons Project lease area is large and holds the remains of an old battery, with old tracks that provide access to most of the workings. The mineralisation occurs as gold-copper in quartz veins with the highest copper content (shown by green malachite and red cuprite minerals in the quartz) being associated with the highest gold grades.

MinRex has now collected a total of 160 rock samples from the Daltons Project area with the results demonstrating that gold occurs along a strike length of over 1,500m and also in several parallel structures over a zone up to 500m wide.

Bamboo Creek Project

During the financial year, exploration programs at the Bamboo Creek Project area included geological mapping, metal detecting and the collection of rock samples which returned a number of anomalous gold assays, especially from rock samples collected 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 (Figure 11).

The Bamboo Creek Project (E45/4560 & 4853) is prospective for gold mineralisation of the Bamboo Creek style. Bamboo Creek goldfield lies just 5-10km to the east, along strike within the Warrawoona Group Greenstones that occur in the northern portion of the exploration licence. There is also potential for the base metal and molybdenum mineralization of the Coppin Gap (Spinifex Ridge) style with the Spinifex Ridge Mo-Cu deposit lying just 2km to the west of the northern portion of the exploration licence, within a porphyry intrusion into the Warrawoona Group Greenstone sequence. There is also a potential for chrome-nickel mineralization in ultramafic bodies, as well as anomalism in other, as yet unidentified, mineralization styles.

The Bamboo Creek Gold Mining Centre was discovered in the 1890's, before the gold mines at Marble Bar, and has been active, on and off, for over 120 years. The first gold battery was established at the centre in 1892 and a State gold battery followed in 1913, the centre was historically one of the major gold producers in the Pilbara Region, with over 250,000 oz. of gold discovered and mined. Eight major mines, including the Bulletin Mine and the Bamboo Queen Mine were developed along the Main Line Reef, with multiple other smaller operations also occurring throughout the area. The Spinifex Ridge molybdenum-copper porphyry deposit also occurs in this area and contains a major JORC compliant mineral resource of molybdenum and copper.

Figure 11: View of the BC07 prospect area (left) and close-up of Norms Find copper-rich mineralisation (right)

A total of 280 rock samples were collected during the year from multiple areas, but including some of the named prospects, including Norms Find, BC07 and Nobb Hill, as well as various outcrop, float and scree zones. The samples collected were taken at previously identified gold, copper, chrome, nickel and polymetallic prospects, and from outcrop and float. These returned assay values of up to 22.9g/t Au, 42g/t Ag, 18.5% Cu, 0.20% Cr, 0.15% Ni, 0.12% Pb and 0.28% Zn (Figure 12).

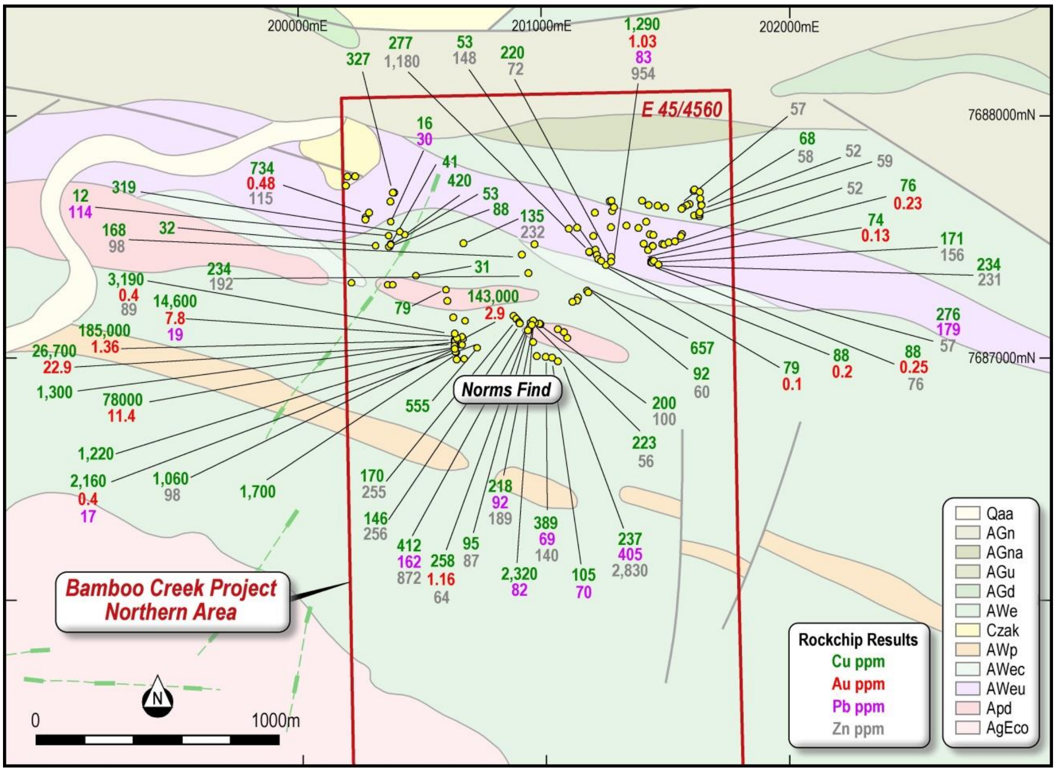

Figure 12: Northern part of the Bamboo Creek Project (E45/4560) showing the sample assay results to date

In October 2018, the northern part of the Bamboo Creek Project area was also subjected to extensive metal detecting in the vicinity of these previous anomalous results (Figures 13 and 14), but without the recovery of any gold nuggets.

