



MINREX
RESOURCES

ABN 81 151 185 867



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and its controlled entities

**Half-year report for the
half-year ended**

31 December 2023



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CORPORATE DIRECTORY

DIRECTORS

Mr Ian Shackleton (Non-Executive Director)
Mr Glenn Whiddon (Non-Executive Director)
Mr James Pearse (Non-Executive Director)

COMPANY SECRETARY

Mr Johnathon Busing

REGISTERED OFFICE

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AUDITORS

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SECURITIES EXCHANGE

Australian Securities Exchange Limited
ASX Code: MRR

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DIRECTOR'S REPORT

The Directors present their report for MinRex Resources Limited and its wholly owned subsidiaries (“**MinRex**” or “**the Company**” or “**the Group**”) for the half-year ended 31 December 2023.

Directors

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

Mr. Ian Shackleton (Non-Executive Director)

Mr. Glenn Whiddon (Non-Executive Director)

Mr. James Pearse (Non-Executive Director) – Appointed 24 August 2023

Mr. Robert Boston (Managing Director and CEO) – Resigned 30 November 2023

Mr. George Karageorge (Non-Executive Director) – Resigned 15 August 2023

PRINCIPAL ACTIVITY

The Company is an active resources exploration company with projects in the Lachlan Fold Belt of NSW, a world-class gold-copper province, and in the Marble Bar Region of WA. The Company's NSW tenements package covers highly prospective ground targeting multi-commodities type deposits, which host JORC 2012 Resources totalling over 350,000 ounces of gold.

The Company is exploring prospective lithium assets within the Pilbara in geological terrains similar to those hosting the world-class lithium and tantalum producers Pilbara Minerals (ASX: PLS) Pilgangoora and Mineral Resources (ASX: MRL) Wodgina.

REVIEW AND RESULTS OF OPERATIONS

Total comprehensive loss of the Group for the half-year ended 31 December 2023 amounted to \$3,564,238 (31 December 2022: \$8,231,137).

Rounding of amounts

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest dollar in accordance with the instrument.

Review of operations

Western Australia

Marble Bar Lithium Project

The Marble Bar projects, which cover an area of around 71km² encompassing the Sisters (E45/5871), Garden Creek (E45/5869) and Talga (E45/5873) tenements, are located within a 30km radius of the Marble Bar town site. The Sisters and Garden Creek Projects cover portions of the fertile Marble Bar Greenstone belt. At the Sisters Project, the areas of interest occur within the “Goldilocks Zone” – a defined corridor in which LCT pegmatites are known to exist. This Goldilocks Zone is traditionally situated beyond the granitic terrain and within the Greenstone Belt.

