



MINREX
RESOURCES

MinRex Resources NL
ACN 151 185 867

To be renamed
Skin Elements Limited



skin elements

Prospectus

Prospectus for the public offering of 11.5 million ordinary shares at an offer price of \$0.20 per Share to raise a Minimum Subscription amount of \$2,300,000 with 1 free Option for every three Shares acquired.

Oversubscriptions of up to a further 8.5 million Shares at an offer price of \$0.20 per Share to raise up to a further \$1,700,000, with 1 free Option for every three Shares acquired.

This Prospectus has also been issued to facilitate the secondary trading of certain Shares and Options that may be issued prior to the Closing Date, and any Shares subsequently issued upon the exercise of Options.

IMPORTANT INFORMATION

This is an important document that you should read in full. If you do not understand it, consult your professional advisers.





Change in Nature and Scale Statement



RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

MinRex Resources NL (**MinRex** or **the Company**) has historically operated as a minerals exploration company with mineral exploration tenement interests in Australia. As first announced to the ASX on 10 April 2014, then detailed in the Meeting Booklet, and referred to in section 9.1 of this Prospectus, the Company has entered into a binding conditional agreement to acquire 100% of the issued capital in Skin Elements Pty Ltd (ACN 110 352 424) (**Skin Elements**) by way of a Share Purchase Agreement (**Agreement**).

The acquisition of Skin Elements will result in a significant change to the nature and scale of the Company's activities which requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules. The Company must also comply with ASX requirements to re-list on the ASX, which include re-complying with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements. The Company has convened a general meeting of its Shareholders to be held on 13 October 2014 to seek Shareholder approval to the Resolutions. A copy of the Meeting Booklet is available on the Company's website, the ASX Companies Announcement Platform and was dispatched to Shareholders on 12 September 2014.

The Offer made under this Prospectus and the issue of Shares and Options pursuant to this Prospectus is subject to and conditional upon the Preconditions to Issue. If the Preconditions to Issue are not satisfied, no Shares or Options will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest. Accordingly, where relevant, this Prospectus assumes that the Preconditions to Issue have been satisfied

Important Notice

Lodgement and listing

This Prospectus is dated 7 October 2014 and was lodged with ASIC on that date.

This Prospectus expires 13 months after the date of this Prospectus (**Expiry Date**). No Shares or Options will be issued on the basis of this Prospectus after the Expiry Date.

The Company will apply within seven days from the date of this prospectus to ASX for re-admission to the Official List and for Official Quotation of the existing Shares on issue as at the date of this Prospectus and the Shares and Options issued under the Offer.

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus, or the merits of the investment to which this Prospectus relates.

Note to Applicants

This Prospectus does not provide investment advice. You should seek your own investment and/or financial advice in relation to the Offer. The Offer contained in this Prospectus does not take into account your investment objectives, financial situation and particular needs. It is important that you read this Prospectus carefully and in full before deciding to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the financial performance of the Company in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your stockbroker, accountant or other professional financial adviser before deciding to invest.

Disclaimer

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Shares. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied on as having been authorised by the Company or the Directors.

Forward looking statements

This Prospectus contains forward looking statements, which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'aims', 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Prospectus, are expected to take place. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

Forward looking statements should be read in conjunction with the risk factors set out in Section 4, the assumptions contained in the financial information set out in Section 5 and other information in this Prospectus.

Other than as set out in this Prospectus, and as otherwise required by law or the Listing Rules, the Company does not intend to update forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

Investment risks and assumptions

Before deciding to invest in the Company, it is important that you read the entire Prospectus and consider the risk factors that could affect the financial performance of the Company.

No overseas registration

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares, Options or the Offer, or to otherwise permit a public offering of Shares and Options, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares and Options have not been, and will not be, registered under the US Securities Act of 1933, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless the Shares and Options are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act is available.

Electronic Prospectus

This Prospectus (without an application form) may be viewed online at www.minrex.com.au. However, it cannot be used to apply for Shares and Options. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The Offer constituted by this Prospectus is available only to persons receiving this Prospectus in electronic form within Australia.

Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge within Australia) by contacting the Share Registry on (08) 9315 2333. Applications for Shares and Options may only be made on the Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus.

Exposure period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of the Prospectus (**Exposure Period**). The Exposure Period provides market participants with the opportunity to examine the original prospectus prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Financial amounts

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Section 11 of this Prospectus.

Preconditions to Issue

The Offer made under this Prospectus and the issue of Shares and Options pursuant to this Prospectus is subject to and conditional the Preconditions to Issue. If the Preconditions to Issue are not satisfied, no Shares will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest. Accordingly, where relevant, this Prospectus assumes that the Preconditions to Issue have been satisfied.

Privacy

By filling out an Application Form to apply for Shares and Options, you are providing personal information to the Company through the Company's service provider, the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you. Please refer to Section 8.22 of this Prospectus for further information regarding Privacy.

Contacts

If you require assistance to complete the Application Form, require additional copies of this Prospectus, or have any questions in relation to the Offer you should contact the Share Registry on +61 (0)8 9315 2333, or go to the Company's website at www.securitytransfer.com.au.

If you are uncertain as to whether the Company is a suitable investment for you, you should seek professional advice from your accountant, stockbroker or other professional financial adviser.

Important Notice

Key Offer Information

Important dates*	
Prospectus lodgement date	7 October 2014
Record date to determine entitlements to Loyalty Options to be issued to existing Shareholders (Loyalty Option Record Date).	10 October 2014
Shareholder Meeting, trading in shares suspended and notification to ASX of results of Shareholder Meeting	13 October 2014
Offer opens	14 October 2014
Issue Options to Partly Paid Shareholders	17 October 2014
Issue of Loyalty Options	24 October 2014
Offer closes	27 November 2014
Settlement date	4 December 2014
Allotment of Shares	4 December 2014
Expected despatch of Shareholder statements	8 December 2014
Expected commencement of trading of Shares on the ASX	10 December 2014
Loyalty Option Vesting Date	21 January 2015

Notes:

* This timetable is indicative only and is subject to change. The Company reserves the right to vary the timetable without prior notice, including by closing the Offer before the scheduled Closing Date or by extending the Closing Date. Applicants are encouraged to submit their Application Forms as soon as possible after the Offer opens.

Key Offer statistics

Offer Price	\$0.20 per Share
Total number of Shares offered under the Offer	Up to 20 million
Total number of Shares on issue on completion of the Offer ¹	Between 76,125,027 and 84,625,027
Total subscription under the Offer ²	Between \$2.3 and \$4.0 million

Notes:

1. The total number of Shares on issue following the Offer will be the sum of the number of Shares issued under the Offer assuming \$2.3 million is raised (11.5 million Shares), the number of Shares held by the Existing Shareholders (17,500,001 Shares), Shares resulting from the conversion of the Partly Paid Shares (875,000 Shares) and Shares issued to the Skin Elements Vendors (46,250,026 Shares).
2. The amount targeted to be raised under the Offer is up to \$4 million. The Company reserves the right to proceed to allotment and listing by raising a lesser amount than \$2.3 million and therefore issuing a smaller number of Shares.

Proforma financial information, including costs of the Offer and other proforma adjustments, is set out in Section 5.

How to invest

Applications to subscribe for Shares and Options can only be made by completing and lodging an Application Form attached to, or accompanying this Prospectus.

Instructions on how to apply are set out in Section 8.9 and on the back of the Application Form. Applications must be for at least 10,000 Shares (\$2,000.00) and in multiples of 5,000 Shares (\$1,000.00) thereafter.

Letter from Executive Director



Dear Investor

On behalf of the Board of Directors, it is my pleasure to introduce this Prospectus to you. This Prospectus has been issued by the Company to enable it to raise up to \$4 million through the Offer of 11,500,000 Shares at an offer price of 20 cents each, together with 1 free attaching Option for every 3 Shares acquired, to raise a Minimum Subscription amount of \$2,300,000. Oversubscriptions of up to a further 8,500,000 Shares at an issue price of 20 cents each, together with 1 free attaching Option for every 3 Shares acquired, to raise up to a further \$1,700,000 may be accepted.

The Company was incorporated on 30 May 2011 as a no liability public company and admitted to the Official List of the ASX on 11 November 2011 with a focus of exploring and developing gold, base metal and tin resource projects in Australia and overseas. However, as announced in April 2014, then detailed in the Meeting Booklet, given the overall results of the exploration programmes to date for the Company's Deflector Extended and Heemskirk tenements, combined with the continuing general negative sentiment in the market towards junior mining companies, the Board believes the proposed acquisition of Skin Elements offers a superior opportunity to the Company's present activities to create shareholder value.

Skin Elements is a developer of natural and organic skin care products which holds a portfolio of skin care products and aspires to become a significant national and international participant in an increasingly health conscious consumer market.

The Company has entered into a binding Share Purchase Agreement with the shareholders of Skin Elements (Vendors) to acquire all of the issued capital of Skin Elements in consideration for the issue of 46 million shares and 25 million options by the Company to the Vendors.

The acquisition of Skin Elements will result in a significant change in the nature and scale of the Company's activities which requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules.

The Company has convened an extraordinary general meeting of its Shareholders to be held on 13 October 2014 to seek Shareholder approval for, amongst other approvals, the issue of Shares to effect the acquisition of Skin Elements, the change in nature and scale of the Company's activities, and the change of Company name to Skin Elements Limited.

Subject to the Offer being successful, the Resolutions being passed, ASIC then changing the status of the Company from a public no liability company to a public company limited by shares, and ASX Approval, completion under the Share Purchase Agreement will take place and the Company will own 100% of the shares in Skin Elements. Further details of the Agreement are contained in Section 9 of this Prospectus.

Following this, a process will begin that sees your Company actively but prudently divest its exploration interests and will focus on its natural skin care business.

Having said this, an investment in the Company is subject to material risks, as referred to in Sections 1.4 and 4 of this Prospectus.

This Prospectus contains detailed information about the Company, the Share Purchase Agreement and acquisition of Skin Elements and its proposed activities. We strongly encourage you to read this Prospectus carefully and in its entirety before deciding whether to invest in the Company and, where necessary, consult with your professional advisers.

On behalf of the Board of Directors, it is indeed my pleasure to invite you to become a Shareholder in the Company.

Yours faithfully

Simon Durack
Executive Director
MinRex Resources NL

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1. Investment Overview

1.1 Introduction

Question	Answer	More information
Who is the Issuer of this Prospectus?	MinRex Resources NL ACN 151 185 867 (the Company or MRR) proposed to be renamed Skin Elements Limited.	Section 2.1
What is the Company's main business?	At completion, the Company's business will change from that of a resource explorer to a producer and developer of natural and organic skin care products. The Company's mission will be to promote and support organic and natural lifestyles and give consumers access to sun and skin care products by providing high quality skin care using all-natural and organic ingredients, in order to offer consumers an effective alternative to synthetic chemical based products. It aspires to become a significant national and international participant in an increasingly health conscious consumer market. Having completed test marketing of its Soléo Organics product range, the Company will move to the market launch of this product range. The Company will offer an all organic and natural sunscreen, being its leading brand Soléo Organics. The Company will also focus on the development and test marketing of its nearly developed Elizabeth Jane Natural Cosmetics product range. The Company program will be to research, formulate, develop and commercialise a range of skin care products made from organic and natural ingredients. Skin Elements also has further brand extensions for Soléo Organics in a product pipeline that will continue to be developed and commercialised to target various market niches and build larger presence in the main sales channels. The Company utilises contract manufacturing and is involved in the management of the ingredient supply chain.	Section 2
What is the purpose of the Offer?	To facilitate an application by the Company for re-admission of the Company to the official list on the ASX, to facilitate the acquisition of Skin Elements and to raise working capital. To provide the Company with increased funds capability to be utilised in accordance with the Company's strategy to: • launch, produce, market and distribute its Soléo Organics branded natural sunscreen product range; • to launch the Soléo Organics brand awareness and product range; • to advance the market testing program of the Elizabeth Jane Natural Cosmetics range; and • invest in research and development of new products and product innovation, brand development and marketing initiatives.	Section 8.3

Investment Overview

1.2 Key features of the Company's business model

Question	Answer	More information
How will the Company generate revenue?	Having completed test marketing of its Soléo Organics product range, the Company will move to the market launch of this product range. Sales will be pursued through a sales distribution model whereby its revenue is predominantly derived from sales to wholesale distribution agents (who then on-sell direct to retailers). The Company will also look to develop its online store for web based sales capacity with plans to create a website and social media base for its customers. It is estimated that the majority of revenue will be derived from the Soléo Organics range in the short to midterm as the Company looks to produce, market launch, commercialise and grow this product range and brand. Following this, the Company aspires to grow as it carries out the further development and test marketing of its Elizabeth Jane Natural Cosmetic Products range and develops further products. The success of the market launch of the Soléo Organics sunscreen will largely dictate the company's ability to generate revenue in the near term.	Section 2.3, 2.4 & 2.5
What are the material contracts?	The material contracts of the Company are: - the Share Purchase Agreement pursuant to which the Company has agreed to acquire Skin Elements; - the Corporate Services Agreement with LinQ Management Pty Ltd which is to provide company secretarial, accounting and financial services; - its lease agreement for its West Perth office which expires on 28 February 2017.	Section 9
	Post Completion Contracts are: - The Company will be entering into a formal Executive Services Agreements for the services of Mr Peter Malone, Mr Leo Fung and Mr Craig Piercy prior to Completion of the acquisition of Skin Elements. These contracts will be determined by the Board and will be in accordance with current market and industry rates. - The corporate services agreement with Indian Ocean Advisory Group Pty Ltd.	Section 9.2

1.3 Capital structure and funding

Question	Answer			More information
What will be the capital structure of the Company on completion of the Offer?		Min Sub Shares	Max Sub Shares	Sections 2.1 and 8.7
	Existing Shares	17,500,001	17,500,001	
	Reduction of Partly-Paid Shares	875,000	875,000	
	Issued to the Skin Elements Vendors	46,250,026	46,250,026	
	Issued under this Prospectus	11,500,000	20,000,000	
	Total Shares at completion of the Offer	76,125,027	84,625,027	
	Existing Partly Paid Shares	17,500,000	17,500,000	
	Reduction of Partly-Paid Shares	(17,500,000)	(17,500,000)	
	Total Partly Paid Shares at completion of the Offer	-	-	
	Existing Options	-	-	
	Reduction of Partly-Paid Shares	17,500,000	17,500,000	
	Issued to the Skin Elements Vendors	25,000,047	25,000,047	
	Issue of Loyalty Options*	6,125,001	6,125,001	
Issued under the public offer*	3,833,334	6,666,667		
Total Options at completion of the Offer	52,458,382	55,291,715		
* The ultimate number of Loyalty Options issued and Options issued under this Offer may vary as a result of rounding up of entitlements and the ultimate number of applications received.				

1.3 Capital structure and funding (continued)

Question	Answer	More information
How does the Company expect to fund its operations?	To date the Company's operations have been funded through shareholder contributions, sales revenue from test marketing and government research and development incentives. Post Completion, it is expected that the Company will have access to increased working capital to facilitate the market launch of the Soléo Organics sunscreen. The success of the market launch will dictate the rate of growth of the business.	Sections 2.4, 2.5 and 8.4.