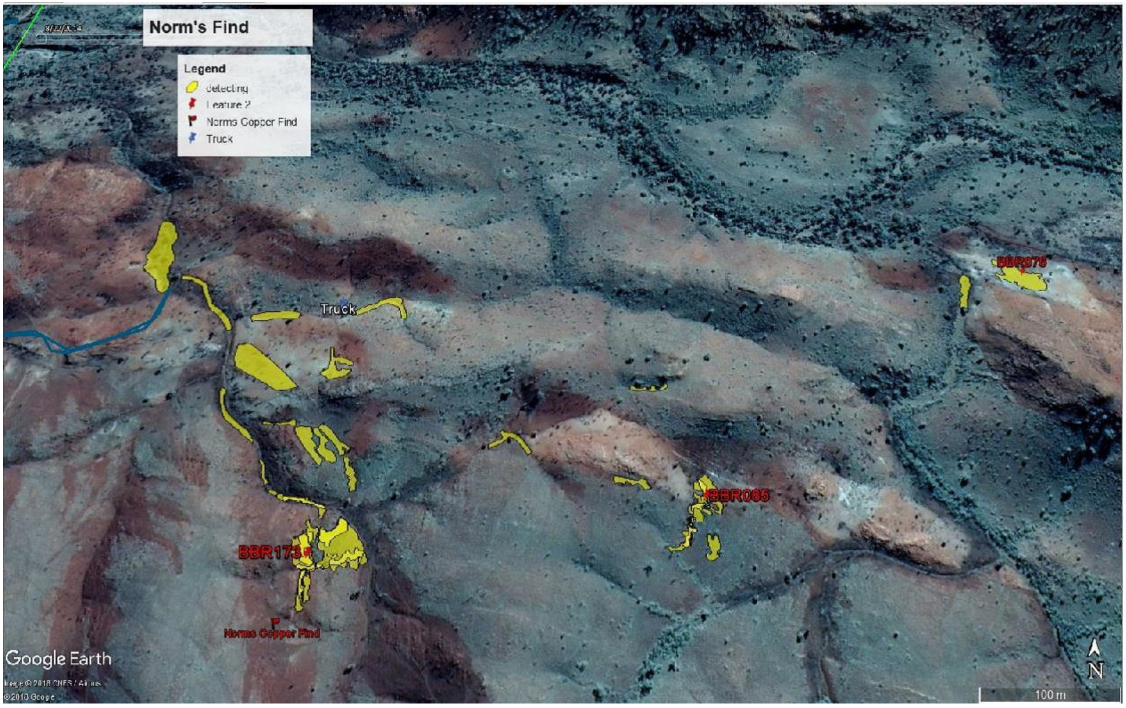

Figure 13: View of areas metal detected in the north of the Bamboo Creek Project, near Norms Find (E45/4560)

Figure 14: Surface view of metal detecting at Norms Find in the Bamboo Creek Project (E45/4560)

East Pilbara Summary

During the financial year, an extensive exploration programme which included geological mapping, reconnaissance of the old workings and previously defined prospects, metal detecting and comprehensive rock sampling, was completed at all four of MinRex's East Pilbara project areas.

From December 2017 through to June 2019, a total of 610 rock samples have been collected from the four East Pilbara Project areas with many of the assays being highly anomalous for gold, copper, silver, nickel, chrome and zinc. The projects have also been historically researched, old workings and prospects identified and extensive reconnaissance work completed, including air photo interpretation, metal detecting, photography and surface geological mapping.

The field work in the East Pilbara is planned to continue during the September 2019 Quarter, with further exploration work at all four of MinRex's project areas around Marble Bar. The major emphasis of the next exploration work will be to focus on the two Bamboo Creek exploration licences. Further rock sampling, soil sampling and detailed geological mapping will be used to better understand the gold, base metal and poly-metallic mineralised systems in this area. This work will aim to build on the results received from the previous five exploration programs.

Deflector Extended Gold Project

MinRex's Deflector Extended Gold Project (E59/1657) lies to the northeast of the Silver Lake Resources Ltd underground Deflector Mine, where copper-gold sulphide lode mineralisation occurs in steeply-dipping shear zones in meta-basalt, and the Golden Stream open cut where gold was produced from shear zone-hosted quartz veins in meta-basalt. Both deposits trend towards MinRex's tenement where deep cover sequences have hindered previous exploration work. The Deflector Mine was opened in May 2016, and Silver Lake Resources continues to actively explore its Deflector area tenements with drilling at the Deflector Mine and other mines and prospects in the area, including immediately to the south of MinRex's tenement.

Approximately 85% of the surface of MinRex's Deflector Extended Project area is covered by sand, colluvium, scree and alluvium, with only approximately 15% outcrop of mafic meta-basalt rocks in the Cagacaroon Hills area, and other small areas of granite and dolerite. MinRex has been actively exploring the Deflector Extended Project area since 2011, utilising surface sampling and geological mapping to hone in to buried mineralised structures and favourable settings for mineralisation.