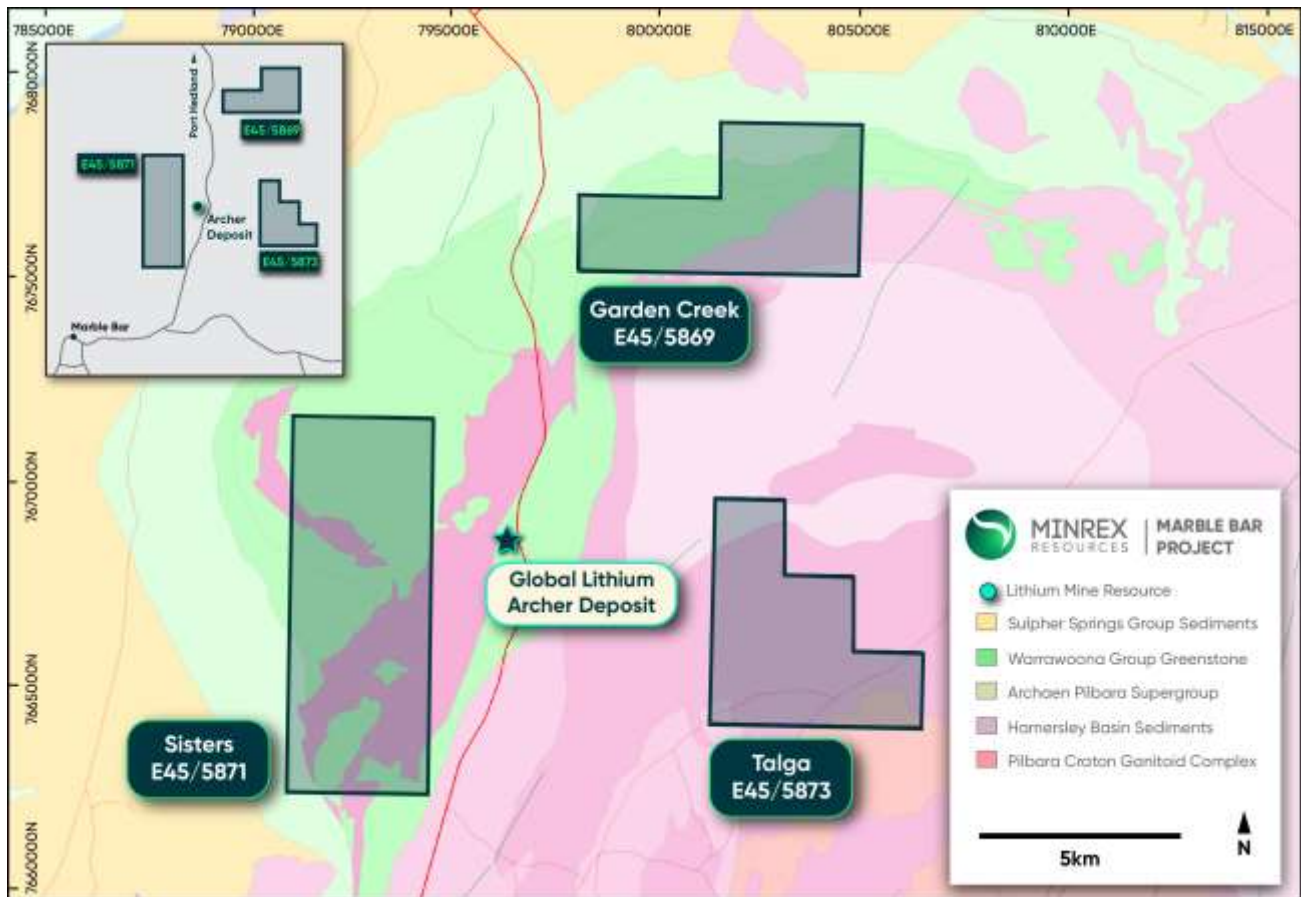


Figure 1: Marble Bar Tenements Location Map

An independent review of the existing geochemical data from the Marble Bar Projects was conducted by Dr Nigel Brand of Geochemical Services Pty Ltd (ASX Announcement 31 July 2023, 30 June 2023 Quarterly Activities Report), with a focus on the lithium potential within the tenements. The review highlighted several areas of interest, with interpreted LCT pegmatite geochemical signatures from the rock and soil geochemical results previously obtained at the Sisters Projects (E45/5871) and at the Garden Creek tenement (E45/5869). Infill soil sampling across the granite-greenstone contact at the Sisters Projects (E45/5871) and Garden Creek tenement (E45/5869) was recommended.

Soil sampling was undertaken in three identified areas at the Sisters tenement which showed interpreted LCT style pegmatite geochemical signatures from broadly spaced rock and soil geochemical results. At the Garden Creek tenement, the purpose of the soil sampling was to provide first pass geochemical coverage over the tenement.

The soil sampling programs at the Garden Creek and Sisters Project were completed and assay results were received in November 2023 (ASX Announcement 22 November 2023, Soil Sampling Results Received for Marble Bar Projects). A total of 2,099 soil samples were collected over a nominally 100m by 25m spaced grid at the Sisters tenement and 400m by 100m spaced grid at the Garden Creek tenement, the soil samples were assayed for 48 multi elements, which included an industry standard suite of LCT pathfinder elements.

The assay results from the samples at the Sisters tenement were consistent with the original broad spaced soil sampling and better delineated several discrete elevated lithium areas (≥ 100 ppm lithium). There are generally 4-5 broad zones identified by a cluster of ≥ 100 ppm lithium, mostly in close proximity to the contact point between mafic and ultra-mafic dominant rock types (North Basalt / McPhee Formation) and the granites of the Homeward Bound Granite. The lithium assays at the Sisters Tenement range between 3.7ppm and 280ppm lithium (median 51.8ppm lithium). At ≥ 150 ppm lithium, these elevated assay results remain and become less broad and more discrete.

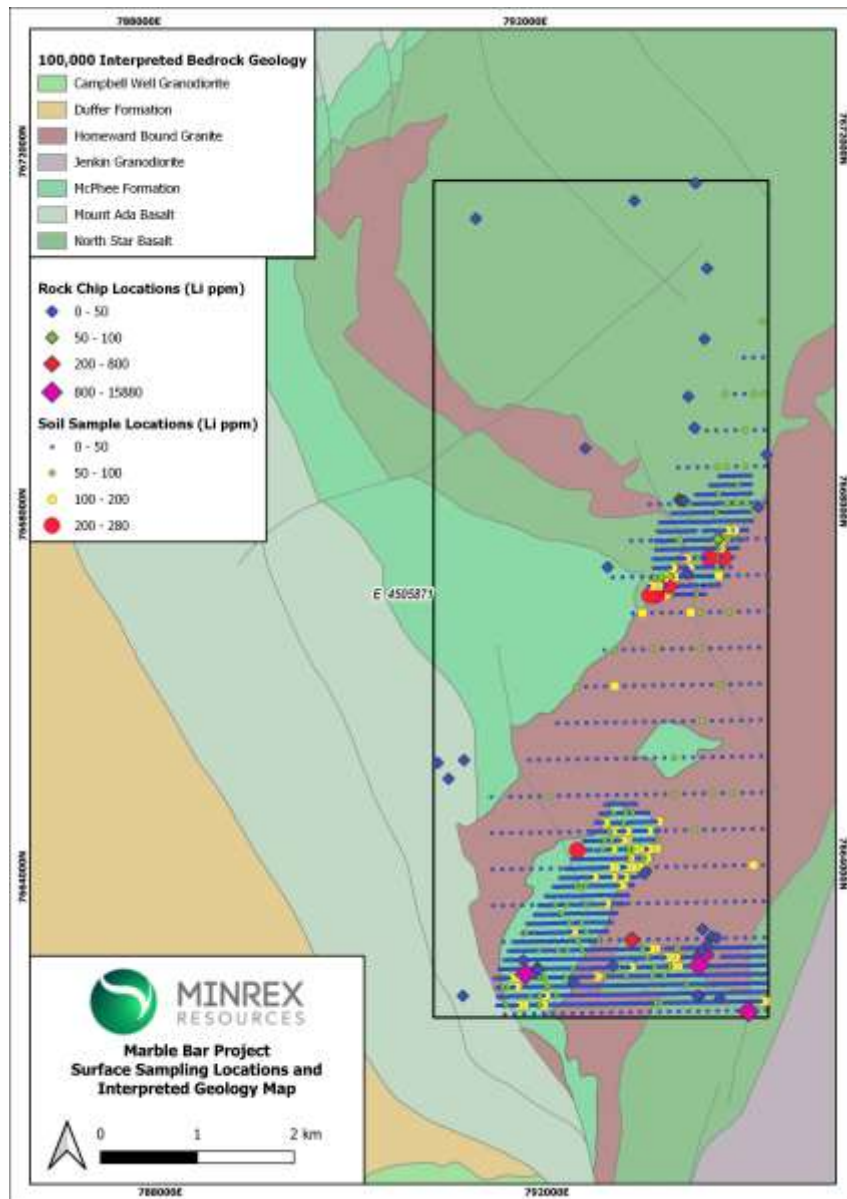


Figure 2: Sisters Tenement soil sampling results

In conjunction with the soil sampling program, further reconnaissance rock chip sampling and mapping was conducted using a helicopter to expedite the access to large areas of the Greenstone belt in the northwest portion of the Sisters tenement previously not easily accessible due to the terrain (ASX Announcement 25 August 2023, Marble Bar Soil Sampling Commences Over New Targets). Sampling failed to return any significant lithium assay results, but the Company is continuing geological review of the area.