1.4 Key risks

Question	Answer	More information
What are the key risks of investing in the Company?	Limited operating history: Skin Elements has limited operating history on which an evaluation of its prospects can be made. To date, Skin Elements has focused on the research and development of its products and obtaining the necessary regulatory approvals to sell its products in differing jurisdictions. To date Skin Elements has only conducted test marketing. At Completion, the Company will now focus on the market launch, commercialisation and distribution of its Soléo Organics suncare products and development of this range and its EJNC products. There is a risk that the potential market will not accept these products on a larger scale than as seen via test marketing. The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of commercialisation, particularly in the bio-technology sector.	Section 4.2
	Regulatory Requirements and Government legislation and policy changes: Sunscreens are classified as Therapeutic Goods in Australia to ensure quality, safety and efficacy and have strict controls for independent SPF testing and use of GMP. Similar regulations framework exists in most countries such as USA (FDA). Soléo Organics sunscreen has been approved for sale by key regulatory bodies such as the TGA, the FDA, Health Canada and the Ministry of Health in Japan to allow free sale of the products. Skin Elements also has approvals to sell into the United Kingdom and the European Union. Skin Elements is in the process of applying for ANVISA (Brazil) for the necessary regulatory approval. Changes in relevant laws, regulations and government policies regarding the regulation of sunscreens and or Skin Care products could adversely affect the Company's proposed operations, increase costs, or affect the financial performance or any future revenue of the Company. Such changes are beyond the control of the Company. There is a risk that laws or regulations may be introduced or amended in Australia, or in foreign jurisdictions in which the Company sells, or sources its ingredients and/or products. Changes to the regulatory environment could have a material effect in a number of ways.	Section 4.2
	Competition and New Market Entrants Risks: Post Completion, the Company will participate in a highly competitive skin care global business against materially larger, globally focussed competitors with significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means then this could have a material adverse impact on the Company's financial performance and future prospects of the business.	Section 4.2
	Raw Ingredients Supply The availability of organic and natural materials to meet the growing production plans of the Company's products is a critical part of supply chain management. Should there be interruptions in the Company's ingredient supply chain or economic or environment events impacting the availability of these raw materials then this could have a material adverse impact on the Company's ability to meet consumer demand and impact the financial performance and future prospects of the business.	Section 4.2

1.4 Key risks (continued)

Question	Answer	More information
	Product concentration The Company's planned short term product mix and revenues are highly dependent on its Soléo Organics sunscreen formula. This product will be the first of the Company's natural skin care products which is planned for market launch, commercialisation and distribution and, as such, is expected to generate materially most of the Company's short term revenues whilst further products are developed. Consumer demand for Soléo Organics sunscreen could have a material adverse impact on the Company's financial performance and future prospects of the business.	Section 4.2
	Distribution Currently, the Company does not have any formal distribution agreements with its distributors. To date, all test marketing distribution has been carried out on a contract order basis. The Company anticipates distributing its products both locally in Australia and internationally. As no formal distribution contracts are in place, should the Company fail to secure suitable formal distribution contracts or fail to engage suitable distributors, there could be disruptions in the distribution of the Company's products which could have a material adverse impact on the Company's financial performance and future prospects of the business.	Section 4.2
	Brand and Reputation The Company portfolio of brand names and related intellectual property are key assets of the business. The reputation and value associated with these brands and related intellectual property could be adversely affected by a number of factors, including failing to provide customers with the quality of product they expect, contamination or recall issues, disputes or litigation with third parties, employees, suppliers or customers, or adverse media coverage (including social media), or other circumstances including those beyond the direct control of the Company. Significant erosion in the reputation of, or value associated with the Company's brands, could have an adverse effect on customer loyalty, relationships with key suppliers, employee retention rates, and overall demand for the Company's products.	Section 4.2
	Manufacturing Risks and Regulations The Company currently only utilises one TGA approved manufacturer across the product range. Accordingly, there is a concentration of manufacturing with one provider, in relation to production. There is no formal manufacturing contract in place with the manufacturer, although the parties have worked together for many years and are currently discussing a formal manufacturing contract. The manufacturer has advised that they currently have sufficient capacity to manufacture the Company products in the near future. There is also a requirement that manufacturers producing the company's products are TGA approved. There is a risk that for some reason outside the Company's control that its manufacturer(s) could lose their regulatory approvals. Should there be a disruption with this particular manufacturer or others, or the manufacturer elects not to continue manufacturing Skin Elements' products, then this could have a material adverse impact on the Company's ability to meet consumer demand and may impact the financial performance and future prospects of the business. There are also numerous other TGA approved manufacturing facilities in Australia and overseas.	Section 4.2

1.4 Key risks (continued)

Question	Answer	More information
	Failure to scale up and commercialise There is a risk that the Company will be unable to successfully market launch, commercialise its existing products or offer a sufficient number of successful new products which could potentially result in reduced or negative growth. There is a risk that the Company's current and any new products launched and developed to the market may be unprofitable because they are not supported by sufficient market interest and purchases or otherwise not adequately marketed and fail to sell. There is also a risk that existing and any new products: i. waste operating costs; ii. incur operating costs earlier than necessary or greater than forecast; and/or iii. impact revenues of existing products to a greater extent than predicted.	Section 4.2
	Reduced Demand There is a risk that consumer preferences for all organic and natural skin care products will evolve such that demand for the Company's products is reduced. As the Company's skin care product formulas utilise a number of natural and unique ingredients, consumer sentiment to the use of these products or allergies to ingredients could reduce demand for the Company's products.	Section 4.2
	Loss of key personnel In the short term until a suitable team is put in place, the Company's success depends to a significant extent on its key personnel, in particular Mr Peter Malone and Mr Leo Fung. Peter and Leo have extensive experience in, and knowledge of, the Company's products and business. The loss of key management personnel, and in particular Peter and Leo, or any delay in their replacement could have a significant adverse effect on the management of the Company, its financial performance and future prospects.	Section 4.2
	Retail Environment There may be an economic downturn in Australia or the overseas markets that may cause the retail environment to deteriorate as consumers reduce their retail spending on discretionary items. This may result in reduced turnover in the Company's products in Australia or overseas markets.	Section 4.2
	Product Contamination and Recall As a producer of natural skin care products, the Company is subject to a general risk that any product contamination or product recall issue (however caused) could have a material adverse affect on the Company's brand and thus its financial performance. The Company and its manufacturers employ a number of measures to minimise the risk in this area (such as requiring manufacturers to have current TGA and GMP accreditation and the Company having in place appropriate insurances).	Section 4.2
What are the key risks in relation to the Shares?	The prices at which the Shares and Options trade may fluctuate in response to a number of factors. There can be no guarantee that these trading prices will be sustained. The Shares and Options issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX. Returns from an investment in the Shares and Options may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that an active market in the Shares and Options will develop or that the market price of the Shares and Options will not decline below the issue price. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.	Section 4.3

Investment Overview

1.4 Key risks (continued)

Question	Answer	More information
Are there any other key general risks affecting an investment in the Company?	A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance. There are also a number of broader general risks which may impact the Company's performance. These include risks such as abnormal stoppages in normal business operations due to factors such as war, terrorism, political or civil unrest, higher than budgeted costs associated with the provision of service offerings and customers and distributors not renewing contracts or renewing contracts on less favourable terms, amongst others. The impact of actions by government may affect the Company's activities including such matters as, compliance with environmental regulations and taxation.	Section 4.4

1.5 Financial information

Question	Answer	More information												
What key financial information do you need to know about the Company's financial position, performance and prospects?	Key financial information is summarised in the Key Offer Information table. Set out below is a selected summary of the Company's Pro-forma Consolidated Statement of Financial Position as at 30 June 2014: <table border="1"> <thead> <tr> <th>Following Completion</th><th>Minimum Subscription \$</th><th>Maximum Subscription \$</th></tr> </thead> <tbody> <tr> <td>Cash</td><td>3,033,021</td><td>4,583,021</td></tr> <tr> <td>Net tangible assets</td><td>3,098,053</td><td>4,648,053</td></tr> <tr> <td>Net Assets</td><td>11,498,053</td><td>13,048,053</td></tr> </tbody> </table> As detailed in Section 5.5, the Company's Pro-forma Consolidated Statement of Financial Position includes a number of adjustments as if they occurred on 30 June 2014, including but not limited to: • closure of the capital raising and costs of the Offer; and • adjustments for the acquisition of Skin Elements. The financial information detailed in Section 5 and the Independent Limited Assurance Report detailed in Section 6, is based on various best estimate assumptions. These assumptions should be read in conjunction with the risk factors set out in Section 4.	Following Completion	Minimum Subscription \$	Maximum Subscription \$	Cash	3,033,021	4,583,021	Net tangible assets	3,098,053	4,648,053	Net Assets	11,498,053	13,048,053	Section 5 and Section 6
Following Completion	Minimum Subscription \$	Maximum Subscription \$												
Cash	3,033,021	4,583,021												
Net tangible assets	3,098,053	4,648,053												
Net Assets	11,498,053	13,048,053												
On what basis has the Financial Information been prepared?	The financial information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards. Accounting policies relevant to the financial information are included in Section 5.	Section 5 and Section 6												

1.6 Directors and key management

Question	Answer	More information
Who are the Directors?	At Completion the Board of Directors will include: • David Humann <i>Independent Non-executive Chairman</i> • Peter Malone <i>Managing Director and CEO</i> • Luke Martino <i>Independent, Non-executive Director</i> • Simon Durack <i>transition to Non-executive Director</i> (currently executive director)	Section 7.1
Who are the Company's key Executives and senior managers?	At Completion the Senior Executives will include: • Peter Malone <i>Chief Executive Officer</i> • Leo Fung <i>Chief Technical Officer</i> • Craig Piercy <i>Corporate Manager</i>	Section 7.2

1.7 Significant interests of key people and related party transactions

Question	Answer	More information																														
At Completion, who are the Company's Substantial Shareholders and what will their interests be on completion of the Offer?	<table><tr><th>Share holder</th><th>Shares</th><th>Min %</th><th>Max %</th><th>Options</th></tr><tr><td>Sovereign Empire Pty Ltd</td><td>11,520,318</td><td>15.13</td><td>13.61</td><td>6,227,199</td></tr><tr><td>Lawley Group Pty Ltd</td><td>7,537,395</td><td>9.90</td><td>8.91</td><td>4,074,268</td></tr><tr><td>Will Power Trading Limited</td><td>5,238,358</td><td>6.88</td><td>6.19</td><td>2,831,545</td></tr><tr><td>Sunadvance Group Limited</td><td>5,238,358</td><td>6.88</td><td>6.19</td><td>2,831,545</td></tr><tr><td>Sovereign Equities Pty Ltd</td><td>4,200,546</td><td>5.52</td><td>4.96</td><td>2,270,566</td></tr></table>	Share holder	Shares	Min %	Max %	Options	Sovereign Empire Pty Ltd	11,520,318	15.13	13.61	6,227,199	Lawley Group Pty Ltd	7,537,395	9.90	8.91	4,074,268	Will Power Trading Limited	5,238,358	6.88	6.19	2,831,545	Sunadvance Group Limited	5,238,358	6.88	6.19	2,831,545	Sovereign Equities Pty Ltd	4,200,546	5.52	4.96	2,270,566	Sections 8.8
Share holder	Shares	Min %	Max %	Options																												
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Sovereign Equities Pty Ltd	4,200,546	5.52	4.96	2,270,566																												
At Completion, what will be the Directors' shareholdings in the Company?	<table><tr><th>Director</th><th>Shares</th><th>Min Cap %</th><th>Max Cap %</th><th>Options</th></tr><tr><td>David Humann</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Peter Malone</td><td>11,520,318</td><td>15.13</td><td>13.61</td><td>6,227,199</td></tr><tr><td>Luke Martino</td><td>1,347,724</td><td>1.77</td><td>1.59</td><td>720,585</td></tr><tr><td>Simon Durack</td><td>15,001</td><td>0.02</td><td>0.02</td><td>5,000</td></tr></table>	Director	Shares	Min Cap %	Max Cap %	Options	David Humann	-	-	-	-	Peter Malone	11,520,318	15.13	13.61	6,227,199	Luke Martino	1,347,724	1.77	1.59	720,585	Simon Durack	15,001	0.02	0.02	5,000	Section 7.5					
Director	Shares	Min Cap %	Max Cap %	Options																												
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Luke Martino	1,347,724	1.77	1.59	720,585																												
Simon Durack	15,001	0.02	0.02	5,000																												
What escrow restrictions apply to the key Shareholder's Shares?	At the date of this Prospectus, the Company does not have any securities held in escrow. Subsequent to the approval of the acquisition of Skin Elements at the meeting to be held on 13 October 2014 and the completion of the acquisition and this Offer, the Consideration Shares and Options to be issued to the Skin Elements Vendors may be subject to escrow in accordance with the ASX Listing Rules.	Section 10.5																														
Has the Company entered into any related party transactions?	The Company has not entered into any contracts with a related party. Details of Material Contracts are contained in Section 9.	Sections 7.9 and 9																														
Post Completion, what significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	<table><tr><th>Director</th><th>Directors' Fees</th></tr><tr><td>David Humann</td><td>100,000</td></tr><tr><td>Peter Malone*</td><td>60,000</td></tr><tr><td>Luke Martino</td><td>60,000</td></tr><tr><td>Simon Durack</td><td>60,000</td></tr></table> * The Company will be entering into a formal Executive Services Agreement for the services of Mr Peter Malone prior to Completion. As such, Peter Malone will receive additional remuneration in the role as CEO which will be determined by the Board and will be in accordance with current market and industry rates.	Director	Directors' Fees	David Humann	100,000	Peter Malone*	60,000	Luke Martino	60,000	Simon Durack	60,000	Sections 7.2 and 7.4																				
Director	Directors' Fees																															
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Luke Martino	60,000																															
Simon Durack	60,000																															

Investment Overview

1.8 Key terms and conditions of the Offer

Question	Answer	More information
What is the Offer?	The Offer is a public offering of up to 11.5 million new fully paid ordinary Shares in the Company at an Offer Price of \$0.20 per Share, together with 1 free Option for every 3 Shares acquired, to raise a total of up to \$2.3 million. Oversubscriptions of up to a further 8.5 million new fully paid ordinary Shares in the Company at an Offer Price of \$0.20 per Share, together with 1 free Option for every 3 Shares acquired, to raise up to a further \$1.7 million may be accepted.	Section 8.2
Will the Shares & Options be listed?	Within seven days of the date of this Prospectus, the Company will make an application to the ASX for re-admission to the Official List of ASX and Official Quotation of the Shares. Completion of the Offer is conditional on the ASX approving this Application. If approval is not given within three months after such Application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will review the quotation of the Options on the ASX post Completion.	Section 8.15
Is the Offer underwritten?	The Offer is not underwritten.	Section 8.14
How will the proceeds of the Offer be used?	The proceeds of the Offer together with existing cash reserves will: • provide the Company with an increased working capital capability for the company to launch, produce, market and distribute its Soléo Organics branded natural sunscreen product range; • provide the Company with a increased marketing budget flexibility to launch the Soléo Organics brand awareness and product range; • be utilised to advance the market testing program of the Elizabeth Jane Natural Cosmetics range; • provide additional capital to invest in research and development of new products and product innovation, brand development and marketing initiatives; and • pay the costs of the offer.	Section 8.4
Who can participate in the Offer?	The Offer is open to Australian residents and institutions.	Section 8.18
How do I apply for Shares and Options?	By submitting a valid Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out on the Application Form. To the extent permissible by law, an Application by an Applicant under the Offer is irrevocable.	Section 8.9
What is the minimum Application under the Offer?	Applicants must apply for a minimum of 10,000 Shares representing a minimum investment of \$2,000.00. Applicants applying for additional Shares must apply for Shares in multiples of 5,000 Shares (representing a further investment of \$1,000.00).	Section 8.9
What is the allocation policy?	All decisions regarding the allocation of Shares and Options under the Offer will be made by the Company. The Company reserves the right, in its absolute discretion, to allot the Shares and Options applied for under any Application under the Offer in full or in the event of an over subscription, to scale back any Application, to allot any lesser number or to decline any Application. The Company may in its absolute discretion give preference to certain investors in accepting Applications under the Offer.	Section 8.13

1.8 Key terms and conditions of the Offer

Question	Answer	More information
Is there any brokerage, commission or stamp duty payable by the Applicants?	No brokerage, commission or stamp duty is payable by Applicants on shares or options allotted under the Offer.	Section 8.16
What are the tax implications of making an investment in the Company?	The taxation implications of investing in the Company will depend on an investor's individual circumstances. Applicants should obtain their own tax advice prior to making an investment.	Sections 8.21 and 10.8
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares and Options to successful Applicants. No Shares or Options will be issued until the Preconditions to Issue are satisfied. If the Offer does not proceed, the Share Registry, your Broker or the Company will refund Application Monies. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	
Will I receive dividends?	The Company does not currently have a dividend policy. The board will make a determination in its discretion in relation to the payment of any future dividends, depending on the Company's performance. The ability to pay a dividend will also depend upon a number of other factors including the successful launch of the Soléo Organics product range, the Company's overall performance and financial position and the risk factors set out in Section 4. The ability to pay a dividend will also depend upon a number of other factors including the risk factors set out in Section 4.	Section 8.12
How can further information be obtained?	If you require assistance or additional copies of this Prospectus, please contact the Share Registry. For advice on the Offer, you should speak to your stockbroker, accountant or other professional financial adviser.	
Contact details	For contact details, refer to the Corporate Directory.	After the Glossary section



2. Company overview & the Acquisition of Skin Elements

2.1 Corporate history and structure

MinRex was incorporated on 30 May 2011 in Western Australia as a no liability public company and admitted to the Official List of the ASX on 11 November 2011.

The Company listed on the ASX with a focus of exploring and developing gold, base metal and tin projects in Australia and evaluating additional projects, both within Australia and overseas. MinRex has two principle projects in its exploration portfolio, the Deflector Extended Gold Project in Western Australia and the Heemskirk Tin Project in Tasmania.