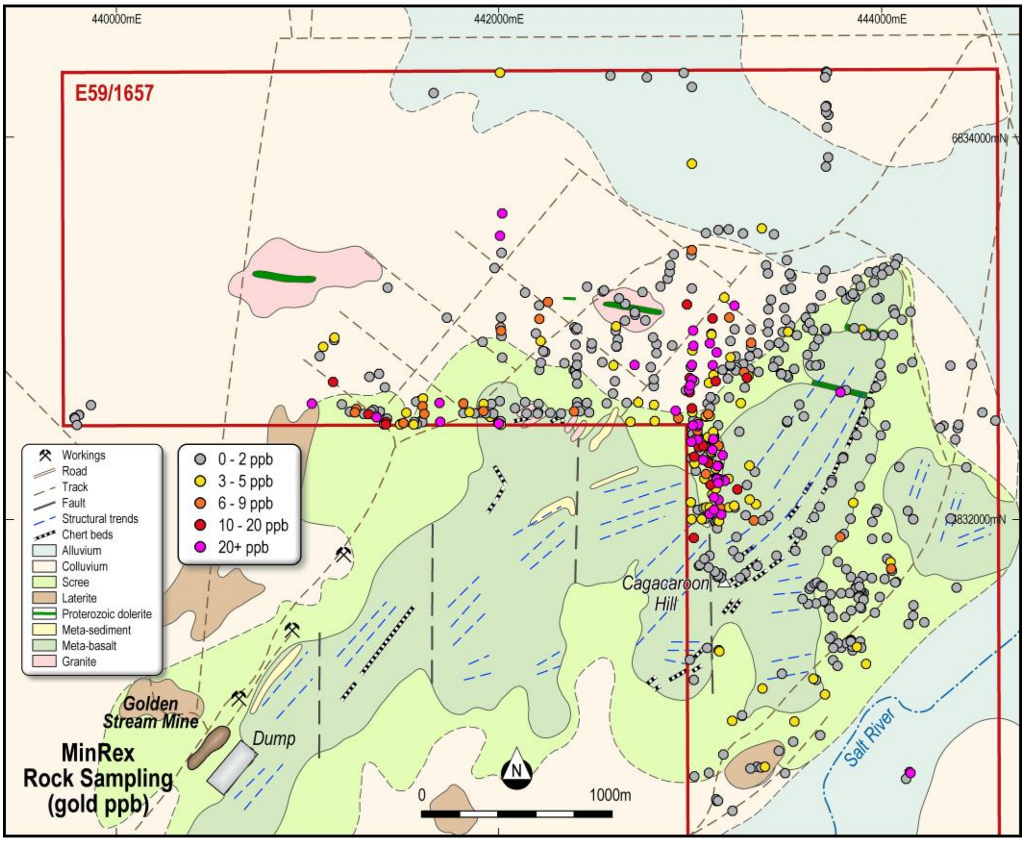

Figure 15: Plan showing the geology and all 600 rock sample results, in E59/1657

During late-September, early October 2018, MinRex completed a field exploration and sampling program at the Deflector Extended Gold Project, which included geological mapping, collection of 253 surface soil samples and 32 surface rock samples. The best rock sample gold assay result was from a float sample of goethitic meta-sedimentary rock which assayed 0.13g/t Au, from an area of deeper alluvial and colluvial cover to the north of the Cagacaroon Hills outcrop area (Figure 15).

During June 2019, the field team also collected a total of 34 rock samples while conducting a reconnaissance exploration program. These rock samples were taken from outcrop, float and scree at random locations and in previously un-tested areas where prospective rocks were observed.

During the financial year a total of 253 soil samples and 66 rock samples were collected at the Deflector Extended Gold Project. The full results from these programs were reported in ASX announcements on the 26 November 2018 and the 26 June 2019 respectively, with the results from all rock samples collected to date being shown above at Figure 15.

MinRex has now collected a total of 600 surface rock, scree and float samples along with 594 soil samples and 185 auger drill results, which have defined significant anomalous zones for further examination and sampling. There have also been prior programs by earlier explores of RAB drilling, aircore drilling and soil sampling, with the results from which support the definition of these anomalous zones. The full results from all 594 soil samples collected to date are shown below at Figure 16.

The best results are from an area, now known as Corner Creek where a number of anomalous surface assay values (up to 2.9g/t Au) cluster in a distinct scree-covered area, adjacent to mafic meta-basalt and an interpreted fault zone, near the central corner of the lease. The prevalence of higher gold values in rock and soil values in areas of mafic colluvium suggests that concealed mineralisation may lie below the blanket of scree surrounding the Cagacaroon Hills meta-basalt outcrop area, especially immediately to the north of the hills.

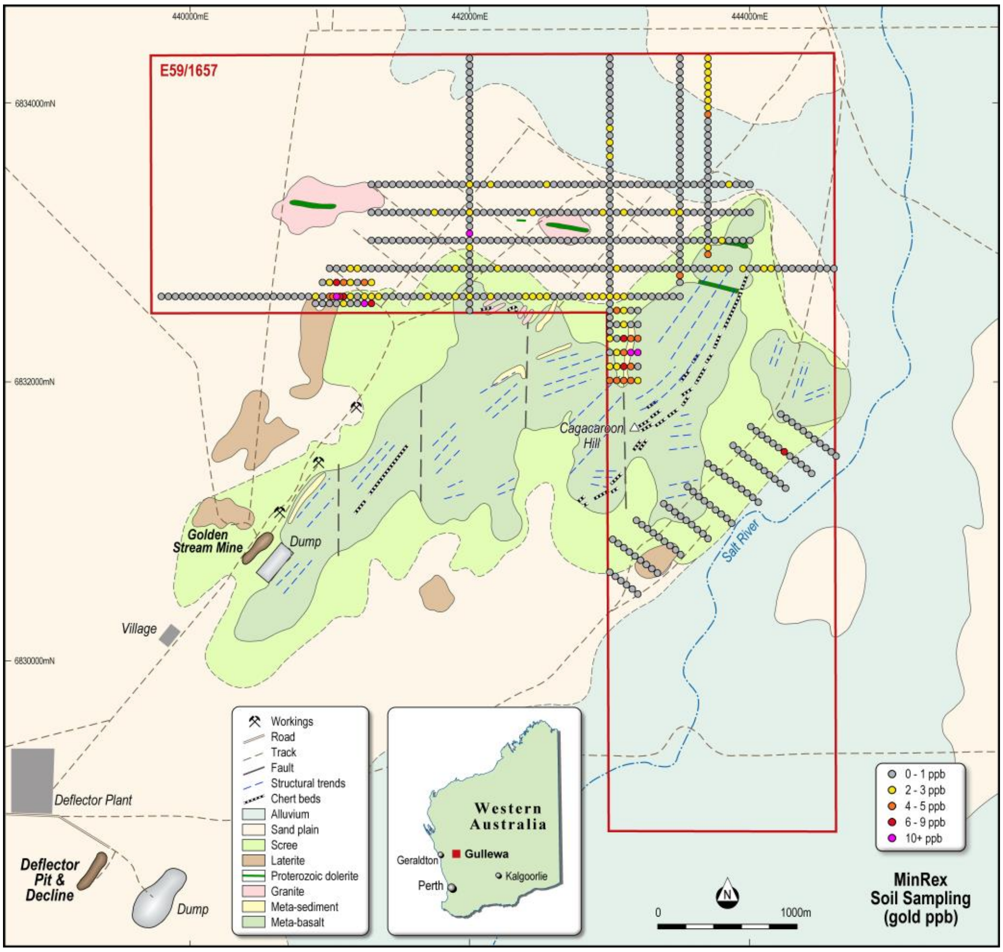

Figure 16: Plan showing the geology and all 594 soil sample results to date, in E59/1657.