At the Garden Creek tenement, the lithium assays range between 13.6ppm and 102ppm lithium (median 34.7ppm lithium). At ≥ 100 ppm lithium, there were no discrete multi sample elevated lithium results. Although there were multiple elevated results interpreted at ≥ 50 ppm lithium, these do not form clusters considered anomalous. It is the intention of the Company to undertake reconnaissance over the higher tenor lithium soil assays to determine if there are outcropping LCT pegmatites and, if they are present, ascertain their mineralogy to assess the potential for further exploration targets.

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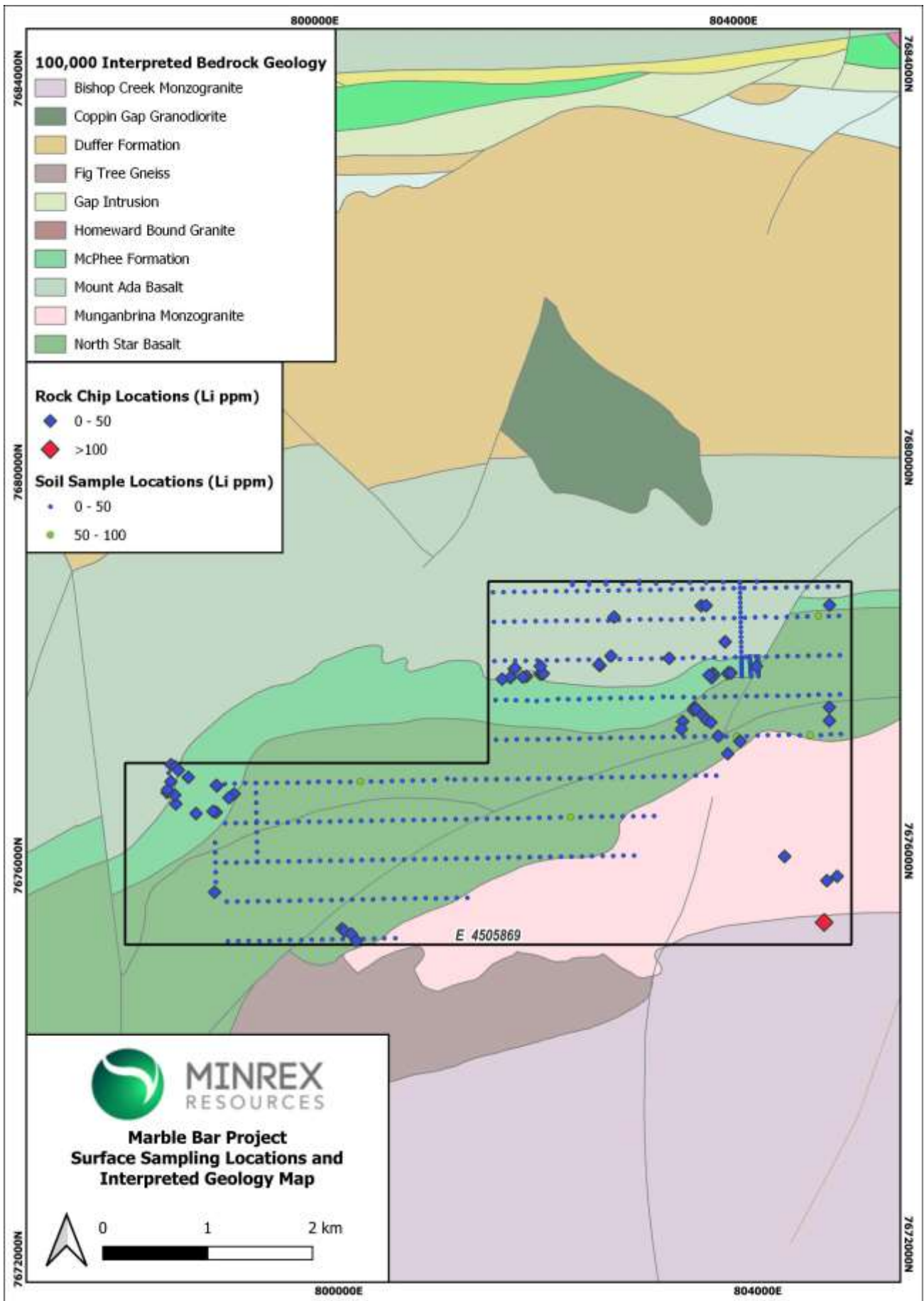


Figure 3: Garden Creek Tenement soil sampling results

New South Wales

Sofala Project Update

In 2021, the Company announced that it had entered into a formal Farm-in and Joint Venture Agreement with Wattle Resources Pty Ltd ACN 138 383 114 to acquire 80% interest in exploration lease EL 7974 by spending \$2.3 million on exploration expenditure within 3 years. On 15 October 2023, the Company extended the Farm-in and Joint Venture Agreement for a further three years to 2026 upon payment of \$150,000 cash consideration to Wattle Resources Pty Ltd. Following this successful extension, the Department of Regional NSW – Mining Exploration and Geoscience recommended EL 7974 for renewal for three years (now expiring 11 October 2026).

During the first quarter of the 2024 financial year, the Company consolidated all historical and recent geochemical and drilling data into a single database as part of the Sofala project review. Interpretation, targeting and resource modelling for Spring Gully (EL 7974), Surface Hill (EL 7974) and Queenslander (EL 7423) completed by Geological Consultants Geowiz was used as the basis for the diamond drilling program on Exploration Licence 7423 at the Queenslander Deposit, which commenced on 14 December 2023.