Tenement Holder	Holding %	E/ELA Number	Name	Location	Square Km	Expiry Date
MinRex	100%	E59/1657	Deflector Extended Gold Project	WA	15	11/07/2016
MinRex	100%	EL18/2011	Heemskirk Tin Project	TAS	44	02/04/2017

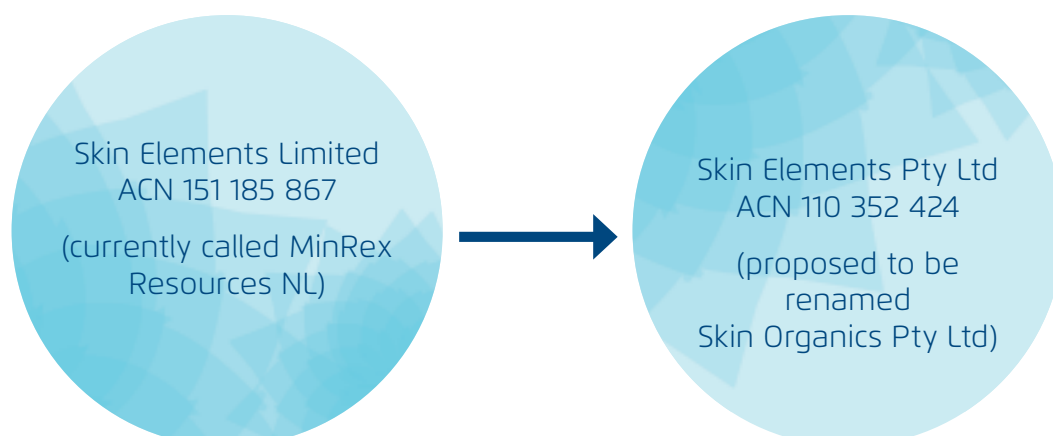
Given the overall results of the exploration programs for both the Deflector Extended Gold Project and Heemskirk Tin Project, the Company has continued assessing a broad range of both exploration and alternative corporate opportunities that have the potential to complement or replace the existing tenement portfolio and enhance shareholder value. The past two years has seen an active program of assessments and a broad range of opportunities considered by MinRex.

This evaluation of opportunities has culminated in the announcement of the proposed acquisition of Skin Elements on the terms and conditions of the Share Purchase Agreement.

The Company is seeking the approval of Shareholders for the Company to be changed from a no liability public company to a public company limited by shares. Shareholders will be considering this matter at the Extraordinary General Meeting being held on 13 October 2014.

Subject to Shareholders passing the Resolutions at the meeting to be held on 13 October 2014 or any adjournment thereof and Completion taking place, a process will begin to actively but prudently divest the Company's exploration interests and will focus on the development and expansion of the natural skincare product range.

The Company does not currently have any subsidiaries. At Completion the corporate structure will be as follows:



Company overview & the Acquisition of Skin Elements

The capital structure of the Company following Completion of the acquisition and Prospectus is summarised below:

Equity Component	Minimum Subscription		Maximum Subscription	
	No.	%	No.	%
SHARES				
Existing Shares	17,500,001	22.99	17,500,001	20.68
Reduction of Partly Paid Shares	875,000	1.15	875,000	1.03
Issued as consideration 100% of Skin Elements Issued Capital	46,250,026	60.76	46,250,026	54.65
Issued under this Prospectus	11,500,000	15.11	20,000,000	23.63
TOTAL SHARES	76,125,027	100.00	84,625,027	100.00
PARTLY PAID SHARES				
Existing Partly Paid Shares	17,500,000	100.00	17,500,000	100.00
Reduction of Partly Paid Shares	(17,500,000)	(100.00)	(17,500,000)	(100.00)
TOTAL PARTLY PAID SHARES	-	-	-	-
OPTIONS				
Existing Options	-	-	-	-
Reduction of Partly Paid Shares	17,500,000	33.36	17,500,000	31.65
Issued as consideration 100% of Skin Elements Issued Capital	25,000,047	47.66	25,000,047	45.21
Issue of Loyalty Options Pursuant to this Prospectus *	6,125,001	11.68	6,125,001	11.08
Issued under this Prospectus **	3,833,334	7.31	6,666,667	12.06
TOTAL OPTIONS	52,458,382	100.00	55,291,715	100.00

Notes:

* These Loyalty Options are being issued to existing MinRex shareholders and Partly Paid Shareholders (pro-rata to the total issue price paid up on the partly paid shares) resident in Australia and New Zealand on the Loyalty Option Record Date, on the basis of 1 Loyalty Option for every three 3 Shares held. The ultimate number of Loyalty Options issued may vary as a result of rounding up of entitlements.

** These Options are being offered to applicants on the basis of one (1) Option for every three (3) shares acquired under the Offer as detailed in this Prospectus. The ultimate number of Options issued may vary as a result of rounding of the ultimate number of applications received.

Rights attaching to Shares are summarised in Section 10.2 of this Prospectus.

Terms and Conditions of the Company's options can be found in Section 10.3 and 10.4 of this Prospectus.

2.2 Background and nature of our business

The Company has previously announced that it is seeking to acquire 100% of the issued share capital of Skin Elements Pty Ltd (**Skin Elements**).

The Company has entered into a binding Share Purchase Agreement with the shareholders of Skin Elements (**Vendors**) to acquire all of the issued capital of Skin Elements in consideration for the issue of 46,250,026 shares by the Company and the issue of 25,000,047 options by the Company to the Vendors.

As the business of natural skin care constitutes a significant change in the nature of the business of the Company, the Company is required to satisfy Chapters 1 and 2 of the ASX Listing Rules, as if it were applying for admission to the official list of the ASX.

The purpose of the offer under the Prospectus is to raise between \$2.3 million and \$4 million by the issue of between 11.5 million and 20 million shares at \$0.20 per share to fund the development of the Business together with one free attaching option for every three shares acquired.

Company overview & the Acquisition of Skin Elements

2.3 Skin Elements and the Business

2.3.1 Background

Skin Elements is an Australian based developer of natural and organic skin care products. It holds a portfolio of skin care products made from organic and natural ingredients being its leading brand the Soléo Organics natural sunscreen and it's nearly developed Elizabeth Jane Natural Cosmetics product range.

Skin Elements mission is to promote and support organic and natural lifestyles and give consumers access to sun and skin care products by providing high quality, world class skin care using all-natural and organic ingredients, in order to offer consumers an effective alternative to synthetic chemical based products. It aspires to become a significant national and international participant in an increasingly health conscious consumer market.

Skin Elements has a program to research, formulate, develop and commercialise a range of skin care products made from organic and natural ingredients. Over the past 8 years, Skin Elements has developed a multifaceted intellectual property portfolio of skin care products and has spent over \$8 million on research and development programs. As a result, its all natural Soléo Organics sunscreen range has been advanced to a point ready for market launch and commercialisation having been test marketed and having receiving a number of major international awards during its testing phase.

Sales to date from market testing of the natural sunscreen and skincare product range have exceeded \$3 million over the test marketing stage through distributors in more than 15 countries. During the test marketing period Skin Elements has been carrying out selective pre-market sales in different countries during different periods. Since 2012, Skin Elements has focused on expanding its capital base to capitalise on the results of the test marketing phase culminating in the decision to increase the working capital to enable the market launch and large scale commercialisation of its Soléo Organics range.

Soléo Organics sunscreen has key regulatory approvals in place and has been developed to a stage that is ready for market launch with initial focus on the Australian market, then to be followed by New Zealand, North America, Canada, Japan, Europe and Brazil (application pending). Test marketing of the Elizabeth Jane Natural Cosmetic products has commenced with Skin Elements planning for its subsequent market testing.

Skin Elements has an experienced management and technical team responsible for the development of the Skin Elements product range that have agreed to negotiate and enter into services contracts prior to Completion and continue to develop the business.

Sales to date from test marketing have been generated through a sales distribution model whereby its revenue is predominantly derived from sales to wholesale distribution agents (who then on-sell direct to retailers such as pharmacies, health stores and other outlets). Skin Elements will continue with this model and also develop its online store for web based sales capacity with plans to create a website and social media base for its customers.

It is estimated that the majority of Skin Element's revenue will come from its Soléo Organics Sunscreen range in the short to midterm as the company looks to launch, produce, commercialise and grow this product range and brand. Following this, Skin Elements aspires to grow as it carries out the further development and test marketing of its Elizabeth Jane Natural Cosmetic Products range and develops further products.

2.3.2 Soléo Organics natural sunscreen

Background

Soléo Organics is an evolutionary sunscreen using only natural and organic ingredients, formulated with special plant extracts and naturally occurring minerals. The Soléo Organics sunscreen has won a number of awards including rated number one by the prestigious Environmental Working Group out of over 1,700 sunscreen brands in North America (2010). It is broad spectrum SPF 30+, 3 hour water resistant and:

- contains all natural ingredients;
- is free from chemical UV-absorbers, titanium dioxide and chemical preservatives;
- is water resistant for up to 3 hours;
- provides broad spectrum protection against UV-A and UV-B rays; and
- has a low allergy formula ideal for the whole family.

Soléo sunscreen was designed to meet the performance of the current mass market sunscreens while only using plant extracts and naturally occurring minerals. These formulas incorporate advanced micronised active ingredients to achieve broad spectrum UV protection, natural oils to achieve water resistance and moisturise the skin. It also includes natural stabilizers and preservatives to ensure product acceptance by the wider consumer population.

Skin Elements has undertaken a ground up research and development program which has seen the completion of three key phases over the research and development period. The first phase involved the completion of research culminating with completion of the Soléo Formula in 2006. Phase two included numerous laboratory trials and testing of manufacturing processes to ensure they would meet the requirements of large scale production. Parallel with these tasks the Company instigated regulatory approval programs for the sale of the Soléo Organics products.

The Company commenced the test marketing (final phase three) of the Soléo Organics natural sunscreen in 2007 after receiving the applicable regulatory approvals. Following completion of this program, Skin Elements is now moving to launch and commercialise this product. The Company plans to review and expand into additional countries with ANVISA (Brazil) approval currently being finalised.

Technology

Skin Elements has been successful at developing its effective sun protection technology (the SE Formula) using only minerals, botanical, plant extracts and antioxidants. Skin Elements has been very stringent about avoiding ingredients, such as synthetic chemicals, titanium dioxide, petroleum by-products, artificial flavours and fragrances and animal derived products. Because of this Skin Elements is in possession of the multiple award winning sun care technology with its SE Formula (Natural Skin Science).

Company overview & the Acquisition of Skin Elements

Soléo Organics Ingredients

(All Organically Sourced)
grapeseed oil, macadamia oil, green tea extract, roman chamomile extract, sunflower oil, capric/caprylic triglycerides (plant oil derived), beeswax, theobroma butter, candelilla wax, lecithin, vegetable oils, cucumber extract, natural vitamin E oil.

Active ingredient:
Zinc oxide (Skin DE) 22.3%

NO Chemical
UV Absorbers

NO Titanium
Dioxide

NO Synthetic
Preservatives

No Synthetic Colours or Fragrances

NO Octyl Methoxycinnamate
NO Oxybenzone
NO Padimate O
NO Benzophenone

NO Butyl Methoxydibenzoyl Methane
NO 4 Methylbenzylidene Camphor
NO Phenylbenzimidazole
Sulfonic Acid

NO Parabens
NO Diazolidinyurea

Development History

Skin Elements has created its natural sunscreen and skin care products under a comprehensive and detailed specification using only 100% natural ingredients in all formulations. This is a criteria set by Skin Elements to only deliver product that meets this test.

Skin Elements has received regulatory approvals by the Australian TGA following the formulation being completed for laboratory manufacturing. Focus then shifted to obtaining FDA approvals which was achieved in 2009 whilst Skin Elements conducted market testing of the product in Australia and New Zealand. Market testing sales totalled \$1.4 million.

In 2010 Skin Elements conducted further market testing in the USA, Japan and Canada, following which was awarded number 1 sunscreen in three major awards including EWG (Environmental Working Group) who had assessed approximately 1,700 brands, as well as ELLE Magazine and by a division of Washington Post (Sprig.com). During this year the Company also received regulatory approvals from the Japanese Ministry of Health and by Health Canada. This took the market testing sales total to \$2 million.

2011 saw an increase in international market testing with testing beginning in Singapore, Hong Kong, Indonesia, Portugal and the United Kingdom. This resulted in cumulative market testing sales being \$2.5 million.

Since 2012, the company has focused on further targeted pre-release market testing through distributors across Australia and internationally and developed a plan to launch and commercialise its Soléo Organics sunscreen range whilst it focuses on further advancing this product range. Total market testing sales in these different countries over these different periods reached a combined total of \$3 million.

Regulation

Sunscreens are regulated by the Therapeutic Goods Administration in Australia to ensure quality, safety and efficacy and have strict controls for independent Sun Protection Factor (SPF) testing and use of Good Manufacturing Practices (GMP). Similar regulations framework exists in most countries such as the USA with the FDA (Federal Drug Administration).

Soléo Organics has been approved for sale by main key regulatory bodies such as the Therapeutic Goods

Administration (TGA - Australia/NZ), Food and Drug Administration (FDA -USA), Health Canada (Canada) and Ministry of Health (Japan) and approvals to sell into the United Kingdom and the European Union to allow free sale of the products. Skin Elements is currently awaiting approvals documentation from ANVISA (Brazil).

Manufacturing

In Australia, sunscreens are required to be manufactured in accordance with the principals of Good Manufacturing Practice (GMP) which describes a set of principles and procedures which, when followed, help ensure that therapeutic goods are of high quality. Australian based manufacturers of medicines and biologicals are required to hold a licence to manufacture.

The Soléo Organics sunscreen products are manufactured by a TGA and GMP accredited laboratory in Victoria, Australia, which is conveniently located for raw ingredient and packaging supply as well as distribution nationally. The manufacturer works on a contract basis in high class, modern production facilities.

The factory has capacity to manufacture cream, lotions and serums and fill tubes, bottles and jars with automated production lines capable of producing 50 million units of sunscreen and other products per year. The current annual full manufacturing and filling capabilities of the factory for all topically applied Pharmaceutical, Sun Care and Skin Care products total 3,120 batches or 6,739,200 kg and annual filling capacity of 49,985,000 units. The factory has significant spare capacity for the manufacturing of Skin Elements products.

2.3.3 Elizabeth Jane Natural Cosmetics

The Elizabeth Jane Natural Cosmetic product range has undergone phases one and two of its research and development program and the testing of manufacturing processes to ensure they would meet the requirements of large scale production. The company is in a position to follow on from the initial test marketing program having taken place so far in the UK, the Middle East and Asia.

Elizabeth Jane Natural Cosmetics (**EJNC**) contains only natural ingredients, plant extracts and vitamins with proven effective results. All products are ideal for sensitive skin and provide an effective alternative to synthetic chemical-based skin care products.

Company overview & the Acquisition of Skin Elements

The EJNC product range includes the following with plans for further expansion:

- Purifying foam cleanser
- Daily revival moisturising cream
- Intensive recovery night cream
- Snowwhite brightening essence
- Hydra-fresh revitalising spritzer
- Gentle micro-dermabrasion facial polish
- Age-defy renewal cream
- Ultra c+ serum
- Delicate eyes rejuvenation gel

EJNC has been developed with:

- no synthetic chemicals;
- scientifically proven ingredients used in effective doses;
- special combinations of highly active ingredients; and
- suitability for all skin types.

2.4 Business & Distribution model

Skin Elements has created a flexible production business model that does not weigh the business down with owning and operating a manufacturing base but which instead focuses on the key drivers of sales and marketing, brand and product development.

Skin Elements key strength is a strong and deep understanding of the complex natural and organic ingredients. Skin Elements brings expertise to manufacturing solutions through this knowledge and its relationships with ingredient suppliers.

Sales to date from test marketing have been generated by adopting a sales distribution model whereby its revenue is predominantly derived through sales to wholesale distribution agents (who then on-sell direct to retailers such as pharmacies, health stores and other outlets). Formal distribution agreements are planned to be executed following Completion. Skin Elements will continue this model and also develop its online store for web based sales capacity with plans to create a website and social media base for its customers.

It is estimated that the majority of the Skin Element's revenue will come from its Soléo Organics range in the short to midterm as the company looks to market launch, produce, commercialise and grow this product range and brand. Following this, Skin Elements aspires to grow as it carries out the further development and test marketing of its Elizabeth Jane Natural Cosmetic products range and develops products.

Skin Elements has plans following Completion to employ and expand its internal sales and marketing team and product research and development team that will be responsible for driving sales and product development and growth.

2.5 Marketing Strategy and Product Development

As explained at 3.2.3 above, Skin Elements has already been successfully test marketing its sunscreen range by selling Soléo in its initially defined markets. Soléo has had initial market testing in Australia and internationally including New Zealand, USA, Canada, Japan and parts of Asia and Europe. Both new media assets and traditional media will be deployed in order to create customers in each of the identified subcategory markets.

Skin Elements has identified through market research conducted with Marketforce that one primary target audience for Soléo is discerning women who care more than the average about skin care, health and the environment and are happy to pay more for these benefits.

Another key target audience for Soléo is females who have children with allergies which affect the skin. These customers are looking for a suitable sunscreen without synthetic chemical ingredients.

There are many segments of the market that can be targeted for Soléo including:

- supermarket/grocery retailers;
- pharmacy retailers;
- health food store retailers;
- mining/oil and gas industry companies who supply sunscreen as mandatory safety equipment to their employees;
- the sporting industry, including clubs and events;
- schools/pre-schools which are required provide sunscreen to children under their care;
- fundraising product as an alternative to chocolates, etc;
- general industry and government (outdoor employees in roads/parks, etc);
- mothers with babies/infants; and
- consumer groups for people affected with sensitive skin/allergies.