The next stage of work at the Deflector Extended Project will anticipate to comprise of a shallow aircore drilling program of lines of holes within the anomalous area. Commencement of the heritage survey process, with archaeological and ethnographic surveys over the proposed drilling areas will begin during second half of 2019, along with the collection of further surface rock and soil samples, with a view to further pin pointing the most anomalous areas for subsequent drilling. This work will concentrate on the defined anomalous zones, but will also include some further reconnaissance work elsewhere on the Project area.

Heemskirk Tin Project

The Heemskirk Tin Project comprised exploration licence EL18/2011, on the west coast of Tasmania. On 2 April 2019, Heemskirk Tin Project exploration licence expired. MinRex decided not to renew this tenement licence, in favour of focusing its exploration activities on its tenements in Western Australia.

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 CHANGES IN STATE OF AFFAIRS

-On 27 August 2018, Mrs Elizabeth Hunt resigned as the Company Secretary, with Miss Aida Tabakovic being appointed as the Company Secretary;

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

-On 2 April 2019, Company's Heemskirk Tin Project exploration licence expired and was not renewed, due to the Company wanting to focus its exploration activities on its existing tenements in Western Australia;

-On 15 April 2019, Mr Constantine Tsesmelis was appointed as the Non-Executive Director; and

-On 20 May 2019, Mr Timothy Wilson resigned as a Director.

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

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company holds participating interests in various exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the Company's environmental conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2019.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

INDEMNIFICATION OF AUDITORS

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

DIRECTORS' MEETINGS

During the financial year, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Director	Board Meetings Eligible to Attend	Board Meetings Attended	Remuneration Committee Meetings Held	Remuneration Committee Meetings Attended	Nomination Committee Meeting Held	Nomination Committee Meeting Attended
Simon Durack	11	9	1	1	1	1
James Ellingford	11	11	1	1	1	1
Tim Wilson	9	8	1	1	1	1
Constantine Tsesmelis	3	3	-	-	-	-

PROCEEDINGS ON BEHALF OF COMPANY

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

SHARE OPTIONS

No options were issued or granted during the year and no options were exercised during the year.

No options have been granted or exercised subsequent to the end of the year and up to the date of this report. As at 30 June 2019, the Company has 60,000,000 unlisted options exercisable at $0.144 on or before 26 February 2020.

CORPORATE GOVERNANCE

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

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

The Company's corporate governance policies and procedures are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principles and Recommendations" (the Recommendations). In accordance with the 3rd Edition of the Recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the reporting period. Where a recommendation has not been followed that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to the Corporate Governance Plan on our website: www.minrex.com.au.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the Directors of MinRex Resources Limited in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. The 2018 Remuneration Report was approved and adopted by shareholders at the Company's Annual General Meeting held on 30 November 2018.

Details of Key Management Personnel

Dr James Ellingford	Non-Executive Chairman
Mr Simon Durack	Executive Director
Mr Constantine Tsesmelis	Non-Executive Director – *appointed 15 April 2019*
Mr Tim Wilson	Non-Executive Director – *resigned 20 May 2019*

Remuneration Policy

The Remuneration Committee of the Board is responsible for determining and reviewing compensation arrangements for the Directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not directly link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

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

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

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

	30 June 2019	**30 June 2018**	**30 June 2017**	**30 June 2016**	**30 June 2015**
Loss per share during the year (cents)	**(0.94)**	**(2.17)**	**(1.70)**	**(1.70)**	(restated) (3.33)*
Share price per share as at year end	**$0.013**	**$0.041**	**$0.054**	**$0.054**	$0.085

*The weighted average number of ordinary shares in 2016 has been adjusted for the bonus element of the shares subscribed for on 4 July 2016. As a result, the loss per share amounts from prior years were restated.

Remuneration Policy (continued)

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

2019	**Short term benefits**		
Director	*Directors' Fees*	*Consulting Fees*	*Total*
Mr Simon Durack	$91,980	-	$91,980
Dr James Ellingford	$91,980	-	$91,980
Mr Tim Wilson*	$45,550	-	$45,550
Mr Constantine Tsesmelis**	$7,500	-	$7,500
Total	**$237,010**	**-**	**$237,010**
2018	**Short term benefits**		
Director	*Directors' Fees*	*Consulting Fees*	*Total*
Mr Simon Durack	$63,990	$84,000***	$147,990
Dr James Ellingford	$51,780	-	$51,780
Mr Tim Wilson	$21,400	-	$21,400
Mr Robert Downey	$21,000	$10,000	$31,000
Mr David Hannon	$14,663	-	$14,663
Total	**$172,833**	**$94,000**	**$266,833**

*Mr Wilson resigned as a Director on 20 May 2019.
**Mr Tsesmelis was appointed as a Director on 15 April 2019.
***From 1 July 2017, the Company engaged Mr Durack's private company, Advanced Management Services Australia Pty Ltd, to provide Company Secretarial and CFO services to the Company. This engagement concluded in February 2018 when Mining Corporate Pty Ltd was engaged to assume these roles for the Company.

There were no other Executive officers of the Company during the financial year ended 30 June 2019. Given the nature of the Company's present activity, no remuneration is performance related.

There were no share based payments made during the year to KMPs.

Directors' fees
Executive Director
The Executive Director, Mr Simon Durack, is paid Director's fees on a monthly basis.

Non-Executive Directors
The Non-Executive Directors, Dr James Ellingford, Mr Constantine Tsesmelis and Mr Tim Wilson (until his resignation) are paid Directors' fees on a monthly basis.

The aggregate fee remuneration for Directors has been set at an amount not to exceed $350,000 per annum as detailed in the Company's new Constitution which was adopted by shareholders at the Annual General Meeting, which was held on 23 November 2015. This amount may only be increased with the approval of Shareholders at a general meeting.

Consulting fees
As there are no full-time executives engaged by the Company, and all Directors' fees charged have been historically very low, the Board of Directors resolved to pay each and any Director the sum of $250 per hour, plus GST, in consulting fees for any work performed in the pursuit of other corporate opportunities, as fair compensation for the professional work undertaken.