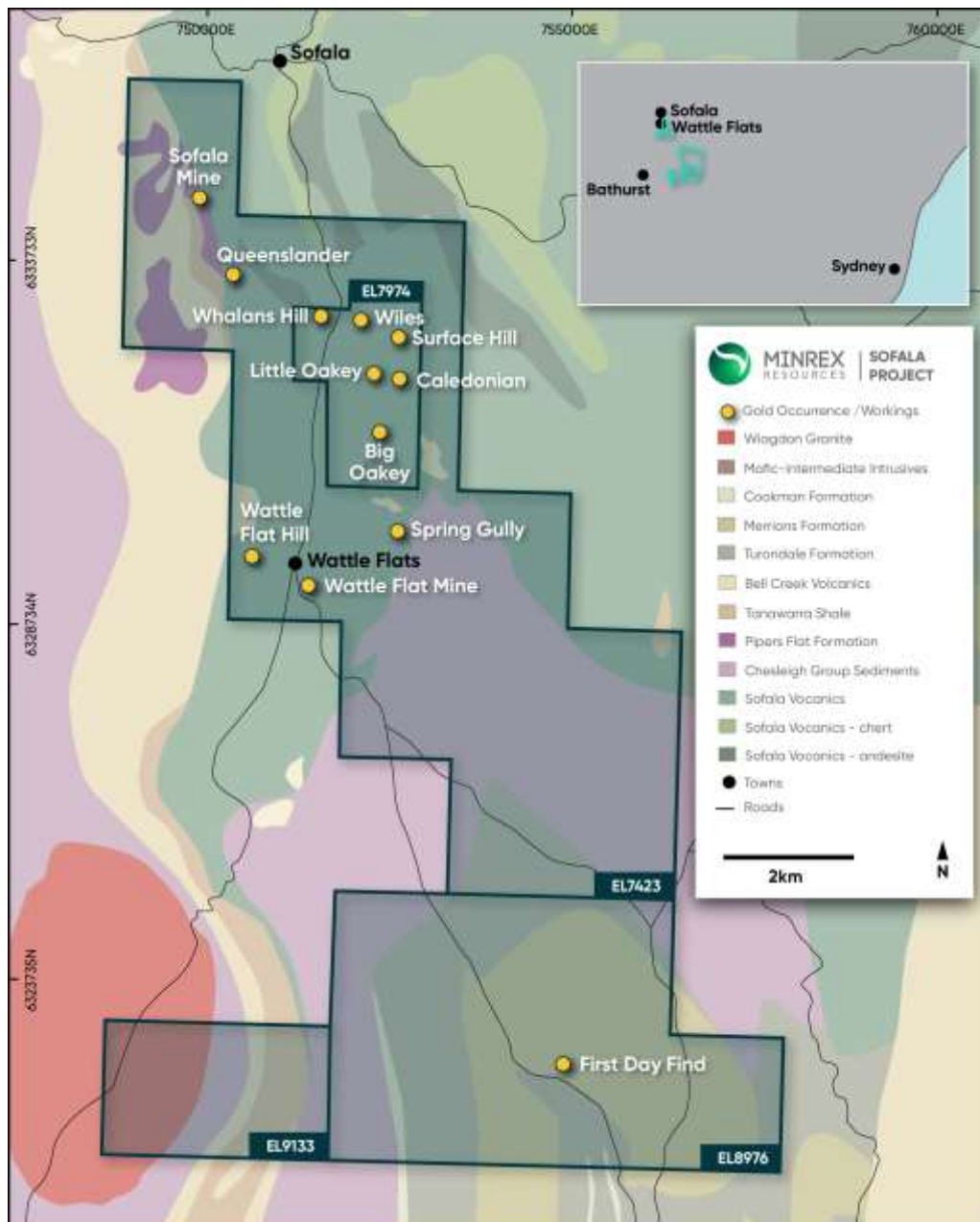


Figure 4: Sofala Project Tenements location map

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To enable the Company to progress exploration activities on the Crown Reserves at the Sofala project (EL 7974 and EL 7423), the Company met with and have agreed in-principle to enter into an aboriginal cultural heritage agreement with the Traditional Claimant Group, Warrabingal Wiradjuri through a Heritage Ancillary Agreement and the State of NSW pursuant to a Section 31 Deed.

The initial agreement staged program comprising 4 diamond holes for approximately 500m was designed to follow up on significant gold mineralisation intersected at the Queenslander Deposit in reverse circulation drilling conducted by MinRex in 2021. Regulatory approvals were received allowing for up to 8 diamond drill holes for a total of 1,200m to be completed at the Queenslander Deposit.

Sunny Corner Settlement

The Company announced (ASX Announcement 17 September 2021, Sunny Corner Farm-In Commences) that it had entered into formal Farm-In and Joint Venture Agreements with Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd to acquire a 90% interest in Exploration Lease 5964 by spending \$1.5 million on exploration expenditure within 3 years.

The Company formally withdrew from the Farm-In and Joint Venture Agreements in March 2023 (ASX Announcement 28 April 2023, 31 March 2023 Quarterly Activities Report). Following the withdrawal, there were various claims made by the project owner regarding compliance under the joint venture agreement, which the Company disputed. All claims under the joint venture agreements have now been settled on a without admission basis, in lieu of the Company making a \$200,000 cash payment to Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd in September 2023 (31 October Quarterly Activities Report).

Acquisitions and sales

Divestment of East Pilbara and Midwest Tenements to HearMeOut Limited

The Company entered a conditional binding terms sheet with HearMeOut Limited for the sale of 3 East Pilbara tenements and 1 Midwest tenement. As a prerequisite for the acquisition to proceed, HearMeOut Limited was required to list by 30 September 2023.

Subsequently, the Company and HearMeOut Limited entered a binding terms sheet to purchase the Coondina South Tenements (E45/5850, E45/6186 and E46/1381) for the sale consideration of \$25,000. The acquisition agreement was subject to any conditions precedent and was finalised, becoming effective on 14th November 2023.

Divestment of Soanesville Mineral Rights

The Company entered into a binding term sheet, through which Abeh Pty Ltd and Maxwell Peter Strindberg agreed to grant the Company mineral rights to battery metals, tin and rare earth metals on exploration licences E45/5071, E45/4455 and E45/3926 (Mineral Rights) situated in Soanesville in the Pilbara, Western Australia.

After conducting a strategic review of the company's existing holdings, it was determined that the Mineral Rights areas exhibit low prospectivity for battery minerals, tin and rare earth metals. Accordingly, the Company negotiated a withdrawal with the Mineral Rights vendors allowing the Company to be released from all further rights and obligations in respect of the Mineral Rights pursuant to a termination and release agreement effective 22 November 2023.