Skin Elements also has further brand extensions for Soléo in a product pipeline that will continue to be developed and commercialised to target various market niches and build larger presence in the main sales channels.



3. Industry overview

3.1 The need for skin care

The latter half of the 20th Century saw the widespread documentation and acceptance of the relationship between ultraviolet (UV) radiation, the environment and skin damage. Unprotected exposure to sunlight is a major cause of skin cancer, wrinkles, skin blemishes, inflammation and sunburn.

This knowledge has also resulted in a significant increase in the use of sunscreen and sun care products. In Australia the majority of the population regularly use sunscreen, and this trend is being followed in the USA and Europe. These products have traditionally used a range of synthetic chemical combinations to absorb or reflect UV radiation along with chemical preservatives and emulsifiers in the formulation.

3.2 Evolution of natural skin care

There is a fast growing group of consumers now seeking natural and organic skincare products and sunscreen for everyday usage.

The development of Soléo Organics sunscreen formula began with the idea of offering consumers an alternative to synthetic-based sunscreens. The commercial release of this sunscreen – Soléo Organics – is an SPF 30+, 3-hour water resistant broad-spectrum formula. Soléo was invented and is manufactured in Australia.

Soléo uses only organic and natural ingredients such as antioxidants, plant extracts and vitamins which are known to moisturise while providing the broad spectrum sun protection.

Skin Elements has since taken the same science and technology and has created a comprehensive line of skin care products under the brand of Elizabeth Jane Natural Cosmetics which includes latest technology in advanced anti-wrinkle treatments.

3.3 The Opportunity

The Personal Care/Beauty products industry worldwide is a growing industry and was worth \$454 billion in 2011. According to a Euromonitor personal care products report, "...niches, such as sun care are expected to contribute the highest growth...". Sun care products are now considered one of the most important factors in safeguarding skin from the hazards of the environment particularly the sun.

Protection from the sun's harmful rays is a rapidly growing sector of the personal care industry by people literally all over the world.

According to Euromonitor, retail sales of sun care products globally reached US\$9.48 billion in 2013.

Industry overview

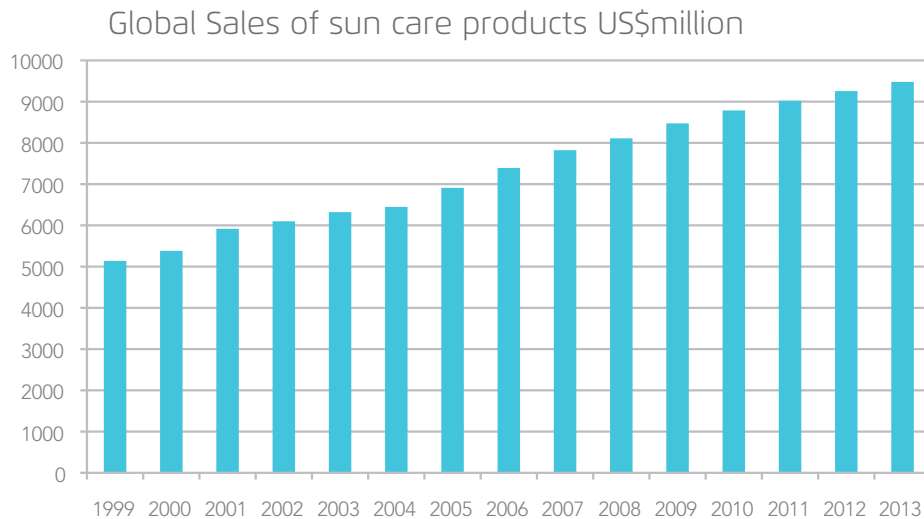


Figure 1: Global Total Retail Value (Retail Sale Prices). Source, Euromonitor International Ltd

Global Sales of Sun Care Products by Region (US\$million) - Year 2013

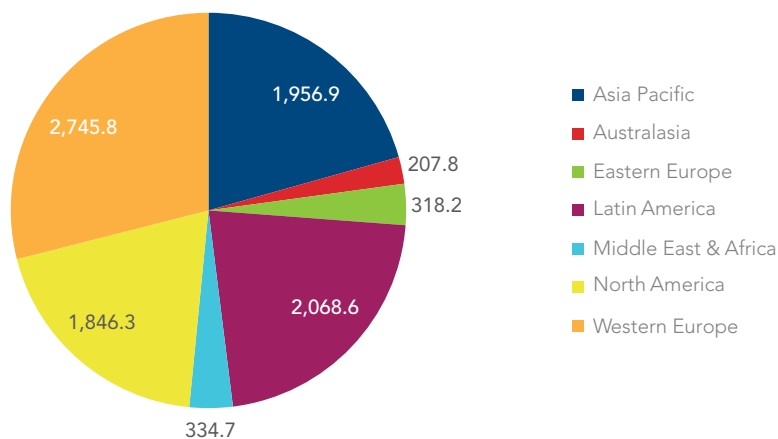


Figure 2: Global Total Retail Value (Retail Sale Prices) by region. Source, Euromonitor International Ltd

The sunscreen market had 9% growth in 2013 in Australasia and Euromonitor forecasts the Australasia market to continue to grow at 4% CAGR (compound annual growth rate) over the 2013-2018 period.

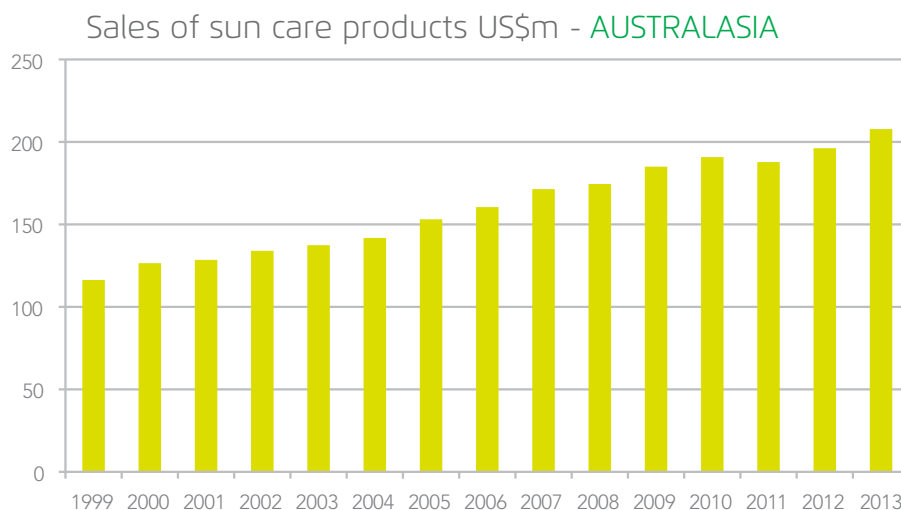


Figure3: Australasia Total Retail Value (Retail Sale Prices) by region. Source, Euromonitor International Ltd

3.4 Market Segmentation

While there are thousands of sunscreens sold internationally, they typically have been based on chemical UV absorber blends and synthetic preservatives. Soléo Organics by comparison is a completely natural and organically sourced alternative which utilizes only micronised zinc oxide.

3.5 Competition

The sunscreen sector is a highly diverse mix of brands with major brands such as Banana Boat, Nivea, Sunsense and Hamiltons being common brands known to Australian consumers. For the most part, sunscreens use formulations based on standard chemical UV-absorber combinations, and therefore have to market themselves by high cost branding to consumers. "Green" and "organic" trends are a very powerful growth segment in the marketplace. Soléo's composition of natural and organic ingredients and free from chemical UV-absorbers has already proven to be a selling differentiator to the major existing industry brands.

While the above competitors have solutions for certain market segments, there is no dominant market leader in any segment. Natural sunscreens are a growing segment in the marketplace, and Skin Elements aspires to become a significant national and international participant in an increasingly health conscious consumer market.

4. Risk factors



4.1 General

An investment in the Shares and Options being offered under this Prospectus is not risk free.

The future performance of the Company and the future investment performance of the Shares and Options may be influenced by a range of factors, many of which are outside the control of the Board. Prior to making any decision to accept the Offer, investors should read this Prospectus in its entirety, carefully consider the following risk factors applicable to the Company, and consult with their professional advisers.

Risks that the directors believe are key risks are described in Section 4.2. The key risks are risks that the directors focus on when managing the Company's business and have the potential, if they occurred, to result in very significant consequences for the Company and an investment in it. The balance of the risks regarded by the directors as potentially material are described in Section 4.3 and Section 4.4.

There are risks that are common to all investments in shares and which are not specific to an investment in the Company, for example, the general volatility of share prices, including as a result of general economic conditions (including monetary and fiscal policy settings as well as interest and exchange rates) in Australia and overseas and other events outside the usual course of the Company's business such as acts of terrorism or war.

Before deciding whether to invest in Shares and Options in the Company, prospective investors should read the entire Prospectus. In particular, prospective investors should be aware that there is no certainty that the Company will achieve its stated objectives or that any forward-looking statements will occur. Any investment in the Company should be considered in the light of these risks, as the occurrence of any of the risks set out in this Section either individually or in combination could have a material adverse impact on the Company's operating performance and profits. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your stockbroker, accountant, lawyer or other professional adviser before deciding whether to invest.

The following is not intended to be an exhaustive list of risk factors to which the Company is exposed.

4.2 Risks specific to an investment in the Company

- (a) **Limited operating history**

Skin Elements has limited operating history on which an evaluation of its prospects can be made. To date, Skin Elements has focused on the research and development of its products, obtaining the necessary regulatory approvals to sell its products in differing jurisdictions. To date Skin Elements has only conducted test marketing. At Completion the Company will now focus on the market launch, commercialisation and distribution of its Soléo Organics suncare products and development of this range and its EJNC products. There is a risk that the potential market will not accept these products on a larger scale than as seen via its test marketing. The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of commercialisation, particularly in the bio-technology sector.
- (b) **Sunscreen Regulatory Requirements and Government legislation and policy changes**

Sunscreens are classified as Therapeutic Goods in Australia to ensure quality, safety and efficacy and have strict controls for independent SPF testing and use of Good Manufacturing Practices (GMP). Similar regulations framework exists in most countries such as USA (Federal Drug Administration – FDA). Soléo Organics sunscreen has been approved for sale by key regulatory bodies such as the TGA (Australia and New Zealand), the FDA (USA), Health Canada (Canada) and Ministry of Health (Japan) to allow free sale of the products. Skin Elements also has approvals to sell into the United Kingdom and the European Union. Skin Elements is in the process of applying for ANVISA (Brazil) for the necessary regulatory approvals. Changes in relevant laws, regulations and government policies regarding the regulation of sunscreens and or skincare products

- could adversely affect the Company's proposed operations, increase costs, or affect the financial performance or any future revenue of the Company. Such changes are beyond the control of the Company.
- (c) **Competition Risks**
- Post Completion the Company will participate in a highly competitive skin care global business against materially larger, globally focussed competitors with significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means then this could have a material adverse impact on the Company's financial performance and future prospects of the business.
- Existing competitors may take steps to complete or hinder the Company's plans to market launch, commercialise and distribute its products and make take steps to cause downward price pressure on unit prices, thus potentially reducing margins and revenues available to the Company.
- There is also no guarantee that existing competitors may not release further competitor products to the Company's existing product portfolio which may impact upon demand for the Company's products.
- (d) **New market entrants providing organic and natural skin care products**
- While the research and development of all organic and natural skin care products requires considerable time, expertise, skill and process, competition for the Company's products may come from global and local skin care companies entering both the Australian market and international markets identified by the Company that currently do not provide all natural and organic skin care products to their customers. This could reduce the addressable market available to the Company, or increase competition or cause margin reductions available to the Company.
- (e) **Change in Regulations**
- There is a risk that laws or regulations may be introduced or amended in Australia, or in foreign jurisdictions in which the Company's sells, or sources its ingredients and/or products.
- Changes to the regulatory environment could have a material effect in a number of ways. For example, the financial and production effects resulting from changing requirements to:
- product packaging and/or labelling requirements as a requirement of regulatory medicine content disclosures; or
 - restrictions that prevent or restrict access to markets by amendments to regulations governing the export or importation of products.
- While the Directors are not aware of any current issues, or any impending regulatory change in relevant markets, there is the potential for any such measures to materially reduce the Company's revenues and/or increase its costs.
- (f) **Raw Ingredients Supply**
- The availability of organic and natural materials to meet the growing production plans of the Company's products is a critical part of supply chain management. Should there be interruptions in the Company's ingredient supply chain or economic or environment events impacting the availability of these raw materials then this could have a material adverse impact on the Company's ability to meet consumer demand and impact the financial performance and future prospects of the business.
- (g) **Manufacturing Risks and Regulations**
- The Company currently only utilises one TGA approved manufacturer across the product range. Accordingly, there is a concentration of manufacturing with one provider, in relation to production. There is no formal manufacturing contract in place between the Company and its manufacturer, although the parties have worked together for many years and are currently discussing a formal manufacturing contract. The manufacturer has advised that they currently have sufficient capacity to manufacture the Company's products in the near future.
- There is also a requirement that manufacturers producing the Company's products are TGA approved. There is a risk that for some reason outside the Company's control that its manufacturer(s) could lose their regulatory approvals.
- Should there be a disruption with this particular manufacturer or others, or the manufacturer elects not to continue manufacturing the Company's products, then this could have a material adverse impact on the Company's ability to meet consumer demand and may impact the financial performance and future prospects of the business. There are also numerous other TGA approved manufacturing facilities in Australia and overseas.
- (h) **Product concentration**
- The Company's planned short term product mix and revenues are highly dependent on its Soléo Organics sunscreen formula. This product will be the first of the Company's natural skin care products which is planned for market launch, commercialisation and distribution and, as such, is expected to generate materially most of the Company's short term revenues whilst further products are developed. Consumer demand for Soléo Organics sunscreen could have a material adverse impact on the Company's financial performance and future prospects of the business.

Risk factors

- | | |
|--|---|
| <p>(i) Distribution</p> <p>Currently, the Company does not have any formal distribution agreements with its distributors. To date, all test marketing distribution has been carried out on a contract order basis. The Company anticipates distributing its products both locally in Australia and internationally. As no formal distribution contracts are in place, should the Company fail to secure suitable formal distribution contracts or fail to engage the suitable distributors, there could be disruptions in the distribution of the Company's products which could have a material adverse impact on the Company's financial performance and future prospectus of the business.</p> | <p>(m) Loss of key personnel</p> <p>In the short term until a suitable team is put in place, the Company's success depends to a significant extent on its key personnel, in particular Mr Peter Malone and Mr Leo Fung. Peter and Leo have extensive experience in, and knowledge of, the Company's products and business. The loss of key management personnel, and in particular Peter and Leo, or any delay in their replacement could have a significant adverse effect on the management of the Company, its financial performance and future prospects.</p> |
| <p>(j) Brand and Reputation</p> <p>The Company's portfolio of brand names and related intellectual property are key assets of the business. The reputation and value associated with these brands and related intellectual property could be adversely affected by a number of factors, including failing to provide customers with the quality of product they expect, contamination or recall issues, disputes or litigation with third parties, employees, suppliers or customers, or adverse media coverage (including social media), or other circumstances including those beyond the direct control of the Company.</p> <p>Significant erosion in the reputation of, or value associated with the Company's brands, could have an adverse effect on customer loyalty, relationships with key suppliers, employee retention rates, and overall demand for the Company's products.</p> | <p>(n) Retail Environment</p> <p>There may be an economic downturn in Australia or the overseas markets that may cause the retail environment to deteriorate as consumers reduce their retail spending on discretionary items. This may result in reduced turnover in the Company's products in Australia or overseas markets.</p> |
| <p>(k) Failure to scale up and commercialise</p> <p>There is a risk that the Company's will be unable to market launch, commercialise its existing products or offer a sufficient number of successful new products which could potentially result in reduced or negative growth.</p> <p>There is a risk that the Company's current and any new products launched and developed to the market may be unprofitable because they are not supported by sufficient market interest and purchases or otherwise not adequately marketed and fail to sell. There is also a risk that existing and any new products:</p> <ul style="list-style-type: none"> i. waste operating costs; ii. incur operating costs earlier than necessary or greater than forecast; and/or iii. impact revenues of existing products to a greater extent than predicted. | <p>(o) Product Contamination and Recall</p> <p>As a producer of natural skin care products, the Company's is subject to a general risk that any product contamination or product recall issue (however caused) could have a material adverse affect on the Company's brand and thus its financial performance. The Company and its manufacturer employ a number of measures to minimise the risk in this area (such as requiring manufacturers to have current TGA and GMP accreditation and the Company having in place appropriate insurances).</p> |
| <p>(l) Reduced Demand</p> <p>There is a risk that consumer preferences for all organic and natural skin care products will evolve such that demand for the Company's products is reduced. As the Company's skin care product formulas utilise a number of natural and unique ingredients, consumer sentiment to the use of these products or allergies to ingredients could reduce demand for the Company's products.</p> | <p>(p) Foreign Exchange</p> <p>The Company's has plans to distribute its products both in Australian and overseas. As distribution grows and further expands into USA, Canada, Japan and others, it is anticipated that more business will be conducted in foreign currencies. Hence, foreign currency risk may become more relevant over time.</p> <p>(q) Shortage of funding</p> <p>The funds raised pursuant to this Offer will be used to market launch, commercialise and accelerate the Company's business, marketing and growth plans. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out the full scope of its plans. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.</p> <p>Any additional financing through share issues may dilute shareholdings. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.</p> |

(r) Insurance

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Company.