Remuneration Policy (continued)
Director's interests held in MinRex Resources Limited Shares

	1 July 2018	Net change during the year	30 June 2019
Directors			
Mr Simon Durack	125,001	-	125,001
Dr James Ellingford	-	-	-
Mr Tim Wilson(i) Mr Constantine Tsesmelis(ii)	-	-	-
	125,001	-	125,001

(i) Mr Wilson resigned on 20 May 2019.
(ii) Mr Tsesmelis was appointed on 15 April 2019.

Other transactions with Key Management Personnel

During the period, EverBlu Capital Pty Ltd, a company of which Non-Executive Director, Tim Wilson was an employee, was paid an aggregate amount of $90,000 (2018: $122,823) for marketing and promotional services. Mr Wilson ceased his employment with EverBlu Capital Pty Ltd on 4 March 2019.

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

END OF REMUNERATION REPORT (AUDITED)

Simon Durack
Executive Director

Perth, 26 September 2019

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of MinRex with an Independence Declaration in relation to the audit of the full year financial report. A copy of this declaration appears on page 22 of this financial report.

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

Ernst & Young provided non-audit services to the Company during the year. Ernst & Young received a total of $10,357 for the provision of tax compliance services (refer note 12). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that the auditor independence was not compromised.

There were no non-audit services provided by PKF Perth.

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF MINREX RESOURCES LIMITED

In relation to our audit of the financial report of Minrex Resources Limited for the year ended 30 June 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

26 SEPTEMBER 2019
WEST PERTH,
WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note	30-Jun-19 $	30-Jun-18 $
Revenue from ordinary activities			
Interest Income		12,114	8,329
Other Income		-	-
		12,114	8,329
Expenditure			
Depreciation and amortisation		(2,276)	(2,849)
Corporate expenses		(414,950)	(567,237)
Exploration and evaluation expenditure	8	(220,202)	(516,012)
Management and administration expenses	4	(160,702)	(168,304)
Marketing and promotional expenses		(112,385)	(303,561)
Finance costs		-	(1,068)
Total expenditure		(910,515)	(1,559,031)
Loss from ordinary activities before income tax expense		(898,401)	(1,550,702)
Income tax expense	5	-	-
Net loss attributable to the members of MinRex Resources Limited		(898,401)	(1,550,702)
Other comprehensive income			
Other comprehensive income		-	-
Income tax relating to items of other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(898,401)	(1,550,702)
Basic loss per share attributable to the ordinary equity holders of the Company (cents)	14	(0.94)	(2.17)
Diluted loss per share attributable to the ordinary equity holders of the Company (cents)	14	(0.94)	(2.17)

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

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	30-Jun-19 $	30-Jun-18 $
Current Assets			
Cash and cash equivalents	6(a)	557,177	1,540,302
Other receivables	7	29,860	54,274
Prepayments		22,476	7,523
Total Current Assets		609,513	1,602,099
Non-Current Assets			
Exploration and evaluation expenditure	8	5,656,000	5,656,000
Plant and equipment		4,957	6,138
Total Non-Current Assets		5,660,957	5,662,138
Total Assets		6,270,470	7,264,237
Current Liabilities			
Trade and other payables	9	121,968	310,450
Total Current Liabilities		121,968	310,450
Total Liabilities		121,968	310,450
Net Assets		6,148,502	6,953,787
Equity			
Contributed equity	10	8,867,065	8,773,949
Share-based payment reserve	11	3,156,000	3,156,000
Accumulated losses		(5,874,563)	(4,976,162)
Total Equity		6,148,502	6,953,787

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

	Contributed equity	Share-based payment reserve	Accumulated losses	Total Equity
30 June 2018	**$**	**$**	**$**	**$**
Balance at 1 July 2017	**4,551,382**	**-**	**(3,425,460)**	**1,125,922**
Net loss for the year	-	-	(1,550,702)	(1,550,702)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(1,550,702)	(1,550,702)
Transaction with owners recorded directly in equity				
Shares issued	4,294,902	-	-	4,294,902
Share-based payment	-	3,156,000	-	3,156,000
Share issue costs	(72,335)	-	-	(72,335)
Balance at 30 June 2018	**8,773,949**	**3,156,000**	**(4,976,162)**	**6,953,787**
30 June 2019				
Balance at 1 July 2018	**8,773,949**	**3,156,000**	**(4,976,162)**	**6,953,787**
Net loss for the year	-	-	(898,401)	(898,401)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(898,401)	(898,401)
Transaction with owners recorded directly in equity				
Shares issued	-	-	-	-
Share-based payment	95,000	-	-	95,000
Share issue costs	(1,884)	-	-	(1,884)
Balance at 30 June 2019	**8,867,065**	**3,156,000**	**(5,874,563)**	**6,148,502**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2019

	Note	30-Jun-19	30-Jun-18
		$	$
Cash flows used in operating activities			
Interest received		11,496	8,177
Payments for exploration and evaluation expenses		(220,202)	(516,012)
Payments to suppliers and employees		(773,325)	(796,192)
Net cash used in operating activities	6(b)	(982,031)	(1,304,027)
Cash flows used in investing activities			
Payments for exploration and evaluation assets		-	(750,000)
Payments for plant and equipment		(1,094)	(7,049)
Net cash used in investing activities		(1,094)	(757,049)
Cash flows from financing activities			
Issue of shares - private placement net of costs		-	2,472,566
Net cash from financing activities		-	2,472,566
Net increase in cash and cash equivalents held		(983,125)	411,490
Cash and cash equivalents at the beginning of the financial year		1,540,302	1,129,876
Effect of forex on cash and cash equivalents		-	(1,064)
Cash and cash equivalents held at the end of the financial year	6(a)	557,177	1,540,302

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

1. Corporate Information

MinRex Resources Limited and its controlled entities ("the Company" or "the Group") is a for profit company domiciled in Australia and publicly listed on the Australian Securities Exchange (ASX). The nature of the operations and the principal activities of the Company are described in the Directors' Report. The financial report for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 26 September 2019.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

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

(b) Compliance with IFRS

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

(c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, MinRex Resources Limited, and all of its wholly-owned subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the wholly-owned subsidiaries is provided in Note 20.