In October 2023, after conducting a review of the gold potential of tenement E45/4681, the company's 100% subsidiary SR (Sale Entity) Pty Ltd entered into a binding heads of agreement with SR (Retention Entity) Pty

Ltd. SR (Sale Entity) Pty Ltd sold its 70% interest in the project to the Joint Venture Partner SR (Retention Entity) Pty Ltd for a cash consideration of \$15,000.

Corporate

Board Change

On 15 August 2023, Mr George Karageorge's resignation as Non-Executive Chairman became effective. On 24 August 2023, Mr James Pearse was re-appointed as Non-Executive Director of the Board of Minrex. On 30 November 2023, Mr Robert Boston tendered his resignation as Managing Director and CEO from the Board of Minrex.

Financial investments

In September 2023 the Company disposed all the shares it held in Augustus Minerals Limited (ASX: AUG) for a net gain of \$10,880.

During the period, the Company disposed all of the shares it held in Tambourah Metals Ltd (ASX: TMB) for a net gain of \$48,731.

Subsequent Events

In February 2024, the Company announced the results of diamond drilling at the Queenslander Gold Prospect, within the Company's Sofala Project on EL7423. In the months of December 2023 and January 2024, a total of 4 diamond drillholes for 552m were completed to test high-grade gold mineralisation intersected in historic drillholes and those completed in 2021 (refer to ASX Announcement 24 January 2022, High-Grade Gold Drilling Results Intersected at Queenslander Gold Mine).

No other matter or circumstance has arisen since the end of the period that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

Significant changes in state of affairs

Other than as noted above, there have been no significant changes in state of affairs since 31 December 2023.

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.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is disclosed on page 10 of this report and forms part of this Directors' Report for the half-year ended 31 December 2023.

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



James Pearce
Non-Executive Director
Perth, 8th March 2024

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF MINREX RESOURCES LIMITED

As lead auditor for the review of Minrex Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Minrex Resources Limited and the entities it controlled during the period.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 8 March 2024

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2023**

		31-Dec-2023	31-Dec-2022
		\$	\$
	Note		
Revenue from ordinary activities			
Interest income		231,350	128,624
Loss on sale of fixed assets		(4,202)	-
Sundry income		955	-
Profit on sale of exploration assets		185,000	-
		<u>413,103</u>	<u>128,624</u>
Expenditure			
Depreciation and amortisation		(35,311)	(66,462)
Corporate expenses		(508,186)	(609,380)
Exploration, evaluation & development expenditure		(752,395)	(2,055,766)
Impairment of exploration and evaluation assets	4	(2,379,635)	(5,056,464)
Marketing and promotional expenses		(15,249)	(111,352)
Management and administration expenses		(119,766)	(172,090)
Share based payment expense	8	(147,974)	(285,118)
Finance costs		(2,742)	(3,129)
Fair value loss on financial assets		(16,083)	-
Total expenditure		<u>(3,977,341)</u>	<u>(8,359,761)</u>
Loss from ordinary activities before income tax expense		<u>(3,564,238)</u>	<u>(8,231,137)</u>
Income tax expense		-	-
Net loss attributable to the members of MinRex Resources Limited		<u>(3,564,238)</u>	<u>(8,231,137)</u>
Other comprehensive income			
Income tax relating to items of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the half-year		<u>(3,564,238)</u>	<u>(8,231,137)</u>
Loss per share:			
Basic loss per share attributable to the ordinary equity holders of the company (cents)	9	(0.33)	(0.76)
Diluted loss per share attributable to the ordinary equity holders of the company (cents)	9	(0.33)	(0.76)

The above Consolidated Statement of Profit/Loss & OCI should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position As at 31 December 2023

		31-Dec-2023	30-Jun-2023
		\$	\$
	Note		
Current Assets			
Cash and cash equivalents		2,327,575	11,686,964
Other receivables		79,754	64,141
Prepayments		108,729	130,658
Other current assets	5	8,000,000	-
Total Current Assets		10,516,058	11,881,763
Non-Current Assets			
Exploration, evaluation, and development expenditure	4	4,662,738	6,692,373
Other financial Assets		-	266,000
Right-of-use asset		79,460	95,900
Property, plant and equipment		75,116	98,189
Total Non-Current Assets		4,817,314	7,152,462
Total Assets		15,333,372	19,034,225
Current Liabilities			
Trade and other payables		129,787	408,289
Provision for annual leave		29,270	19,072
Lease liability		35,089	33,298
Total Current Liabilities		194,146	460,659
Non-current liabilities			
Lease liability		53,653	71,729
Total non-current Liabilities		53,653	71,729
Total Liabilities		247,799	532,388
Net Assets		15,085,573	18,501,837
Equity			
Issued capital	6	42,614,223	42,614,223
Share-based payments reserve	7	786,552	638,578
Accumulated losses		(28,315,202)	(24,750,964)
Total Equity		15,085,573	18,501,837

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

Consolidated Statement of Changes in Equity For the half-year ended 31 December 2023

	Contributed equity \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	41,516,489	52,755	(7,445,545)	34,123,699
Net loss for the period	-	-	(8,231,137)	(8,231,137)
Total comprehensive loss for the period	-	-	(8,231,137)	(8,231,137)
Transaction with owners recorded directly in equity				
Issue of shares	1,346,215	-	-	1,346,215
Share based payments	-	412,754	-	412,754
Capital raising costs	(211,117)	-	-	(211,117)
Balance at 31 December 2022	42,651,587	465,509	(15,676,682)	27,440,414
Balance at 1 July 2023	42,614,223	638,578	(24,750,964)	18,501,837
Net loss for the period	-	-	(3,564,238)	(3,564,238)
Total comprehensive loss for the period	-	-	(3,564,238)	(3,564,238)
Transaction with owners recorded directly in equity				
Share based payments	-	147,974	-	147,974
Balance at 31 December 2023	42,614,223	786,552	(28,315,202)	15,085,573