4.3 Risks to the Shares under the Offer

(a) Securities investment risk

The prices at which the Shares trade may fluctuate in response to a number of factors.

Furthermore, the stock market has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies. There can be no guarantee that these trading prices will not fluctuate. These factors may materially affect the market price of the Shares regardless of the Company's operational performance.

The Shares issued by the Company carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the directors and officers of the Company. Such factors include, but are not limited to, the demand for and availability of the Shares, movements in domestic interest rates, exchange rates, fluctuations in the Australian and international stock markets and general domestic and economic activity. Returns from an investment in the Shares may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that an active market in the Shares will develop or that the market price of the Shares will not decline below the issue price.

(b) Dilution

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

4.4 General Risks

(a) Government legislation and policy changes

Changes in relevant laws, regulations and government policies may adversely affect the Company's product approvals, ingredient availability, proposed operations, increase costs, or affect the financial performance or any future revenue of the Company. Such changes are beyond the control of the Company.

(b) Economic risks and conditions

The future performance and viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the natural skin care and exploration and mining industries including, but not limited to, the following:

- Future demand for natural and organic sunscreen and natural skin care products
- general economic conditions;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the commodities sector;
- movement in, or outlook on, exchange rates, interest rates and inflation rates;
- industrial disputes in Australia and overseas;
- changes in investor sentiment toward particular market sectors;
- financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- natural disasters, social upheaval or war.

(c) Investments

The Shares should be considered speculative due to the nature of the Company's business and the early stage of market development. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid by the investor for the Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(d) Share market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Shares may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- commodity price fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

There is also no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

Risk factors

- (e) **Competition**
The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, and such activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
- (f) **Future capital needs**
Further funding of projects may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.
- (g) **Unforeseen expenses**
While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.
- (h) **Litigation**
Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.
- (i) **Macro-economic risks**
Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:
 - (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
 - (ii) increases in expenses (including the cost of goods and services used by the Company);
 - (iii) new or increased government taxes, duties or changes in taxation laws; and
 - (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.
- (j) **Broader general risks**
There are also a number of broader general risks which may impact the Company's performance. These include:
 - (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure and/or industrial disruption;
 - (ii) higher than budgeted costs associated with the provision of service offerings; and
 - (iii) material litigation – the Company is not currently involved in any material litigation and is not aware of any facts or circumstances that may give rise to any material litigation. However, given the scope of the Company's activities and the wide range of parties with which it is likely to deal, the Company may be exposed to potential litigation from third parties such as clients, regulators, employees and business associates.

5. Financial information



5.1 Introduction

This Section sets out the Historical Financial Information and the Pro-Forma Historical Financial Information (collectively, the Financial Information). The basis of preparation of the Financial Information is set out in Sections 5.5 and 5.6. The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Acquisition.

In substance, the Acquisition involves Skin Elements shareholders gaining control of the Company. As the Company does not meet the definition of a “business” under the Australian Accounting Standards, the ongoing consolidated financial statements of the Company will represent the continuation of Skin Elements. Accordingly, the Acquisition has been accounted for as a share based payment by which Skin Elements acquires the net assets and listing status of the Company.

Ernst & Young has prepared an Independent Limited Assurance Report in respect of the Historical Financial Information and the Pro-Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitations of Ernst & Young’s work is included, is set out in Section 6.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 6 and the risk factors outlined in Section 4.

5.2 Historical Financial Information

The Historical Financial Information for the Company and Skin Elements set out in this Section 5 comprises:

- (a) the historical statement of comprehensive income for the Company for the years ended 30 June 2012, 30 June 2013 and 30 June 2014;
- (b) the historical income statement for Skin Elements for the years ended 30 June 2012, 30 June 2013 and 30 June 2014;
- (c) the historical statement of financial position as at 30 June 2014 of the Company; and
- (d) the historical statement of financial position as at 30 June 2014 of Skin Elements.

(hereafter the **Historical Financial Information**).

The historical statement of financial position of the Company as at 30 June 2014 in Section 5.5 has been extracted from the financial report of the Company for the year ended 30 June 2014, which has been audited by Ernst & Young and on which an unmodified audit opinion was issued.

The historical statement of financial position of Skin Elements as at 30 June 2014 in Section 5.5 has been derived from the unaudited management accounts of Skin Elements as at 30 June 2014.

5.3 Pro-Forma Consolidated Historical Financial Information

The Pro-Forma Consolidated Historical Statement of Financial Position for the Company, which consolidates the Company and Skin Elements (together, the Group), set out in this Section 5 comprises:

- the pro-forma consolidated historical statement of financial position of MinRex as at 30 June 2014 based on the raising of the minimum subscription of \$2,300,000 of ordinary shares as set out in Section 5.5 of the Prospectus.
- the pro-forma consolidated historical statement of financial position of MinRex as at 30 June 2014 based on the raising of the maximum subscription of \$4,000,000 of ordinary shares as set out in Section 5.5 of the Prospectus.

(hereafter the **Pro-forma Historical Financial Information**)
(Collectively, **Financial Information**).

Financial information

5.4 Historical Statement of Comprehensive Income and Historical Income Statement

Set out below is a summary of the historical Statements of Comprehensive Income of the Company for the financial years ended 30 June 2012 (audited), 30 June 2013 (audited) and 30 June 2014 (audited) which has been extracted from the MinRex's financial reports, respectively. The historical financial information has been prepared on the basis of preparation and the significant accounting policies adopted by the Company set out in Section 5.6 and should be read in conjunction with the Company's 2014 Annual Report.

MinRex	30-Jun-12 \$	30-Jun-13 \$	30-Jun-14 \$
Interest Income	70,012	84,852	56,521
Depreciation and amortisation	(40)	(5,903)	(9,032)
Corporate expenses	(189,791)	(169,637)	(170,283)
Business development expenses	(197,960)	(2,420)	-
Management and administration expenses	(102,057)	(200,356)	(313,841)
	(489,848)	(378,316)	(493,156)
Income tax expense	-	-	-
Net Loss for the year	(419,836)	(293,464)	(436,635)
Total comprehensive loss for the year	(419,836)	(293,464)	(436,635)

Set out below is a summary of the historical Income Statement of Skin Elements for the financial years ended 30 June 2012 (unaudited), 30 June 2013 (unaudited) and 30 June 2014 (unaudited) which has been derived from Skin Elements management accounts.

Skin Elements	30-Jun-12 (unaudited) \$	30-Jun-13 (unaudited) \$	30-Jun-14 (unaudited) \$
Revenue & Income	111,486	76,600	241,819
Cost of Test Batches	(37,906)	(25,989)	(83,591)
International Marketing	(47,123)	(39,773)	(58,933)
National Marketing	(95,990)	(79,764)	(13,908)
Corporate and Administration	(23,655)	(37,902)	(25,303)
Total Expenditure	(204,674)	(183,428)	(181,735)
Net Profit / (Loss)	(93,188)	(106,828)	60,084

5.5 Historical and Pro-Forma Consolidated Historical Statement of Financial Position

Set out in this Section 5.5 is:

- the historical Statement of Financial Position of the Company as at 30 June 2014 (which has been extracted from the Company's 30 June 2014 financial report and has been audited);
- the historical Statement of Financial Position of Skin Elements as at 30 June 2014 (which has been derived from unaudited management accounts of Skin Elements as at 30 June 2014);
- the Pro-Forma Consolidated Statement of Financial Position of the merged group as at 30 June 2014, which is based on the Historical Statement of Financial Position of the Company as at 30 June 2014 and incorporates the Acquisition of Skin Elements as at 30 June 2014 as if that Acquisition had occurred as at 30 June 2014 and other pro-forma transactions, including:
 - Shares issued under the Prospectus - As part of the Company's re-compliance with Chapters 1 and 2 of the ASX Listing rules, the Company is seeking shareholder approval to conduct a capital raising by offering under a Prospectus up to 20,000,000 Shares at a price of \$0.20 per share plus a free 1 for 3 options to no less than the number of new investors in the Company required by ASX, to raise up to \$4,000,000 with a minimum subscription of \$2,300,000;
 - The Directors estimate that costs for the preparation and implementation of the Prospectus will be between \$320,000 to \$470,000 based on capital raisings respectively of \$2,300,000 and \$4,000,000 and this estimated cost has been deducted from the capital raising;
 - Costs associated with the acquisition of Skin Elements Pty Ltd – For pro-forma purposes the costs of acquisition for due diligence, preparation of the meeting booklet, etc. are assumed to have been incurred and expensed in the pro-forma group balance sheets;

Financial information

- The reduction in capital of the Partly Paid Shares and the issue of Options to the Partly Paid Shareholders;
- No pro-forma adjustment has been made for any capital raised as a result of the exercise of any Options or Partly Paid Shares; and
- Unless specifically described, the Pro-Forma Historical Statement of Financial Position does not include adjustments for the Company's business occurring after 30 June 2014 that do not relate to the acquisition or the capital structure of the Company.

The historical and pro-forma historical financial information has been prepared on the basis of the significant accounting policies adopted by the Company set out in Section 5.6 and should be read in conjunction with the accompanying notes set out in Section 5.7. The historical and pro-forma historical financial information has been subject to independent review (refer Independent Limited Assurance Report in Section 6).

		Actual Historical		Pro-forma Consolidated Historical	
		MinRex 30-Jun-14 (audited)	Skin Elements 30-Jun-14 (unaudited)	Merged Skin Elements / MinRex Minimum \$2.3M 30-Jun-14	Merged Skin Elements / MinRex Maximum \$4M 30-Jun-14
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	(1)	2,047,765	5,256	3,033,021	4,583,021
Trade and other receivables		52,201	176,842	229,043	229,043
Prepayments		5,673	-	5,673	5,673
Inventories		-	22,326	22,326	22,326
Total current assets		2,105,639	204,424	3,290,063	4,840,063
Non-current assets					
Exploration and evaluation expenditure	(2)	204,523	-	-	-
Property, plant and equipment		23,181	-	23,181	23,181
Intellectual Property	(3)	-	8,400,000	8,400,000	8,400,000
Total non-current assets		227,704	8,400,000	8,423,181	8,423,181
Total assets		2,333,343	8,604,424	11,713,244	13,263,244
Current liabilities					
Trade and other payables		28,664	186,527	215,191	215,191
Borrowings	(4)	-	800,000	-	-
Total current liabilities		28,664	986,527	215,191	215,191
Total liabilities		28,664	986,527	215,191	215,191
Net assets		2,304,679	7,617,897	11,498,053	13,048,053
Equity					
Contributed equity	(5)	3,454,614	8,289,545	13,944,545	15,494,545
Accumulated losses	(6)	(1,149,935)	(671,648)	(2,446,492)	(2,446,492)
Total equity		2,304,679	7,617,897	11,498,053	13,048,053

5.6 Basis of preparation and summary of significant accounting policies

The Historical Financial Information set out in this Prospectus has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards.

The Pro-Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement requirements of the Australian Accounting Standards (AAS), other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred on or before 30 June 2014 in the Historical Financial Information.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation, statements, disclosures and comparatives required in an annual general purpose financial report prepared in accordance with the Australian Accounting Standards and the Corporations Act.

The Financial Information has been prepared on a going concern basis. In arriving at this position, the Directors have had regard to the fact that the Group has sufficient cash and other assets to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this Prospectus.

The significant accounting policies which have been adopted in the preparation of the Financial Information are:

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:

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.

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.

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.

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.

Mining tenements and mineral exploration and evaluation expenditure

Mining tenements are carried at cost, less accumulated impairment losses.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated exploration, evaluation and development costs for the relevant area of interest are capitalised and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Property, plant and equipment

Each class of property, 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 the statement of comprehensive income during the financial period in which they are incurred.

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 statement of comprehensive income.

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.

Intellectual Property & Research and Development Costs

Research costs are expensed as incurred. Development costs are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefit
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generate

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Financial information

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.

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.

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.

Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to 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 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 national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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 statement of financial position are shown inclusive of GST.

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

Business Combination

Acquisition of Skin Elements Pty Ltd – The acquisition of Skin Elements Pty Ltd by the issue of 46,250,026 ordinary shares in MinRex Resource NL and 25,000,047 Options in MinRex Resource NL to Skin Elements shareholders in accordance with the Share Purchase Agreement.

For accounting purposes, the acquirer has been identified as Skin Elements Pty Ltd and the business combination referred to as a reverse acquisition. Accordingly, the pro-forma Group incorporates the assets and liabilities of MinRex Resources NL and of Skin Elements Pty Ltd as if the Group was headed by Skin Elements Pty Ltd. At the acquisition date the assets and liabilities of Skin Elements Pty Ltd (being the acquirer for accounting purposes) are recorded at their book value and the assets and liabilities of MinRex Resources NL (being the acquiree for accounting purposes) are recorded at fair value.

As noted above, the acquisition will be accounted for as an asset acquisition via a share based payment. The excess of the estimated fair value of the equity instruments that Skin Elements is deemed to have issued to acquire MinRex (the Deemed Consideration), plus the transaction costs (together, the Consideration) over the estimated fair value of MinRex's net assets will be recorded as a charge to the accumulated losses. This charge effectively represents the cost of acquiring the listing status of the Company. For the purpose of the pro-forma adjustment, the estimated fair value of the equity instruments deemed to be issued by Skin amounts to \$3,675,000, based on the notional MinRex Share price of \$0.20 (being the share price share will be issued under the Capital Raising) and the number of Shares on issue post-completion but prior to the issue of the Consideration Shares (i.e. 18,375,001 shares post conversion of the partly paid shares at a notional price of \$0.20).

For the purposes of the Pro-Forma Historical Financial Information it is assumed that the Options issued to Partly Paid Shareholders would not result in a material adjustment to the Deemed Consideration.

On the assumption that the net assets of MinRex are recorded at their fair value, and the acquisition occurred on 30 June 2014, the Consideration would be allocated as follows:

	\$
Deemed consideration	3,675,000
Fair value of net assets of MinRex at 30 June 2014	2,100,156
Plus cost of listing status acquired by Skin Elements charged to accumulated losses	1,574,844
	<u>3,675,000</u>

5.7 Notes to the Pro-Forma Consolidated Historical Statement of Financial Position

Note 1: Cash and cash equivalents

The movement in cash and cash equivalents as reflected in the Pro-Forma Consolidated Historical Statement of Financial Position at 30 June 2014 is shown as follows:

	Minimum Subscription \$	Maximum Subscription \$
Cash and cash equivalents at 30 June 2014 - actual	2,053,021	2,053,021
<i>Pro-forma adjustments</i>		
- Payment of Skin Elements Permitted Liabilities	(1,000,000)	(1,000,000)
- Net proceeds from Prospectus	1,980,000	3,530,000
	<u>3,033,021</u>	<u>4,583,021</u>

Note 2: Exploration, evaluation and development expenditure

The movement in exploration, evaluation and development expenditure assets as reflected in the Pro-Forma Consolidated Historical Statement of Financial Position at 30 June 2014 is shown as follows:

	Minimum Subscription \$	Maximum Subscription \$
Exploration, evaluation and development expenditure assets at 30 June 2014 - actual	204,523	204,523
<i>Pro-forma adjustments</i>		
- Fair value adjustment for acquisition	(204,523)	(204,523)
	<u>-</u>	<u>-</u>

Note 3: Intellectual Property

The movement in intellectual property assets as reflected in the Pro-Forma Consolidated Historical Statement of Financial Position at 30 June 2014 is shown as follows:

	Minimum Subscription \$	Maximum Subscription \$
Intellectual Property at 30 June 2014 - actual	8,400,000	8,400,000
	<u>8,400,000</u>	<u>8,400,000</u>

Note 4: Borrowings

The movement in borrowings as reflected in the Pro-Forma Consolidated Historical Statement of Financial Position at 30 June 2014 is shown as follows:

	Minimum Subscription \$	Maximum Subscription \$
Borrowings at 30 June 2014 - actual	800,000	800,000
<i>Pro-forma adjustments</i>		
Repayment of Skin Elements Permitted Liabilities	(800,000)	(800,000)
	<u>-</u>	<u>-</u>

Financial information

Note 5: Issued Capital

The movement in issued capital as reflected in the Pro-Forma Consolidated Historical Statement of Financial Position at 30 June 2014 is shown below:

	Minimum Subscription #	Maximum Subscription \$	#	\$
Ordinary Shares				
MinRex Issued Capital at 30 June 2014 - actual	17,500,001	3,454,614	17,500,001	3,454,614
Skin Elements Issued Capital at 30 June 2014 - actual	-	8,289,545	-	8,289,545
<i>Pro-forma adjustments</i>				
- Capital reduction and consolidation of party paid shares	875,000	-	875,000	-
- Consideration Shares / Deemed consideration	46,250,026	3,675,000	46,250,026	3,675,000
- Net Capital Raising	11,500,000	1,980,000	20,000,000	3,530,000
- Elimination of MinRex pre-completion issued capital	-	(3,454,614)	-	(3,454,614)
	76,125,027	13,944,545	84,625,027	15,494,545
Options				
MinRex Options at 30 June 2014 - actual	-	-	-	-
<i>Pro-forma adjustments</i>				
- Capital reduction and consolidation of party paid shares	17,500,000	-	17,500,000	-
- Consideration Shares / Deemed consideration	25,000,047	-	25,000,047	-
- Capital Raising	3,833,334	-	6,666,667	-
- Issue of Loyalty Options	6,125,001	-	6,125,001	-
	52,458,382	55,291,715		

Note 6: Accumulated Losses

The movement in accumulated losses as reflected in the Pro-Forma Consolidated Historical Statement of Financial Position at 30 June 2014 is shown below:

	Minimum Subscription \$	Maximum Subscription \$
MinRex accumulated losses at 30 June 2014 - actual	(1,149,935)	(1,149,935)
Skin Elements accumulated losses at 30 June 2014 - actual	(671,648)	(671,648)
<i>Pro-forma adjustments</i>		
Crystallisation of Skin Elements Permitted Liabilities	(200,000)	(200,000)
Cost of listing status acquired by Skin charged to accumulated losses	(1,574,844)	(1,574,844)
Elimination of pre-completion accumulated losses of MinRex	1,149,935	1,149,935
	(2,446,492)	(2,446,492)

6. Independent Limited Assurance Report



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The Board of Directors
MinRex Resources NL
LinQ House
17 Ord Street
WEST PERTH WA 6005

7 October 2014

Dear Directors

Independent Limited Assurance Report on Historical Financial Information and Pro Forma Historical Information

1. Introduction

We have been engaged by MinRex Resources NL ('MinRex' or the 'Company') to report on the historical financial information and pro forma historical financial information for inclusion in the Prospectus ("Prospectus") to be dated on or about 7 October 2014, and to be issued by MinRex, in respect of the offer to issue up to 20,000,000 ordinary shares at a price of \$0.20 per share plus a free 1 for 3 options to no less than the number of new investors in the Company required by ASX, to raise up to \$4,000,000 with a minimum subscription of \$2,300,000 to effect the acquisition of Skin Elements Pty Ltd ("Skin Elements") ("the Proposed Transaction").