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

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

2. Summary of Significant Accounting Policies

(d) Going concern

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

The Company has incurred a net loss of $898,401 during the year ended 30 June 2019, and experienced net cash outflows from operating activities of $982,031. At the end of the reporting year, the Directors recognise the need to raise additional funds via equity raising to fund future planned exploration activities.

The Directors have reviewed the Company's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the entity will be successful in securing additional funds through equity issues.

Should the Company not achieve the matters set out above, there is a material uncertainty as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the ordinary course of business and the amounts stated in the financial report.

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

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

During the year ended 30 June 2019,the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

- 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.

2. Summary of Significant Accounting Policies

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

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.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised:

(g) Interest income

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

2. Summary of Significant Accounting Policies

(h) Income tax

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

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

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

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

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

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

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

(i) Cash and cash equivalents

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

2. Summary of Significant Accounting Policies

(j) Receivables

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

(k) Mining tenements and mineral exploration and evaluation expenditure

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

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

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

(l) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(m) Depreciation and amortisation

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

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

- ♦ Plant and equipment 20%

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

2. Summary of Significant Accounting Policies

(n) Impairment of assets

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

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

(o) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30- 45 days.

(p) Contributed equity

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

(q) Provisions

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

Provisions are measured at the present value of the expected liability.

(r) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the Consolidated Statement of Financial Position date are recognised in respect of employees' services rendered up to the Consolidated Statement of Financial Position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of other payables and liabilities for annual and sick leave are included as part of employee benefit provisions.

Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the Consolidated Statement of Financial Position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using high quality corporate bond rates at the Consolidated Statement of Financial Position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

2. Summary of Significant Accounting Policies

(s) Goods and services tax

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

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

(t) Segment reporting

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

(u) Earnings per share

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

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

(v) Significant accounting estimates, judgments and assumptions

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

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

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

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

2. Summary of Significant Accounting Policies

(v) Significant accounting estimates, judgments and assumptions (continued)

The key areas of judgement and estimation include:

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

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

New accounting standards for application in future periods
New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019. The impact of its adoption is not expected to be significant.

3. Segment information

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

4. Management and administration expenses	**30-Jun-2019**	**30-Jun-2018**
	$	**$**
Audit and compliance	37,276	37,893
Bank charges	876	750
General office expenses	95,411	31,314
Legal and professional support	27,139	98,347
	160,702	**168,304**

5. Income tax

(a) Income tax expense
Major component of tax expense for the year:

Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the Consolidated Statement of Comprehensive Income and tax expense calculated per the statutory income tax rate.

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

Loss before income tax expense	(898,401)	(1,550,702)
Tax at the company rate of 27.5% (2018: 27.5%)	(247,060)	(426,443)
Tax losses and temporary differences not recognised	247,060	426,443
Income tax expense	**-**	**-**

(c) Deferred tax
The following temporary differences existed at the balance sheet date:

Deferred tax asset		
Accruals	3,300	9,573
Unrecognised tax losses	1,592,646	1,376,352
Section 40-880 deductions	78,848	72,336
Deferred tax assets not recognised	(1,674,313)	1,458,261
	481	-
Deferred tax liability		
Prepayments	481	-
	481	-

5. Income tax (continued)

There was a deferred tax liability of $ 481 as at 30 June 2019 (2018: $nil).

The Company has $5,791,439 (2018: $5,004,917) in losses for income tax purposes. The aggregate deferred tax benefit of $1,592,646 has not been carried forward as an asset in the Consolidated Statement of Financial Position as realisation of the benefit is not regarded as probable and will only be obtained if:

(a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the exploration expenditure and tax losses to be realised;
(b) the Company continues to comply with the conditions for deductibility imposed by the law; and
(c) no changes in tax legislation adversely affect the Company in realising the benefit from the tax losses.

6. Cash and cash equivalents	**30-Jun-2019 $**	**30-Jun-2018 $**
(a) Reconciliation of cash and cash equivalents		
Cash comprises of:		
Cash at bank	557,177	1,540,302
(b) Reconciliation of operating loss after tax to the cash flows from operations		
Loss from ordinary activities after tax	(898,401)	(1,550,702)
Non-cash items		
Depreciation	2,276	2,849
Share based payments	95,000	-
Change in assets and liabilities		
(Increase)/decrease in prepayments	(14,954)	(338)
Decrease/(increase) in trade and other receivables	24,413	(29,890)
(Decrease)/increase in trade & other payables	(190,365)	274,054
Net cash used in operating activities	**(982,031)**	**(1,304,027)**

7. Other receivables	**30-Jun-2019 $**	**30-Jun-2018 $**
Term deposit	12,353	12,064
GST refundable	16,895	41,926
Other receivables	612	284
	29,860	**54,274**

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

8. Exploration and evaluation expenditure

	30-Jun-2019	30-Jun-2018
	$	$
Exploration and evaluation assets	**5,656,000**	-
(a) Area of interest		
Deflector Extended Gold Project - Western Australia	-	-
East Pilbara tenements – Western Australia [1]	-	5,656,000
Carrying amount at end of year	**5,656,000**	**5,656,000**
(b) Reconciliation		
Carrying amount at beginning	**5,656,000**	-
Additions	**220,202**	6,172,012
Less write-off of exploration and evaluation expenditure [2]	**(220,202)[2]**	(516,012)[3]
Carrying amount at end of year	**5,656,000**	5,656,000

[1] 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.
[2] Exploration expenditure written off as at 31 December 2018 is in line with Company's accounting policy on exploration, evaluation and development assets.
[3] Included in exploration expenditure written off amount 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.

The acquisition has been treated as an asset acquisition via the issue of cash and equity under AASB 2 Share-based Payments ("AASB 2"). There is a rebuttable presumption that the fair value of assets received can be estimated reliably. The Company determined that it could not reliably estimate the fair value of the assets acquired on the basis they were early stage exploration assets. As such, the Company measured the fair value of the assets received, and the corresponding increase in equity, by reference to the fair value of the equity instruments granted. Refer to Notes 10 and Note 11.