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

Consolidated Statement of Cash Flows For the half-year ended 31 December 2023

	31-Dec-23	31-Dec-22
	\$	\$
	Note	
Cash flows from operating activities		
Interest received	231,350	128,624
Payments for exploration and evaluation expenditure	(932,752)	(1,296,175)
Payments to suppliers and employees	(933,248)	(1,130,028)
Sundry income	1,050	-
Net cash used in operating activities	(1,633,600)	(2,297,579)
Cash flows from investing activities		
Payments for exploration assets	(150,000)	(17,461)
Payments for property, plant and equipment	-	(113,378)
Proceeds from sale of financial investments	349,461	-
Proceeds from sale of tenements	93,500	-
Cash transferred to Term deposit	(8,000,000)	-
Net cash used in investing activities	(7,707,039)	(130,839)
Cash flows from financing activities		
Proceeds from equity issues	-	1,264,015
Payments for share issue costs	-	(1,250)
Repayment of lease liabilities	(18,750)	(15,000)
Net cash from financing activities	(18,750)	1,247,765
Net decrease in cash and cash equivalents held	(9,359,389)	(1,180,653)
Cash and cash equivalents at the beginning of the period	11,686,964	14,186,746
Cash and cash equivalents at the end of the period	2,327,575	13,006,093

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

Condensed Notes to the Half-Year Financial Statements

1. Corporate Information

MinRex Resources Limited and its controlled entities (“MinRex” or “the Company” or “the Group”), is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The half-year financial report was authorised for issue in accordance with a resolution of the Directors on 8 March 2024.

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

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

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

(b) Basis of Preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s 2023 annual financial report for the financial year 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

(c) Going Concern

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

3. Segment Information

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

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

4. Exploration and evaluation expenditure

	31-Dec-23	30-Jun-23
	\$	\$
(a) Area of interest		
East Pilbara Gold Project – Western Australia	-	599,536
East Lachlan Fold Belt – New South Wales	3,921,857	3,771,857
Abeh Tenements – Western Australia	-	1,074,861
Odette Five Pty Ltd – Western Australia	740,881	1,246,119
Carrying amount at the end of the year	4,662,738	6,692,373
	31-Dec-23	30-Jun-23
	\$	\$
(b) Reconciliation		
Carrying amount at beginning of the period	6,692,373	19,807,840
Exploration and evaluation assets acquired ¹	150,000	48,714
Settlement sum incurred ²	200,000	-
Exploration expenditure incurred during the year	752,395	2,492,500
Less Exploration expenditure written off	(752,395)	(2,492,500)
Less impairment of exploration and evaluation expenditure ³	(2,379,635)	(13,164,181)
Carrying amount at end of the period	4,662,738	6,692,373

¹ In 2021, the Company entered into a formal Farm-in and Joint Venture Agreement with Wattle Resources Pty Ltd to acquire 80% interest in exploration lease EL 7974. On 15 October 2023, the Company extended the Farm-in and Joint Venture Agreement for a further three years to 2026 upon payment of \$150,000 cash consideration to Wattle Resources Pty Ltd.

² In 2021 the Company entered into formal Farm-In and Joint Venture Agreements with Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd to acquire a 90% interest in Exploration Lease 5964. The Company formally withdrew from the Farm-In and Joint Venture Agreements in March 2023. Following the withdrawal, there were various claims made by the project owner regarding compliance under the joint venture agreement, which the Company disputed. In September 2023, Sofala Minerals Pty Ltd, Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd signed a deed of settlement and release in all claims under the agreement on the Terms and Conditions of the deed, for a cash settlement of \$200,000.

4. Exploration and evaluation expenditure (cont'd)

³ - In June 2023, the Company entered into an agreement to sell six of the Company's Eastern Pilbara tenements to ASX Listed Company Tambourah Metals Limited (TBR), which completed in July 2023. An impairment of \$155,000 has been charged to the statement of profit and loss during the period, in addition to the \$3,485,726 charged during the 2023 financial year.

- In September 2023, Sofala Minerals Pty Ltd, Sunny Silver Pty Ltd and Sunshine Reclamation Pty Ltd signed a deed of settlement and release in all claims under the agreement on the Terms and Conditions of the deed, for a cash settlement of \$200,000. An impairment of \$200,000 has been charged to the statement of profit and loss during the period.

- In October 2023 the Company sold tenement E45/4681 as per the binding heads of agreement between SR (Sale Entity) Pty Ltd and SR (Retention Entity) Pty Ltd. An impairment of \$599,536 has been charged to the statement of profit and loss during the period.

- In May 2023 the Company entered into a Binding terms sheet agreement with HearMeOut Limited to sell tenements E59/1657, E45/5850, E45/6186 and E46/1381. The agreement was finalised in November 2023. An impairment of \$250,000 has been charged to the statement of profit and loss during the period, in addition to the \$3,104,095 charged during the 2023 financial year.

- In November 2023 the Company entered into a termination and release agreement with Abeh Pty Ltd and Maxwell Peter Strindberg regarding a previous grant to the Company of mineral rights to battery metals, tin and rare earth metals on exploration licences E45/5071, E45/4455 and E45/3926 (Mineral Rights) situated in Soanesville in the Pilbara, Western Australia. An impairment of \$992,811 has been charged to the statement of profit and loss during the period.

- In November 2023 the Company also withdrew its application on tenement E15/1823. An impairment of \$182,288 has been charged to the statement of profit and loss during the period.

5. Other Current Assets

	31-Dec-23	30-Jun-23
	\$	\$
Other Current Assets ⁽ⁱ⁾	8,000,000	-
	8,000,000	-

(i) In 28 December 2023, the company opened a term deposit with ANZ Banking Group Limited at a fixed interest rate of 5.08 % per annum and which will mature in June 2024.

6. Issued Capital

	31-Dec-23	31-Dec-23	30-Jun-23	30-Jun-23
	No.	\$	No.	\$
Ordinary Shares				
Fully paid ordinary shares	1,084,867,503	42,614,223	1,084,867,503	42,614,223
	1,084,867,503	42,614,223	1,084,867,503	42,614,223
	31-Dec-23	31-Dec-23	30-Jun-23	30-Jun-23
Movements in ordinary shares on issue:	No.	\$	No.	\$
At beginning of the period	1,084,867,503	42,614,223	1,060,146,961	41,516,489
Shares issued - Placement	-	-	14,919,355	925,000
Shares issued - Options Exercised	-	-	8,475,381	339,015
Shares issued - Director and Consultancy fees	-	-	1,325,806	82,200
Share issue costs	-	-	-	(248,481)
At end of the period	1,084,867,503	42,614,223	1,084,867,503	42,614,223

7. Share-based payments reserve

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

	31-Dec-23	30-Jun-23
	\$	\$
At beginning of the period	638,578	52,755
Share-based payments vesting expense	147,974	206,823
Lead manager options issued	-	214,000
Conversion of performance rights	-	165,000
At the end of the period	786,552	638,578

Refer to Note 8 for valuation techniques and assumptions.