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information:

- ▶ the historical statement of comprehensive income of MinRex Resources NL for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 as set out in Section 5.4 of the Prospectus;
- ▶ the historical income statement of Skin Elements Pty Ltd, for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 as set out in Section 5.4 of the Prospectus;
- ▶ the historical statement of financial position as at 30 June 2014 of MinRex Resources NL as set out in Section 5.5 of the Prospectus; and
- ▶ the historical statement of financial position as at 30 June 2014 of Skin Elements Pty Ltd as set out in Section 5.5 of the Prospectus

(Hereafter 'the Historical Financial Information')



The Historical Financial Information of MinRex for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 has been extracted from the relevant years of the audited financial statements. The financial reports for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 was audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion on these financial reports; and

the Historical Financial Information of Skin Elements for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 has been derived from the relevant years of the unaudited management accounts on which no audit opinion or limited assurance conclusion has been issued.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards.

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of MinRex:

- ▶ the pro forma consolidated historical statement of financial position of MinRex as at 30 June 2014 based on the raising of the minimum subscription of \$2,300,000 of ordinary shares as set out in Section 5.5 of the Prospectus.
- ▶ the pro forma consolidated historical statement of financial position of MinRex as at 30 June 2014 based on the raising of the maximum subscription of \$4,000,000 of ordinary shares as set out in Section 5.5 of the Prospectus.

(Hereafter the 'Pro Forma Historical Financial Information').

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of MinRex and Skin Elements, and adjusted for the effects of pro forma adjustments described in Section 5.5 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement requirements of the Australian Accounting Standards (AAS), other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred on or before 30 June 2014 in the Historical Financial Information as described in section 5.5 of the Prospectus, as if those events or transactions had occurred as at 30 June 2014.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.



3. Directors' Responsibility

The directors of MinRex are responsible for the preparation and presentation of the Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- ▶ the historical statement of comprehensive income of MinRex Resources NL for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 as set out in Section 5.4 of the Prospectus;
- ▶ the historical income statement of Skin Elements Pty Ltd, for the years ended 30 June 2012, 30 June 2013 and 30 June 2014 as set out in Section 5.4 of the Prospectus;
- ▶ the historical statement of financial position as at 30 June 2014 of MinRex Resources NL as set out in Section 5.5 of the Prospectus; and
- ▶ the historical statement of financial position as at 30 June 2014 of Skin Elements Pty Ltd as set out in Section 5.5 of the Prospectus.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.6 of the Prospectus.



Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- ▶ the pro forma consolidated historical statement of financial position of MinRex as at 30 June 2014 based on the raising of the minimum subscription of \$2,300,000 of ordinary shares as set out in Section 5.5 of the Prospectus.
- ▶ the pro forma consolidated historical statement of financial position of MinRex as at 30 June 2014 based on the raising of the maximum subscription of \$4,000,000 of ordinary shares as set out in Section 5.5 of the Prospectus.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.6 of the Prospectus.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 5.1 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Transaction other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized script.

Ernst & Young

7. Board and management



7.1 Board of Directors

The Company's Board currently comprises of Mr Simon Durack, Mr Emmanuel Heyndrickx, Mr Robert Downey and Mr Anthony Schildkraut.

At Completion, Messrs Mr Peter Malone, Mr David Humann, and Mr Luke Martino will be appointed as a director and Mr Robert Downey, Mr Anthony Schildkraut and Mr Emmanuel Heyndrickx will step down as Directors.

The Directors of the Company bring a variety of skills and experience. Profiles of each of the continuing and proposed Directors are set out below:



Mr David Humann

Independent Non-executive Chairman & Director (proposed)

Mr Humann is a Fellow of the Institute of Chartered Accountants, a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors.

He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China). He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the global firm's World Executive Management Committee based in London, and New York.

He is currently the Chairman of Atomaer Holdings Pty Ltd and Mincor Resources NL. He is also currently a director of India Resources Limited, Future Directions International Pty Ltd and James Anne Holdings Pty Ltd. In the past three years he has also held chairman of directors roles in Durack Estates Ltd (1997 to 2011), Logicamms Limited (2009 to 2012), Exxaro Australia Sands Pty Ltd (1998 to 2012) and Advanced Braking Technologies Ltd (2007-2012).



Mr Peter Malone

Managing Director & CEO (Proposed)

Mr Malone has over 30 years' experience in global financial markets and has been responsible for raising AUD\$100m+ for technology development companies. He has a proven track record in managing technology development programs.

Previously, Mr Malone had developed a wide range of technology programs, from idea stage to reality. Previous CEO to listed companies, he has a Masters degree from UWA and has taught and consulted in Australia, USA, Europe and Asia in business and management.

Mr Malone is responsible for the strategic direction of Skin Elements and will take on the role as Managing Director and Chief Executive Officer of the Company.

Board and management



Mr Luke Martino

Independent Non-executive Director (proposed)

Luke Martino is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors, having worked for over 20 years with major accounting firms, where he held senior leadership positions and Board memberships including Lead Partner of Deloitte's Growth Solutions practice in Perth until 2007 when he left to set up and established boutique corporate advisory and accounting firm, Indian Ocean Advisory Group.

Luke Martino is also a Director of Indian Ocean Corporate Pty Ltd, Non-Executive Director of Pan Asia Corporation Limited (ASX: PZC), alternate Director of Central Asia Resources Limited (ASX: CVR), as well as the Company Secretary for South East Asia Resources Limited (ASX: SXI) and Blackgold International Holdings Limited (ASX: BGG). He was also a former Director of NuEnergy Capital Limited, an Australian publicly listed company and South Pacific Resources, a Canadian publicly listed company.



Mr Simon Durack JP

Executive Director & Company Secretary

Mr Durack is a Fellow of the Institute of Chartered Accountants, practicing Company Secretary and Director, with over 30 years commercial experience gained working in Australia, South East Asia and Europe.

Mr Durack's commercial experience includes time worked in the Accounting profession with Coopers & Lybrand (now PricewaterhouseCoopers). He has also held many senior financial and secretarial roles with both large public and private entities. In these roles, Mr Durack has been responsible for providing managerial, secretarial and financial advisory input. Mr Durack has also acted as resident Director for several offshore companies with operations in Australia. Mr Durack is an Executive Director, Group Company Secretary and Chief Financial Officer for the LinQ Group of companies and brings a strong commercial and financial background to the Company.

7.2 Executives & Senior Managers



Mr Leo Fung

Chief Technical Officer (proposed)

Mr Fung is the founder and developer of the Soléo skin care Intellectual Property and holds an extensive natural products background. Mr Fung has a degree in Naturopathy / Applied Science.

He has 15 years' experience in running successful companies and is highly experienced in managing research and development projects and commercialisation of technologies. He has significant experience successfully dealing with government regulatory bodies such as TGA, FDA and Health Canada.



Mr Craig Piercy

Corporate Manager (proposed)

Mr Piercy has over 20 years experience in corporate, accounting and finance. He has worked extensively in development of technology ventures into successful commercial businesses.

Mr Piercy is a member of the Institute of Chartered Accountants with proven experience in corporate structuring, budgeting, accounting systems and reporting, technology protection and valuation, equity raising and structured financing, grant and government assistance programs and he has been previously responsible for listing and ongoing management of public companies in Australia and the USA.

7.3 Directors' Interests

Other than as stated in this Section and elsewhere in this Prospectus:

- no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a Director, or proposed Director to induce them to become, or to qualify as, a Director of the Company;
- no Director or proposed Director of the Company holds or has held at any time in the two years before lodgement of this Prospectus with ASIC, an interest in:
 - the formation or promotion of the Company;
 - the Offer of the Company's securities; or
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer.
- no Director was paid or given, or agreed to be paid or given, any amount or benefit for services provided by such persons in connection with the formation or promotion of the Company or the Offer.

7.4 Directors' remuneration

The Constitution provides the following in relation to the remuneration of Directors:

- Non executive Directors are to be paid such aggregate directors' fees as the Company in a general meeting determines, to be divided among them as agreed. The current limit is set at \$350,000.
- If a Non executive Director performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any committee engaged in the Company's business.
- Each Executive Director is to be paid an amount of remuneration determined by the Board. The remuneration of executive Directors is determined by the Directors after recommendations are received from the remuneration committee. Under the Listing Rules an Executive Director's remuneration may not be a commission on, or a percentage of, operating revenue.

As at the date of this Prospectus, and following re-admission, Directors and Proposed Directors receive or will be entitled to receive (on an accruals basis) the following remuneration per annum:

Director / Proposed Director	Current Directors Fees \$	Directors Fees post Completion \$
Simon Durack	12,000	60,000
Emmanuel Heyndrickx	12,000	-
Robert Downey	12,000	-
Abraham Anthony Schildkraut	12,000	-
David Humann	-	100,000
Peter Malone	-	60,000
Luke Martino	-	60,000

* The Company will be entering into a formal Executive Services Agreement for the services of Mr Peter Malone prior to Completion of the acquisition of Skin Elements. As such, Peter Malone will receive additional remuneration in the role as CEO which will be determined by the Board and will be in accordance with current market and industry rates.

Board and management

7.5 Directors' Relevant Interest in securities of the Company

Directors are not required under the Constitution to hold any Shares in the Company. The Directors (and their associates) are entitled to apply for Shares in the Offer. The Company is not aware of any plans by the Directors to subscribe to the Offer.

The table below sets out each current Director's direct and indirect shareholding in MRR as at the date of this Prospectus.

As at the date of this Prospectus, the Directors and Proposed Directors and their associates have interest, either directly or indirectly in the following securities in the Company:

Director	Number of Fully Paid Shares	Number of Partly Paid Shares	Percentage held of all Shares (%)	Number of Options
Mr Simon Durack	15,001	-	0.04%	-
Mr Emmanuel Heyndrickx	15,000	15,000	0.09%	-
Mr Peter Malone	-	-	-	-
Mr David Humann	-	-	-	-
Mr Luke Martino	38,200	-	0.11%	-
Mr Robert Hartley Downey	-	-	-	-
Mr Abraham Anthony Schildkraut	-	-	-	-

Based on the information available as at the date of the Prospectus, the Directors and the proposed Directors and their associates will have interests in the following securities in the Company, either directly or indirectly, post the acquisition, the Offer and the bonus issue of Loyalty Options.

Director	Number of Fully Paid Shares	Number of Partly Paid Shares	Percentage held of Shares (%)		Number of Options
			Min Cap Raising	Max Cap Raising	
Mr Simon Durack	15,001	-	0.02%	0.02%	5,000
Mr Emmanuel Heyndrickx	15,750	-	0.02%	0.02%	20,250
Mr Peter Malone	11,520,318	-	15.13%	13.61%	6,227,199
Mr David Humann	-	-	-	-	-
Mr Luke Martino	1,347,724	-	1.77%	1.59%	720,585
Mr Robert Hartley Downey	-	-	-	-	-
Mr Abraham Anthony Schildkraut	-	-	-	-	-

7.6 Deeds of confidentiality, access, indemnity and insurance for Directors

The Company has entered into a Confidentiality, Indemnity, Insurance and Access Deed with each Director of the Company and will enter into such Deed's with the Proposed Directors upon their appointment. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

7.7 Executive Remuneration

The Company will be entering into formal Executive Services Agreements for the services of Mr Peter Malone, Mr Leo Fung and Mr Craig Piercy prior to Completion of the acquisition of Skin Elements. These contracts will be determined by the Board and will be in accordance with current market and industry rates.

7.8 Other information

Directors may also be reimbursed for travel and other expenses incurred in attending to the Company's affairs.

Non executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as Director of the Company or a subsidiary.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

7.9 Related party transactions

The Company has not entered into any contracts with a related party. Details of Material Contracts are contained in section 9.

7.10 Corporate governance

The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic goals of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company.

In conducting business with these objectives, the Board is concerned to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company's corporate governance principles and policies are structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Corporate Governance Principles**).

The Board of Directors

The Company's Board of Directors are responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

The skills, experience and expertise relevant to the position of Executive and Non-executive Directors is included in the Prospectus. The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

The Directors in office at the date of this statement are:

Name	Position	Status
Mr Simon Durack	Executive Director	Not Independent
Mr Emmanuel Heyndrickx	Non-Executive Director	Independent
Mr Robert Downey	Non-Executive Director	Independent
Mr Abraham Schildkraut	Non-Executive Director	Independent

Board and management

At Completion, the Directors in office will be:

Name	Position	Status
Mr David Humann	Non- Executive Director	Independent
Mr Peter Malone	Executive Director	Not Independent
Mr Luke Martino	Non-Executive Director	Independent
Mr Simon Durack	Non-Executive Director	Not Independent

Independent professional advice

Subject to the Chairman's consultation, board committees or the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Board Committees

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role. The composition of the committees shall be as follows:

- (a) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution;
- (b) The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes; and
- (c) Each committee will maintain minutes of each meeting of the committee, to be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meetings.

The Company has established the following committees as at the date of this Prospectus:

- (a) **Audit and Risk Committee;**
The Board has formally adopted an Audit and Risk Management Committee Charter. The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.
The Audit and Risk Management committee currently comprised of Mr Emmanuel Heyndrickx, Mr Simon Durack and Mr Abraham Schildkraut. The Company is yet to determine the committee's membership subsequent to the acquisition of Skin Elements. Details of the audit and risk committee's members will be include in the Company's Annual Report's.
- (b) **Remuneration Committee;**
The Board has formally adopted an Remuneration Committee Charter.
The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by reviewing and approving the director and executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders, ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration and fairly and responsibly rewards executives having regard to performance, and reviewing and approving any equity based plans and other incentive schemes, amongst other things.
For the details of remuneration of Directors please refer to Section 7.4 of the Prospectus.
The Remuneration committee currently comprised of Mr Simon Durack, Mr Emmanuel Heyndrickx and Mr Robert Downey. The Company is yet to determine the committee's membership subsequent to the acquisition of Skin Elements. Details of the audit and risk committee's members will be include in the Company's Annual Report's.
- (c) **Nomination Committee.**
The Board has established a nomination committee, which meets at least annually, with primary purpose of the Committee is to support and advise the Board in maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body, and ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.
The nomination committee currently comprised of Mr Robert Downey, Mr Emmanuel Heyndrickx and Mr Simon Durack. The Company is yet to determine the committee's membership subsequent to the acquisition of Skin Elements. Details of the nomination committee's members will be included in the Company's Annual Report's.

Remuneration arrangements

The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process. The Company's Remuneration Committee provides support and advice to the Board in fulfilling its responsibilities to shareholders by reviewing and approving the director and executive remuneration policy.