Consideration paid for acquisition of East Pilbara tenements

	$
Non-refundable cash deposit	100,000
Cash component	650,000
14,583,334 ordinary shares issued to the vendors	1,750,000
60,000,000 unlisted options issued to advisers of the acquisition	3,156,000
Total consideration paid	**5,656,000**

9. Trade and other payables

	30-Jun-2019	30-Jun-2018
	$	$
Trade payables	75,425	265,500
Accruals	28,358	27,288
Other	18,185	17,662
	121,968	**310,450**

10. Contributed equity	**30-Jun-19 No.**	**30-Jun-19 $**	30-Jun-18 No.	30-Jun-18 $
Ordinary Shares				
Issued and fully paid	95,878,727	9,867,064	92,711,060	8,773,948
Partly paid shares			-	-
	95,878,727	**9,867,064**	**92,711,060**	**8,773,948**
Movements in ordinary shares on issue			No.	$
At beginning of year	92,711,060	8,773,949	36,979,684	4,551,382
Private Placement	-	-	5,546,952	277,348
Rights Issue	-	-	10,782,844	539,142
Rights issue shortfall	-	-	17,568,246	878,412
Placement	-	-	6,250,000	750,000
Vendor shares – East Pilbara acquisition	-	-	14,583,334	1,750,000
Deposit shares (non-refundable) – Clean Power Resources	-	-	1,000,000	100,000
SBP - S3 Consortium (Stocks Digital)	3,167,667	95,000	-	-
Share issue costs	-	(1,884)	-	(72,335)
At end of year	**95,878,727**	**8,867,065**	**92,711,060**	**8,773,949**

11. Share-based payments reserve	**30-Jun-2019 $**	**30-Jun-2018 $**
Opening Balance	3,156,000	-
Share-based payment to advisers – East Pilbara acquisition	-	3,156,000
Closing Balance	**3,156,000**	**3,156,000**

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

A summary of the movements of all options issued is as follows:

	30-Jun-19 No.	**30-Jun-19 $**	**30-Jun-18 No.**	**30-Jun-18 $**
Opening Balance	60,000,000	3,156,000	-	-
Issued	-	-	60,000,000	3,156,000
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Closing Balance	**60,000,000**	**3,156,000**	**60,000,000**	**3,156,000**

11. Share-based payments reserve (continued)

No options were issued during the 2019 financial year.
The options issued during 2018 financial year were calculated using a Binomial option pricing model with the following inputs:

	Options Granted
Grant date	19 January 2018
Expected volatility (%)	100
Risk free interest rate (%)	1.95
Weighted average expected life of options (years)	2.0
Expected dividends	Nil
Option exercise price ($)	0.144
Share price at grant date ($)	0.11
Fair value of option ($)	0.0526
Number of options	60,000,000
Expiry date	26 February 2020

The options issued were deemed to vest immediately and there were no other vesting conditions.

12. Auditor's remuneration	**30-Jun-2019**	**30-Jun-2018**
	$	**$**
The auditor of MinRex Resources Limited effective 14 February 2019 is PKF Perth. Ernst & Young were auditors for the period to 14 February 2019.		
Amounts received or due and receivable by PKF Perth and Ernst & Young are as follows:		
Audit Services - Ernst & Young	1,919	34,350
Audit Services – PKF Perth	25,000	-
Other Services – Ernst & Young	10,357	3,000
	37,276	**37,350**

13. Key management personnel disclosures

(a) Details of Key Management Personnel

Dr James Ellingford	Non-Executive Chairman
Mr Simon Durack	Executive Director
Mr Tim Wilson	Non-Executive Director (Resigned 20 May 2019)
Mr. Constantine Tsesmelis	Non-Executive Director (Appointed 15 April 2019)

13. Key management personnel disclosures (continued)

(b) Remuneration of Key Management Personnel

	30-Jun-2019	30-Jun-2018
	$	**$**
Compensation of key management personnel of the Group		
Short term employee benefits		
Director fees	237,010	172,883
Consulting fees	-	94,000
Total Short term employee benefits	**237,010**	**266,833**

(c) Other transactions with key management personnel

There were no other transactions with Key Management Personnel, with the exception of that disclosed in 13 (e) below.

(d) Outstanding balances

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

During 2019 financial year $Nil in Directors' and Consulting fees were payable to Directors of the Company (2018 $Nil).

(e) Related party transactions

During the period, EverBlu Capital Pty Ltd, a company of which Non-Executive Director, Tim Wilson was an employee, was paid an aggregate amount of $90,000 (2018: $122,823) for marketing and promotional services. Mr Wilson ceased his employment with EverBlu Capital Pty Ltd on 4 March 2019.

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

14. Loss per share

	2019	2018
	cents per share	**cents per share**
Basic loss per share	(0.94)	(2.17)
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	95,078,108	71,583,136
Effect of dilution: Nil	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	95,078,108	71,583,136

15. Financial risk management

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

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

(a) Liquidity risk

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

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables. As at 30 June 2019 and 30 June 2018, all financial liabilities are contractually matured within 30 days.

(b) Interest rate risk

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

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

Interest rate sensitivity

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

	Effect on post tax earnings increase/(decrease)	Effect on equity including accumulated losses increase/(decrease)	Effect on post tax earnings increase/ (decrease)	Effect on equity including accumulated losses increase/(decrease)
	2019	**2019**	**2018**	**2018**
	$	**$**	**$**	**$**
Increase 50 basis points	2,786	2,786	7,701	7,701
Decrease 50 basis points	(2,786)	(2,786)	(7,701)	(7,701)

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

15. Financial risk management (continued)

(c) Credit risk exposures

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

At 30 June 2019, the Company held cash at bank. The cash was held with financial institution with a rating from Standard & Poors of AA or above (long term). The Company has no past due or impaired debtors as at 30 June 2019 (2018: Nil).

(d) Fair value

The carrying value of the financial instruments as at 30 June 2019 approximates their fair value due to their short term nature.

16. Contingent liabilities

There are no contingent liabilities as at the date of this report.