8. Share-based payments

	31-Dec-23
	\$
Vesting of performance rights to directors and employee ⁽ⁱ⁾	81,660
Vesting of performance rights to director ⁽ⁱⁱ⁾	60,021
Vesting of performance rights to director ⁽ⁱⁱⁱ⁾	(1,532)
Vesting of performance rights to director ^(iv)	7,825
Sub-total	147,974
Share based payments expense in the profit and loss	147,974

- (i) The company has issued 22,500,000 incentive performance rights on 2 December 2022 to directors and company secretary, following approval at the Annual General Meeting held on 30 November 2022.
- (ii) 13,000,000 incentive performance rights issued on 25 February 2022 to directors, following approval at the General Meeting held on 16 February 2022.
- (iii) 15,000,000 incentive performance rights granted on 16 May 2023 to managing director & CEO, as part of the equity-based remuneration package, subject to shareholder approval. Shareholders' approval was not received at the annual general meeting. Therefore, performance rights were not issued. Share-based payment recognised in 2023 FY was reversed during the period.
- (iv) 33,000,000 incentive performance rights issued on 30 November 2023 to directors, following approval at the General Meeting held on 30 November 2023.

Performance rights

The valuation of share-based payment transactions is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value of the performance rights is determined using the Monte Carlo simulation model, taking into account the terms and conditions upon which the rights were granted.

8. Share-based payments (cont'd)

The following input were used for the valuation of the performance rights issued during the period:

Class	Expiry	Number of instruments	Grant date	Fair value per instrument \$	Value \$
Class PRA*	25-Feb-27	6,500,000	25-Feb-22	0.0466	302,900
Class PRB*	25-Feb-27	6,500,000	16-Feb-22	0.0455	295,750
Class PRC**	2-Dec-27	4,500,000	30-Nov-22	0.037	166,500
Class PRD**	2-Dec-27	3,750,000	30-Nov-22	0.0364	136,500
Class PRE**	2-Dec-27	6,000,000	30-Nov-22	0.0367	220,200
Class PRF**	2-Dec-27	3,000,000	30-Nov-22	0.0358	107,400
Class PRG**	2-Dec-27	2,250,000	30-Nov-22	0.0356	80,100
Class PRH**	2-Dec-27	3,000,000	30-Nov-22	0.0353	105,900
Class PERA***	30-Nov-28	8,000,000	30-Nov-23	0.015	120,000
Class PERB***	30-Nov-28	8,000,000	30-Nov-23	0.015	120,000
Class PERC***	30-Nov-28	8,500,000	30-Nov-23	0.014	119,000
Class PERD***	30-Nov-28	8,500,000	30-Nov-23	0.013	110,500
Total value at 31 Dec 2023					1,884,750

* Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by the Directors and the CEO as consideration for the Rights will be received in the future and will vest over a period of 3 years. Fair value in the amount of \$598,650 represents total Performance Right value. Refer Note 15 (i) & (ii) below. The expensed value for the current period is \$60,021.

** Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by the Directors and the CEO as consideration for the Rights will be received in the future and will vest over a period of 5 years. Fair value in the amount of \$816,600 represents total Performance Right value. Refer Note 15 (iii) to (viii) below. The expensed value for the current period is \$81,660.

Holders of Performance Rights classes PRC to PRH must be engaged by the Company at the time applicable vesting conditions are satisfied to exercise the Performance Rights, unless otherwise determined by the Board.

*** Pursuant to AASB 2 Section 15(b), the Performance Rights presume that the services to be rendered by the Directors as consideration for the Rights will be received in the future and will vest over a period of up to 5 years (vesting period will start 6/12/18/24 months from issue date, with 25% of performance rights vesting upon the holder being continuously engaged by the Company for 6/12/18/24 months from issue date). Fair value in the amount of \$469,500 represents total Performance Right value. Refer Note 8 (ix) to (xii) below. The expensed value for the current period is \$7,825.

8. Share-based payments (cont'd)

- (i) 6,500,000 Performance Rights Class PRA issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using binomial option pricing model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	100
Risk free interest rate (%)	1.94
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.05
Fair value of Performance Right (\$)	0.0466
Expiry date	25 February 2027
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.08

- (ii) 6,500,000 Performance Rights Class PRB issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using binomial option pricing model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	100
Risk free interest rate (%)	1.94
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.05
Fair value of Performance Right (\$)	0.0455
Expiry date	25 February 2027
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

- (iii) 4,500,000 Performance Rights Class PRC issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using Monte Carlo simulation model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	120
Risk free interest rate (%)	3.275
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.039
Fair value of Performance Right (\$)	0.037
Expiry date	2-Dec-27
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

8. Share-based payments (cont'd)

- (iv) 3,750,000 Performance Rights Class PRD issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using Monte Carlo simulation model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	120
Risk free interest rate (%)	3.275
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.039
Fair value of Performance Right (\$)	0.0364
Expiry date	2-Dec-27
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

- (v) 6,000,000 Performance Rights Class PRE issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using Monte Carlo simulation model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	120
Risk free interest rate (%)	3.275
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.039
Fair value of Performance Right (\$)	0.0367
Expiry date	2-Dec-27
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

- (vi) 3,000,000 Performance Rights Class PRF issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using Monte Carlo simulation model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	120
Risk free interest rate (%)	3.275
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.039
Fair value of Performance Right (\$)	0.0358
Expiry date	2-Dec-27
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

8. Share-based payments (cont'd)

- (vii) 2,250,000 Performance Rights Class PRG issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using Monte Carlo simulation model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	120
Risk free interest rate (%)	3.275
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.039
Fair value of Performance Right (\$)	0.0356
Expiry date	2-Dec-27
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

- (viii) 3,000,000 Performance Rights Class PRH issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using Monte Carlo simulation model with the following inputs:

Performance Rights Granted on 25 February 2022	
Expected volatility (%)	120
Risk free interest rate (%)	3.275
Weighted average expected life of Performance Rights (years)	4.97
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.039
Fair value of Performance Right (\$)	0.0353
Expiry date	2-Dec-27
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.010

- (ix) 8,000,000 Performance Rights Class PERA issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment, with the following inputs:

Performance Rights Granted on 30 November 2023	
Expected volatility (%)	110
Risk free interest rate (%)	4.074
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.016
Fair value of Performance Right (\$)	0.015
Expiry date	30-Nov-28
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.025 and 25% vesting upon the holder being continuously engaged by the Company for 6/12/18/24 months.