The total maximum remuneration of Non-executive Directors is the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-executive Director. Subject to shareholders approving the proposed new constitution at the 13 October 2014 shareholder meeting, the limit at Completion, which may only be varied by Shareholders in general meeting, is an aggregate amount of \$350,000 per annum.

The Board may award additional remuneration to Non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Identification and management of risk

The Board's and executives' collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation.

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system. The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

Diversity

The Company is an equal opportunity employer and does not discriminate. The Company and all its related bodies corporate are committed to workplace diversity.

The Company recognises the benefits arising from employee and board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Board is responsible for developing measurable objectives and strategies to meet the objectives of the Diversity Policy.

As at the date of this Prospectus, the company has one employee who is female. There are currently no female directors or senior executives.

Code of Conduct & Policy on Trading in Securities

The Board has adopted a Code of Conduct, which promotes ethical and responsible decision making by Directors, executives and employees.

The Board has also set out the policy on the sale and purchase of securities in the Company by its Key Management Personnel. The purpose of these guidelines is to assist Key Management Personnel to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act 2001 (Cth).

Performance

The Nomination Committee arrange performance evaluation of the Board, its committees and its individual Directors on an annual basis. The Remuneration Committee will oversee the performance evaluation of the executive team. To assist in this process an independent advisor may be used.

This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of the management and personnel.

Board and management

Shareholder Communication Policy

The Company has adopted a Continuous Disclosure Policy and Shareholder Communication Policy which promotes the Company's objective is to promote effective communication with its shareholders at all times.

The Company is committed to:

- (a) Ensuring that shareholders and the financial markets are provided with full and timely information
- (b) Complying with continuous disclosure obligations contained in the ASX listing rules and the Corporations Act in Australia
- (c) Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company

To promote effective communication with shareholders and encourage effective participation at general meetings. Information is communicated to shareholders:

- (a) Through the release of information to the market via the ASX
- (b) Through the distribution of the annual report and notices of annual general meeting
- (c) Through shareholder meetings and investor relations presentations
- (d) Through letters and other forms of communications directly to shareholders
- (e) By posting relevant information on the Company's website: www.minrexresources.com.au

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Copies of the Company's corporate governance policies are available in full on the Company's website at www.minrex.com.au. You are also able to obtain, free of charge, a copy of each of the above corporate governance policies and procedures by contacting the Company at its registered office during normal business hours during the Offer Period.

Departures from Recommendations

To the extent that they are relevant to the organisation, the Company has adopted the ASX Corporate Governance Principles.

Following re-admission to the Official List of the ASX, the Company will be required to report any departures from the ASX Corporate Governance Principles in its annual report. The Company's compliance and departures from the ASX Corporate Governance Principles Recommendations as at the date of this Prospectus are set out below:

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
1. Lay solid foundations for management and oversight		
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	NO	The Company has not formally disclosed the functions reserved to the management. <i>Subsequent to the acquisition of Skin Elements, the Company will have a Chief Executive Officer, Chief Technical Officer and Corporate Manager. The Company will consider this recommendation post Completion.</i>
1.2 Companies should disclose the process for evaluating the performance of senior executives.	NO	No management team has been formed. <i>Subsequent to the acquisition of Skin Elements, the Company will have a Chief Executive Officer, Chief Technical Officer and Corporate Manager. The Company will consider this recommendation post Completion.</i>

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	NO	Due to the small size of the Board and of the Company, the Board does not consider that the Company is of sufficient size to justify the appointment of additional executive managers for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. The Company's Corporate Governance Plan includes a Board Charter which discloses the specific responsibilities of the Board. A copy of the Board Charter is available on the Company's website. <i>Subsequent to the acquisition of Skin Elements the Company will have four (4) directors. Additionally the Company will have 3 executives, of which 2 are not directors, and plans to employ other middle managers. This will enable the Company to consider a formal structure to more rigorously apply recommendations under this principle.</i>
2. Structure the board to add value			
2.1	A majority of the board should be independent directors.	YES	The Directors of the Company, Emmanuel Heyndrickx, Robert Downey and Abraham Schildkraut are all independent directors. <i>Subsequent to the acquisition of Skin Elements the Company will have one (1) executive director, two (2) non-executive directors, and an independent non-executive chair. Whilst the board will consist of a majority of non-executive directors, it does not constitute a majority of independent directors.</i> <i>The proposed Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has appropriate industry experience and specific expertise relevant to the Company's business and level of operations.</i> <i>The proposed Board considers that its structure and size will be, appropriate in the context of the Company's strategic plans. The Company considers that the proposed non-independent Directors possess the skills and experience suitable for building the Company.</i> <i>The proposed Board intends to monitor and reconsider its composition as the Company's operations evolve, and may appoint additional independent Directors as it deems appropriate.</i> <i>All directors are aware that they are required to bring an independent judgment to bear on Board decisions. Where a potential conflict of interest may arise, involved Directors will be required to, unless the remaining Directors resolve otherwise, withdraw from deliberations concerning the matter. Further each Director will have the right to seek independent professional advice at the expense of the Company.</i>
2.2	The chair should be an independent director.	YES	At the date of this Corporate Governance Statement, a chairperson has not been nominated. The Company will, in accordance with its Corporate Governance Plan (available on the Company's website), appoint a non-executive Director to the position of chairperson. If the chairperson ceases to be an independent Director then the Board will consider appointing a lead independent Director. <i>Subsequent to the acquisition of Skin Elements, Mr David Humann has agreed to take on the role of independent chair of the Company.</i>

Board and management

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	YES	The Corporate Governance Plan sets out the role of the chairperson and that the chief executive officer should not be the chairperson. <i>Subsequent to the acquisition of Skin Elements, Mr Peter Malone will be appointed as an executive director, acting in the capacity of Managing Director and CEO whilst Mr David Humann has agreed to act as chairman.</i>
2.4 The board should establish a nomination committee.	YES	The Board has established a nomination committee, which meets at least annually, to ensure that the Board continues to operate within the established guidelines. The Nomination Committee is comprised of Robert Downey, Emmanuel Heyndrickx and Simon Durack. <i>The Company does not expect any changes to these policies subsequent to the acquisition of Skin Elements however, the Committee members will change post Completion.</i>
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	YES	The Nomination Committee arrange performance evaluation of the Board, its committees and its individual Directors on an annual basis. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of the management and personnel. The Corporate Governance Plan is available on the Company's website and sets out the evaluation process adopted by the Board. <i>Subsequent to the acquisition of Skin Elements the Company will have 3 executives, of which 2 are not proposed directors or the company secretary, and plans to employ other middle managers. In addition, the Company will have 1 executive director, 2 non-executive directors, and an independent non-executive chair. This will enable the Company to consider a formal structure to more rigorously apply recommendations under this principle.</i>
2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.	YES	The names, skills, experience and expertise relevant to each Director and proposed Director are set out in this prospectus and or detailed in the Directors' Report of the Company's Annual Report. The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. The Corporate Governance Plan sets out the responsibilities of the Board, composition of the Board and the role of the Chairperson. The Corporate Governance Plan is available on the Company's website. There has been no departure from Principle 2. <i>Other than matters described in 2.1 through 2.5, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements.</i>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
3. Promote ethical and responsible decision making		
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: - the practices necessary to maintain confidence in the company's integrity; - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	YES	This Company's Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. <i>At this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies in light of the Company's business and operations post Completion.</i>
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	YES	The Company and all its related bodies corporate are committed to workplace diversity. The Company recognises the benefits arising from employee and board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. <i>At this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies in light of the Company's business and operations post Completion.</i>
3.3 Companies should disclose in each annual report the measurable objectives for achieving set by the board in accordance with the diversity policy and progress in achieving them.	YES	Measurable objectives as set by the Board will be included in the annual key performance indicators for the Managing Director/CEO and senior executives. In addition, the Board will review progress against the objectives as a key performance indicator in its annual performance assessment. The Board will include in the Annual Report each year the measurable objectives and progress against the objectives. <i>Subject to the acquisition of Skin Elements, the Group will initially include 1 female in total, however, the company proposes to employ additional employees as its business evolves and will have regard to the company's policies at that time.</i>
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	YES	The Board will include in the Annual Report each year the proportion of women employees in the whole organisation, at senior management level and at Board level. The Company currently has 1 female employee under direct employment with the Company and no female Board members. <i>Subject to the acquisition of Skin Elements, the Group will initially include 1 woman in total, however, the company proposes to employ additional employees as its business evolves and will have regard to the company's policies at the time.</i>
3.5 Companies should provide the information indicated in the Guide to reporting on Principle 3.	YES	The Company's Corporate Code of Conduct and Gender Diversity policy is set out in the Corporate Governance Plan which is available on the Company's website. There has been no departure from Principle 3. <i>Subject to the acquisition of Skin Elements, the Board will continue to review and strive to further develop the Company's diversity.</i>

Board and management

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
4. Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	YES	The Company has established an Audit and Risk Management Committee. The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. <i>The Company will continue to maintain an Audit Committee subsequent to the acquisition of Skin Elements with changes expected to its membership.</i>
4.2	The audit committee should be structured so that it:		
	consists only of non-executive directors;	NO	The Audit and Risk Management committee comprise Emmanuel Heyndrickx (Chair), Simon Durack and Abraham Schildkraut whom a majority are independent and Non-Executive Directors.
	consists of a majority of independent directors;	YES	<i>Subsequent to the acquisition of Skin Elements the Company will have one (1) executive director, two (2) non-executive directors, and an independent non-executive chair.</i>
	is chaired by an independent chair, who is not chair of the board; and	YES	<i>Whilst the board will consist of a majority of non-executive directors, it does not constitute a majority of independent directors. The Company will review its audit committee membership structure post Completion.</i>
	has at least three members.	YES	
4.3	The audit committee should have a formal charter.	YES	The Board has formally adopted an Audit and Risk Management Committee Charter. <i>At this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies in light of the Company's business and operations post Completion.</i>
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	YES	The members of the Audit and Risk Management Committee are Directors of the Company. Their names and qualifications are set out in the Company's Annual Reports. There are only 3 members. The Committee will meet at least each financial quarter and additionally as circumstances may require for it to undertake its role effectively. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its committee membership structure in light of the Company's business and operations post Completion.</i>
5. Make timely and balanced disclosure			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	YES	The Board has developed a continuous disclosure policy which is designed to ensure compliance with the ASX Listing Rules and ensure accountability at a Board level for compliance. <i>At this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies in light of the Company's business and operations post Completion.</i>

PRINCIPLES AND RECOMMENDATIONS		COMPLY (YES/NO)	EXPLANATION
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	YES	The continuous disclosure policy is set out in the Corporate Governance Plan available from the Company's website. There has been no departure from Principle 5. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>
6. Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	YES	The Board has developed a shareholder communications policy which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. <i>At this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies in light of the Company's business and operations post Completion.</i>
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	YES	The shareholder communications policy is set out in the Corporate Governance Plan available from the Company's website. There has been no departure from Principle 6. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>
7. Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	YES	The Board has established a risk management policy which is included in the Company's Corporate Governance Plan. <i>At this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies in light of the Company's business and operations post Completion.</i>
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	YES	The Board is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system who monitors the effectiveness of management systems and reports on them. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>

Board and management

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	YES	The Board seeks, at the appropriate times, the relevant assurances from the chief executive officer (or equivalent) and chief financial officer (or equivalent). <i>The Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements, other than Mr Malone taking on the role of CEO.</i>
7.4 Companies should provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	YES	There has been no departure from Principle 7. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>
8. Remunerate fairly and responsibly		
8.1 The board should establish a remuneration committee.	YES	The Board has established a Remuneration Committee which is comprised of Simon Durack, Emmanuel Heyndrickx and Robert Downey. <i>Subsequent to the acquisition of Skin Elements the Company will have 3 executives, of which 2 are not directors or the company secretary, and plans to employ other middle managers. In addition, the Company will have 1 executive director, 2 non-executive directors, and an independent non-executive chair. The Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>
8.2 The remuneration committee should be structured so that it:	YES	The Remuneration Committee has a majority of independent Directors of the Company. <i>Subsequent to the acquisition of Skin Elements the Company will have one (1) executive director, two (2) non-executive directors, and an independent non-executive chair.</i> <i>Whilst the board will consist of a majority of non-executive directors, it will not constitute a majority of independent directors. The Company will review its remuneration committee membership structure post Completion.</i>
8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	YES	The Board distinguishes the structure of non executive director's remuneration from executive director's remuneration. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
8.4 Companies should provide the information indicated in the Guide to reporting on Principle 8.	YES	The Remuneration Committee meets at least one a year and additionally as circumstances require. The Company has not entered into any schemes for retirement benefits, other than superannuation, for non-executive directors. The Corporate Governance Plan available on the Company's website sets out the Remuneration Committee Charter. There has been no departure from Recommendation 8. <i>Other than matters described above, at this stage, the Company does not expect any changes to the above policies subsequent to the acquisition of Skin Elements however, the Company will review all its corporate governance policies and its board / committee membership structure in light of the Company's business and operations post Completion.</i>



8. Details of the Offer

8.1 Important Dates

Important dates*

Offer opens	14 October 2014
Offer closes	27 November 2014
Allotment of Shares	4 December 2014
Expected despatch of shareholder statements	8 December 2014
Shares expected to begin trading on the ASX	10 December 2014

Notes:

* These dates and times are indicative only and may change. The Company reserves the right to vary the dates and times of the Offer without prior notice including closing the Offer before the scheduled Closing Date. Investors are encouraged to submit their Application Forms as soon as possible after the Offer opens.

8.2 Description of the Offer

The Offer is a public offering of up to 11.5 million Shares in the Company at the Offer Price of \$0.20 per Share, together with 1 free Option for every 3 Shares acquired, to raise up to \$2.3 million. Oversubscriptions of up to a further 8.5 million Shares in the Company at an Offer Price of \$0.20 per Share, together with 1 free Option for every 3 Shares acquired to raise up to a further \$1.7 million may be accepted.

On completion of the Offer, the Shares offered under this Prospectus will represent approximately 15.11% of the issued capital of the Company as set out in the table in Section 8.7.

Applications must be for a minimum of 10,000 Shares (\$2,000.00) and thereafter in multiples of 5,000 Shares (\$1,000.00), and can only be made by completing the Application Form attached to this Prospectus.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

All Shares will be issued at the Offer Price and will rank equally with each other. The Shares are fully paid ordinary shares in the Company and will, once issued, rank equally with all other Shares on issue as at the date of this Prospectus.

A summary of the rights attaching to the Shares is set out in Section 10.2.

A summary of the rights attaching to the Options is set out in Section 10.3.

8.3 Preconditions to Issue

The Company has convened an extraordinary general meeting of its Shareholders to be held on or about 13 October 2014 to seek Shareholder approval for, amongst other approvals, the issue of shares and options to effect the acquisition of Skin Elements, the change in nature and scale of the Company's activities and the change of Company name to Skin Elements Limited. A copy of the meeting booklet is available on the Company's website.

The Offer made under this Prospectus and the issue of Shares and Options pursuant to this Prospectus are subject to and conditional upon the Preconditions to Issue including, shareholders passing all resolutions at the meeting to be held on or about 13 October 2014, the satisfaction of the conditions referred to in those resolutions and the satisfaction or waiver of the conditions precedent in the Share Purchase Agreement. If the Preconditions to Issue are not satisfied, no Shares will be issued pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

8.4 Purpose of the Offer and Use of proceeds

Funded through the Offer, it is the enlarged entity's primary business objective to pursue the commercialisation and development of its natural skin care products.

The purpose of the Offer is to:

- facilitate an application by the Company for re-admission of the Company to the official list on the ASX;
- to facilitate the acquisition of Skin Elements;
- to raise a minimum of \$2,300,000 and up to \$4,000,000; and
- pay for costs associated with the Offer and listing.

The funds raised under the Prospectus together with the company's existing cash reserves are intended to be used for the following purposes:

- i. To deliver an increased working capital capability for the company to market launch, produce, market and distribute its Soléo branded natural sunscreen product range;
- ii. To advance the market testing program of the Elizabeth Jane Natural Cosmetics range; and
- iii. Investment in branding and marketing development, particularly continued investment in research and development of new products and product innovation, brand development and marketing initiatives.

The Company intends to apply funds raised from the Offer together with existing cash reserves over the first two years following completion as follows:

Source and use of funds	Minimum Subscription \$	%	Maximum Subscription \$	%
Cash at Bank *	2,053,021	47	2,053,021	34
Reinvestment from Skin Elements Permitted Liabilities	800,000	18	800,000	13
Capital Raising	1,500,000	34	3,200,000	53
Total funds available	4,353,021	100	6,053,021	100
Payment of Permitted Liabilities pursuant to Skin Elements SPA	200,000	5	200,000	3
Payment of Permitted Liabilities pursuant to Skin Elements SPA to be reinvested under the Offer	800,000	18	800,000	14
Production and Development	1,000,000	23	2,000,000	33
Marketing and Promotion	1,000,000	23	1,500,000	25
General Operations and Working Capital	1,033,021	24	1,083,021	18
Expenses associated with the Offer	320,000	7	470,000	8
Total funds applied	4,353,021	100	6,053,021	100

Notes:

* Represents combined cash reserves of the Company and Skin Elements as at 30 June 2014.