17. Capital commitments

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

	30-Jun-2019	**30-Jun-2018**
Not longer than 12 months	113,927	75,572
Between 12 months and 5 years	190,007	291,055
	303,934	366,627

18. Events subsequent to reporting date

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

19. Parent information

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

STATEMENT OF FINANCIAL POSITION	**30-Jun-2019**	**30-Jun-2018**
ASSETS		
Current assets	606,467	1,599,176
Non-current assets	5,821,122	5,690,456
TOTAL ASSETS	**6,427,589**	**7,289,632**
LIABILITIES		
Current liabilities	121,554	306,218
Non-current liabilities	-	-
TOTAL LIABILITIES	**121,554**	**306,218**
NET ASSETS	**6,306,035**	**6,983,414**
EQUITY		
Contributed equity	8,867,065	8,773,949
Share-based payment reserve	3,156,000	3,156,000
Accumulated losses	(5,717,030)	(4,946,535)
TOTAL EQUITY	**6,306,035**	**6,983,414**

Loss for the year	(770,495)	(1,521,075)
Other comprehensive income	-	-
Total comprehensive loss	**(770,495)**	**(1,521,075)**

20. Interests in controlled entities

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

Name	Country of incorporation	Date of incorporation	Equity holding	
			30 June 2019	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%

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

1. In the opinion of the Directors:

(a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance, for the year ended on that date; and

(ii) complying with Accounting Standard (including the Australian Accounting Interpretation) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections of 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.

On behalf of the Board

Simon Durack
Executive Director

Perth
26 September 2019

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

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Minrex Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 2(d) in the financial report, which indicated that the consolidated entity incurred a net loss after tax of $898,401 during the year ended 30 June 2019 (2018: net loss after tax of $1,550,702). The consolidated entity will be reliant on future capital raisings to continue as a going concern. This, along with other matters as set forth in Note 2(d), 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

We are independent of the consolidated entity in accordance with 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 (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter, our description of how our audit addressed the matter is provided in that context.

Carrying Value of Capitalised Exploration Expenditure

Why significant	How our audit addressed the key audit matter

As at 30 June 2019 the carrying value of exploration and evaluation assets was $5,656,000 (2018: $5,656,000) and the total impairment recognised during the year was $220,202, as disclosed in Note 8.
 	
The Group's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 2(b) with the nature of critical estimates and judgements relating to this balance outlined in Note 2(v). Significant judgement is required:
 	
• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the Group's accounting policy. In particular:
  ○ whether areas of interest meet the recognition conditions for an asset; and
  ○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.
	Our work included, but was not limited to, the following procedures:
	
	• to assess indicators of impairment and analyse the correctness of the impairment charge made during the year we performed the following:
	  ○ assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
	  ○ holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
	  ○ obtaining and assessing evidence of the Group's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
	• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
	• testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the Group's accounting policy; and
	• assessing the appropriateness of the related disclosures in Note 8.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Minrex Resources Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

26 SEPTEMBER 2019
WEST PERTH,
WESTERN AUSTRALIA

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 13 September 2019.

(a) Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Shares
1 - 1,000	23	6,218
1,001 - 5,000	37	125,203
5,001 - 10,000	108	963,516
10,001 - 100,000	229	8,937,163
100,001 and over	90	85,845,627
Total	**487**	**95,877,727**

The number of shareholders holding less than a marketable parcel is 156.

Top Twenty Shareholders

	Holder name	Securities	%
1	Chifley Portfolios PL <David Hannon A/C>	10,682,346	11.14
2	Franklin International Holdings PL <Franklin Intl Hldg>	8,183,334	8.54
3	Schneur Zalman Seewald	5,061,538	5.28
4	Anglo Menda PL	4,255,141	4.44
5	Battle Mountain Pty Ltd	4,200,000	4.38
6	Suburban Hldgs PL <Suburban S/F A/C>	3,315,198	3.46
7	Israel Teleshevsky	3,043,631	3.17
8	John Wardman & Assoc PL <Wardman S/F A/C>	2,500,000	2.61
8	Gabriel Hewitt	2,500,000	2.61
9	Getmeoutofhere PL <Sinking Ship S/F A/C>	2,413,262	2.52
10	Matthew Blumberg	2,300,000	2.40
11	Kobia Holdings Pty Ltd	2,250,000	2.35
12	Craig & Mary Raymond	2,229,479,	2.33
13	Nautical Holdings WA Pty Ltd <Abandon Ship S/F A/C>	1,926,412	2.01
13	Horatio Street Pty Ltd <Horatio Street Family A/C>	1,800,000	1.88
14	Coffee Camp Pty Ltd <Coffee Camp A/C>	1,598,372	1.67
15	Philip John Cawood	1,595,983	1.66
16	Blue Bone Pty Ltd	1,350,000	1.41
17	Bertrand Lalanne	1,300,000	1.36
18	Peregrine Corp Ltd	1,000,000	1.04
19	Jamber Inv Pty Ltd <Amber Schwarz Family A/C>	935,564	0.98
20	Dianne Lesley Lalanne	855,000	0.89
	Total	**65,295,260**	**68.13**

(b) Schedule of Interests in Mining Tenements

Region	Project	Tenement	Area approx.	Grant Date	Expiry Date	MinRex Interest
East Pilbara	Daltons	E45/4681	9 km^2	13-07-17	12-07-22	70%
East Pilbara	Bamboo Creek	E45/4560	69 km^2	27-10-17	26-10-22	70%
East Pilbara	Bamboo Creek	E45/4853	6 km^2	11-10-17	10-10-22	70%
East Pilbara	Marble Bar South	P45/3039	8.26 ha	02-07-18	01-07-22	70%
East Pilbara	Marble Bar North	P45/3040	3.03 ha	02-07-18	01-07-22	70%
Murchison	Deflector Extended	E59/1657	15 km^2	12-07-11	11-07-21	100%

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

	Holder name	Securities	%
1	Chifley Portfolios PL <David Hannon A/C>	10,682,346	11.14
2	Franklin International Holdings PL <Franklin Intl Hldg>	8,183,334	8.54
3	Schneur Zalman Seewald	5,061,538	5.28

(d) Class of Shares and Voting Rights

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

(e) Unquoted option securities

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

Number	Issue date	Expiry Date	Exercise price
60,000,000	26 February 2018	26 February 2020	$0.144

(f) Restricted Securities

Nil

(g) On-Market Buy Back

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