8. Share-based payments (cont'd)

- (x) 8,000,000 Performance Rights Class PERB issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment, with the following inputs:

Performance Rights Granted on 30 November 2023	
Expected volatility (%)	110
Risk free interest rate (%)	4.074
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.016
Fair value of Performance Right (\$)	0.015
Expiry date	30-Nov-28
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.04 and 25% vesting upon the holder being continuously engaged by the Company for 6/12/18/24 months.

- (xi) 8,500,000 Performance Rights Class PERC issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment, with the following inputs:

Performance Rights Granted on 30 November 2023	
Expected volatility (%)	110
Risk free interest rate (%)	4.074
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.016
Fair value of Performance Right (\$)	0.014
Expiry date	30-Nov-28
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.06 and 25% vesting upon the holder being continuously engaged by the Company for 6/12/18/24 months.

8. Share-based payments (cont'd)

- (xii) 8,500,000 Performance Rights Class PERD issued as part of equity-based remuneration packages of the CEO and Directors have been calculated using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment, with the following inputs:

Performance Rights Granted on 30 November 2023	
Expected volatility (%)	110
Risk free interest rate (%)	4.37
Weighted average expected life of Performance Rights (years)	5
Expected dividends	Nil
Performance Right exercise price (\$)	Nil
Share price at grant date (\$)	0.016
Fair value of Performance Right (\$)	0.013
Expiry date	30-Nov-28
Performance milestone	Achievement of 20 consecutive days of trading in which the Company's share price reaches \$0.08 and 25% vesting upon the holder being continuously engaged by the Company for 6/12/18/24 months.

Each Performance Right is a right of the holder to acquire one fully paid ordinary share in the capital of the Company subject to the below terms and conditions.

Management evaluates estimates and judgements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Options

The following options arrangements were in existence at the reporting date:

Option series	Number	Grant date	Exercise price	Expiry date	Vesting date
			\$		
MRROPT7	86,895,162	30 Nov 2022	0.1000	02 Dec 2024	2 Dec 2022
MRRAOPT01	10,000,000	30 Nov 2022	0.1000	02 Dec 2024	2 Dec 2022
MRRIOPTA	5,000,000	30 Nov 2022	0.1000	02 Dec 2025	2 Dec 2022
MRRIOPTB	5,000,000	30 Nov 2022	0.1000	02 Dec 2025	2 Dec 2022

There has been no alteration of the terms and conditions of the above options arrangements since the grant date.

9. Loss per share

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

9. Loss per share (cont'd)

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

	For the half-year ended 31-Dec-23	For the half-year ended 31-Dec-22
	\$	\$
Net loss attributable to ordinary shareholders	(3,564,238)	(8,231,137)
Weighted average number of ordinary shares	1,084,867,503	1,076,190,022
Basic and diluted loss per ordinary share (cents)	(0.33)	(0.76)

10. Events Subsequent to Balance Date

In February 2024, the Company announced the results of diamond drilling at the Queenslander Gold Prospect, within the Company's Sofala Project on EL7423. In the months of December 2023 and January 2024, a total of 4 diamond drillholes for 552m were completed to test high-grade gold mineralisation intersected in historic drillholes and those completed in 2021 (refer to ASX Announcement 24 January 2022, High-Grade Gold Drilling Results Intersected at Queenslander Gold Mine).

No other matter or circumstance has arisen since the end of the period that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

11. Contingent Assets and Liabilities

Pursuant to the Sofala Projects and the Sofala Farm-in Rights, a 2% net smelter royalty in respect of all mineral production from the Sofala Projects and the Sofala Farm-in Rights will be payable by the Company upon the achievement of the set milestone.

Pursuant to the acquisition of Odette Five Pty Ltd a 1% gross overriding royalty payable on any minerals extracted from E45/5869, E45/5871 & E45/5873 tenement is also payable on the achievement of the set milestone.

The Company is currently subject to an investigation by the NSW Resources Regulator in respect to five alleged contraventions of the Mining Act 1992 in relation to drilling activity conducted on tenement EL7974 in 2020 by the Company's previous management. The outcome of this investigation and penalties (if any) are currently unknown and remain ongoing. The Company continues to cooperate with the Regulator in respect of their investigations.

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

12. Capital Commitments

There has been no material change in the commitments since 30 June 2023.

13. Related Party Transactions

During the period, 33,000,000 incentive performance rights were issued to the directors of the company, following approval at the General Meeting held on 30 November 2023. Refer Note 8 for further details.

14. 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	
			31 December 2023	30 June 2023
East Pilbara Conglomerates Pty Ltd	Australia	17 November 2017	100%	100%
SR (Sale Entity) Pty Ltd	Australia	17 November 2017	100%	100%
Sofala Minerals Pty Ltd	Australia	11 September 2020	100%	100%
MR Resources Pty Ltd	Australia	30 July 2020	100%	100%
Moghul Mining Pty Ltd*	Australia	23 November 2020	100%	100%
Odette Five Pty Ltd**	Australia	25 January 2021	100%	100%

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DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group financial position as at 31 December 2023 and of its performance for the half-year then ended; and
 - (ii) complying with AASB 134 - Interim Financial Reporting (including International Financial Reporting Standards) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



James Pearse
Non-Executive Director
Perth, 8th March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Minrex Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Minrex Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 8 March 2024

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