The Directors are of the opinion that, following completion of the Offer together with the existing cash reserves, that the Company will have sufficient working capital to carry out its stated objectives.

It is noted that the Company may use and expend its cash reserves more quickly than contemplated. It is noted that programs and budgets are dependent on results and demand for the company's products. These programs can therefore change depending on the results. The Company's actual allocation of funds may change depending on the circumstances in which its business develops and operates. The exact timing of the implementation of the program is also dependant on weather, market conditions and manufacturing availability.

8.5 Secondary Sales

This Prospectus has also been issued to facilitate the secondary trading of:

- i. 46,250,026 ordinary shares issued to the Skin Elements Vendors; and
- ii. Approximately 48,625,048 options being the Loyalty Options, the Partly Paid Shareholder Options, and the Consideration Options, and any ordinary shares issued upon the exercise of these options.

The Loyalty Options are being issued to existing MinRex shareholders and Partly Paid Shareholders (pro-rata to the total issue price paid up on the partly paid shares) in resident in Australia and New Zealand on the Loyalty Option Record Date, on the basis of 1 Loyalty Option for every three 3 Shares held. The ultimate number of Options issued may vary as a result of rounding up of entitlements.

8.6 Costs of the Offer

The expenses connected with the Offer which are payable by the Company are estimated to be between approximately \$320,000 and \$470,000 based on capital raisings of \$2.3 million and \$4 million, respectively.

The estimated total expenses of the Offer (exclusive of GST) are expected to be applied as set out below:

Expenses	Minimum subscription \$2.3M	Maximum subscription \$4M
Capital raising fees *	90,000	240,000
Consultant and advisory fees	50,000	50,000
Legal fees **	60,000	60,000
Independent Limited Assurance Report **	20,000	20,000
ASX & ASIC fees	68,913	70,560
Printing and other costs	31,087	29,440
Total	320,000	470,000

Notes:

* Although the Company has not engaged a leadbroker, the Company reserves the right to pay a fee of up to 6% (excl. GST) of amounts subscribed to any licensed securities dealer or Australian Financial Services licensee in respect of valid Applications accepted by the Company with the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. This expense may vary depending on the number of applications received from licensed securities dealers.

** Fee based on time spent on preparing the relevant reports and advice on hourly charge-out rates. These expense s represent the current estimate.

Details of the Offer

8.7 Capital structure

The capital structure of the Company following completion of the Acquisition and Prospectus is summarised below:

Equity Component	Minimum Subscription	Maximum Subscription		
	No.	%	No.	%
SHARES				
Existing Shares	17,500,001	22.99	17,500,001	20.68
Reduction of Partly Paid Shares	875,000	1.15	875,000	1.03
Issued as consideration 100% of Skin Elements Issued Capital	46,250,026	60.76	46,250,026	54.65
Issued under this Prospectus	11,500,000	15.11	20,000,000	23.63
TOTAL SHARES	76,125,027	100.00	84,625,027	100.00
PARTLY PAID SHARES				
Existing Partly Paid Shares	17,500,000	100.00	17,500,000	100.00
Reduction of Partly Paid Shares	(17,500,000)	(100.00)	(17,500,000)	(100.00)
TOTAL PARTLY PAID SHARES	-	-	-	-
OPTIONS				
Existing Options	-	-	-	-
Reduction of Partly Paid Shares	17,500,000	33.36	17,500,000	31.65
Issued as consideration 100% of Skin Elements Issued Capital	25,000,047	47.66	25,000,047	45.21
Issue of Loyalty Options Pursuant to this Prospectus *	6,125,001	11.68	6,125,001	11.08
Issued under this Prospectus **	3,833,334	7.31	6,666,667	12.06
TOTAL OPTIONS	52,458,382	100.00	55,291,715	100.00

Notes:

* These Loyalty Options are being offered to existing MinRex shareholders and Partly Paid Shareholders (pro-rata to the total issue price paid up on the partly paid shares) in resident in Australia and New Zealand on the Loyalty Option Record Date, on the basis of 1 Loyalty Option for every three 3 Shares held. The ultimate number of Options issued may vary as a result of rounding up of entitlements and the ultimate number of applications received.

** These Options are being offered to applicants on the basis of one (1) Option for every three (3) shares acquired under the Public Offer as detailed in this Prospectus. The ultimate number of Options issued may vary as a result of rounding of the ultimate number of applications received.

8.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription and no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer) are set out in the respective tables below:

As at the date of the Prospectus

Shareholder	Shares	%
Chifley Portfolios Pty Ltd	2,285,651	13.06
Lion Super Pty Ltd	1,876,000	10.72
John Wardman & Associates Pty Ltd	1,500,000	8.57
Carey D G & Carey-Domingu	1,250,000	7.14
Silva Pty Ltd	1,000,000	5.71
Bome Errol & Melanie	930,000	5.31
	8,841,651	50.51

On completion of the Acquisition of Skin Elements and the Offer (assuming Minimum Subscription and no existing substantial Shareholder subscribes and receives additional Shares and Options pursuant to the offer)

Shareholder	Shares	Undiluted %	Diluted %
Sovereign Empire Pty Ltd *	11,520,318	15.13	13.80
Lawley Group Pty Ltd **	7,537,395	9.90	9.03
Will Power Trading Limited	5,238,358	6.88	6.28
Sunadvance Group Limited	5,238,358	6.88	6.28
Sovereign Equities Pty Ltd ***	4,200,549	5.52	5.03
	33,734,978	44.31	40.42

Notes:

* Mr Peter Malone has a relevant interest in the securities held by Sovereign Empire Pty Ltd.

** Mr Leo Fung has a relevant interest in the securities held by Lawley Group Pty Ltd.

*** Mr Craig Piercy has a relevant interest in the securities held by Sovereign Equities Pty Ltd.

**** The percentages in the table above are computed on the basis of the minimum subscription being raised.

***** For the purpose of calculating the diluted Shares, the Offer Options, the Vendor Options, the Partly-Paid Shareholder Options and the Loyalty Options have been taken into account as having a dilutive effect on the Shares on issue.

***** For the purpose of calculating the diluted Shares, Vendor Options have been allocated to the substantial shareholder as follows:

- Sovereign Empire Pty Ltd: 6,227,199 Vendor Options
- Lawley Group Pty Ltd: 4,074,268 Vendor Options
- Will Power Trading Limited: 2,831,545 Vendor Options
- Sunadvance Group Limited: 2,831,545 Vendor Options
- Sovereign Equities Pty Ltd: 2,270,566 Vendor Options

8.9 How to apply for Shares in the Offer

Application for Shares can be made on the Application Form attached to this Prospectus. The Application Form must not be circulated unless attached to a complete and unaltered copy of this Prospectus.

The Minimum Application is 10,000 Shares. The Offer price is \$0.20 per Share and minimum dollar amount is \$2,000.00. Thereafter Applications must be in multiples of 5,000 Shares for \$1,000.00.

Your Application Form must be accompanied by a cheque for the full amount of your Application. Cheques are to be drawn in Australian dollars and made payable to '**MinRex Resources NL Application Account**' and crossed 'Not Negotiable'. Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, the Company may still accept the Application. The Company's decision as to whether to accept the Application or how to construe, amend or complete it shall be final, but no Applicant will be treated as having offered to purchase more Shares than indicated by the amount of the cheque for the Application Monies.

Application Forms should be lodged in accordance with the instructions set out on the Application Forms at the address below.

MinRex Resources NL
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR delivered to:

MinRex Resources NL
C/- Security Transfer Registrars Pty Ltd
77 Canning Highway
APPLECROSS WA 6153

Full instructions on how to apply for Shares and the completion of the Application Form are set out on the reverse side of the Application Form. If you have any doubts on how to apply for Shares or complete the Application Form, please consult your stockbroker, accountant or other professional adviser.

No brokerage or stamp duty is payable by Applicants under the Offer.

If you have any enquiries about the Offer, you should contact your professional adviser.

8.10 Rights attaching to Shares

The rights attaching to Shares are detailed in the Company's Constitution. A summary of the rights attaching to Shares is set out in Section 10.2 of this Prospectus.

8.11 Rights attaching to Options

The rights attaching to Options and Loyalty Options are detailed in the Company's Constitution. A summary of the rights attaching to Options and Loyalty Options is set out in Section 10.3 and 10.4 of this Prospectus.

8.12 Dividend policy

The Board does not currently have a dividend policy. As and when the need arises, the Board will determine the payment of dividends in accordance with the Constitution.

The ability to pay a dividend will depend upon a number of other factors including the risk factors set out in Section 4.

The Directors cannot give any assurances as to the amount or timing of future dividends or franking credits attaching to such dividends.

Details of the Offer

8.13 Allotment

The Company will proceed to allocate Shares as soon as possible after the Closing Date. Where no allocation is made to a particular Applicant or the number of Shares allocated is less than the number applied for by an Applicant, surplus Application Monies will be returned to that Applicant within 30 days of the Closing Date. No interest will be paid on refunded Application Monies.

Successful Applicants will be notified in writing of the number of Shares allocated to them as soon as possible following the allocation being made after the Closing Date. It is the responsibility of Applicants to confirm the number of Shares allocated to them prior to trading in Shares. Applicants who sell Shares before they receive notice of the number of Shares allocated to them do so at their own risk. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

The Company reserves the right to accept or reject any Application and to allocate to any Applicant fewer Shares than applied for by that Applicant.

8.14 Underwriting

The Offers are not underwritten.

8.15 Quotation of Shares

Official quotation of the Shares, if granted, will commence as soon as practicable after the issue of initial shareholding statements to successful Applicants. If the Company has not been re-admitted to the Official List of ASX within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

8.16 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

Although the Company has not engaged a underwriter or lead manager, the Company reserves the right to pay a fee of up to 6% (excl. GST) of amounts subscribed to any licensed securities dealer or Australian Financial Services licensee in respect of valid Applications accepted by the Company with the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

8.17 CHESS and issuer sponsored subregister

The Company participates in the Securities Clearing House Electronic Sub register System known as CHESS. CHESS is operated by the ASX Settlement Pty Limited (ASTC) in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. Under CHESS, the Company will not be issuing certificates to investors who elect to hold their Shares on the CHESS sub register. After

allotment of Shares, Shareholders will receive a CHESS holding statement.

The CHESS holding statements, which are similar in style to bank account statements, will set out the number of Shares allotted to each Shareholder pursuant to this Prospectus. The CHESS holding statement will also advise holders of their holder identification number and explain for future reference the sale and purchase procedures under CHESS. Further statements will be provided to holders which reflect any changes in their shareholding in the Company during a particular month.

8.18 Foreign selling restrictions

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- It understands that the Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities law of any state of the United States and may not be offered, sold or resold in the United States, or to or for the account or benefit of US Persons, except in a transaction exempt from, or not subject to, registration under the US Securities Act 1933 and any other applicable securities laws;
- It is not in the United States or a US Person, and is not acting for the account or benefit of a US Person;
- It has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States or to any person that is, or is acting for the account or benefit of, a US Person; and
- It will not offer or sell the Shares in the United States or to, or for the account or benefit of, any US Person or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act 1933 and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

8.19 Withdrawal of the Offer

The Company reserves the right not to proceed with the Offer at any time before the allotment of Shares to successful Applicants. If the Offer does not proceed, the Company will return all Application Monies within 21 days of giving notice of its withdrawal. Any interest earned on Application Monies prior to withdrawal will belong to MRR.

8.20 Electronic Prospectus

This Prospectus (without an application form) may be viewed online at www.minrex.com.au. However, it cannot be used to apply for Shares.

Selected Applicants who are given access to an electronic version of this Prospectus (and Application Form) must be resident in Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. A paper copy of this Prospectus will be provided free of charge to any person eligible to apply for Shares who requests a copy by contacting the Share Registry.

8.21 Taxation

The tax treatment and consequences of the Offer will vary depending on the particular circumstances of the Applicant.

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accepts no liability or responsibility in relation to any taxation consequences connected to the Offer.

8.22 Privacy

Tax and company law requires some information to be collected in connection with your Application. If you do not provide the information requested, your Application may not be able to be processed efficiently or at all.

If you apply for Shares, you will need to provide personal information to the Company and the Share Registry. Your information may be disclosed to:

- the Company in order to assess your Application;
- the Share Registry for ongoing administration of the Register; and
- the printers and the mailing house for the purposes of preparation and distribution of statements

and for handling of mail.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers as authorised under the *Privacy Act 1988* (Cth).

If you become a Shareholder, your information may also be used or disclosed from time to time to inform you about the Company's products or services that the Company thinks may be of interest to you. If you do not want your personal information to be used for this purpose, you should contact the Company Secretary by email on registrar@securitytransfer.com.au.

The information may also be disclosed to members of the Company and to their agents and service providers on the basis that they deal with such information in accordance with the Company's Privacy Policy.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning or writing to the Share Registry as follows:

Share Registry: Securities Transfer Registrars

Postal Address: PO Box 535
Applecross WA 6953
Australia

Street Address: 770 Canning Highway
Applecross WA 6153
Australia

Telephone: +61 (0) 8 9315 2333

Facsimile: +61 (0) 8 9315 2233

Website: www.securitytransfer.com.au

8.23 Enquiries

If you require assistance to complete the Application Form or require additional copies of this Prospectus, contact the Share Registry.

If you require advice as to whether to invest in the Company, you should seek professional advice from your stockbroker, accountant or other professional financial adviser.



9. Material Contracts

9.1 Share Purchase Agreement

The principal terms of the Share Purchase Agreement are:

- (a) in consideration for the acquisition by the Company of the shares in Skin Elements from the Vendors, the Company will issue and allot the Consideration Shares and Consideration Options to the Vendors at Completion;
- (b) at Completion Skin Elements Pty Ltd is permitted to have liabilities of \$582,000 to Boston Corporate Pty Ltd, \$218,000 to Essential Property Pty Ltd and \$200,000 to Indian Ocean Group Corporate Pty Limited (Permitted Creditors) which become payable on Completion.
- (c) Completion of the Share Purchase Agreement is conditional on the occurrence of the following events:
 - (i) the Company passing the Resolutions,
 - (ii) the Company raising \$2.3 million from the Offer which is to include \$582,000 from Boston Corporate Pty Ltd and \$218,000 from Essential Property Pty Ltd,
 - (iii) ASX Approval.
- (d) the Company must apply for Official Quotation of the Consideration Shares on the ASX; and
- (e) the Company has been provided with certain warranties in relation to Skin Elements by Lawley Group Pty Ltd, Sovereign Equities Pty Ltd, Peter Malone, Leo Fung and Craig Piercy, being warranties typical or usual for an agreement such as the Share Purchase Agreement.

Mr Luke Martino, a proposed director, has an interest as a director and employee of Indian Ocean Group Corporate Pty Ltd which will receive \$200,000 as a Permitted Creditor.

Mr Peter Malone, a proposed director, has no interest either as a shareholder or director of Boston Corporate Pty Ltd or Essential Property Pty Ltd, but he has been engaged by Boston Corporate Pty Ltd as a consultant. Mr Malone might receive payment for past services as a consultant out of the \$582,000 that Boston Corporate Pty

Ltd will receive as a Permitted Creditor.

9.2 Corporate Services Agreement

The Company has entered into an agreement with LinQ Management Pty Ltd to provide company secretarial, accounting and financial services for an amount of \$10,000 per month plus GST. This agreement can be terminated on two month's notice. Mr Durack is an employee of LinQ Management Pty Ltd and currently provides the above mentioned services on behalf of LinQ Management Pty Ltd. Mr Durack has no interest in LinQ Management Pty Ltd. It is intended that Mr Durack would continue as Company Secretary following Completion and that prior to Completion the Board would re-negotiate the above fee.

9.3 Office Lease

The Company currently leases an office at Level 1, 17 Ord Street, West Perth, WA 6005 from Woodcross Holdings Pty Ltd ACN 065 401 523. The annual rent is \$36,000 plus GST and variable outgoings. The lease expires on 28 February 2017.

9.4 Indian Ocean Corporate Pty Ltd

The Company has engaged Indian Ocean Corporate Pty Ltd to provide consulting services in connection with the Offer for an amount of \$50,000 inclusive of GST payable following Completion. Mr Luke Martino, a proposed Director, is a director and employee of Indian Ocean Corporate Pty Ltd.

10. Additional information

10.1 Incorporation

The Company was incorporated in Western Australia as a no liability public company on 30 May 2011.

The Company is seeking the approval of Shareholders for the Company to be changed from a no liability public company to a public company limited by shares at a shareholder meeting to be held on Monday, 13 October 2014.

10.2 Rights and liabilities attaching to Shares

The shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company.

The rights attaching to Shares are:

- set out in the Constitution; and
- in certain circumstances, regulated by the Corporations Act, Listing Rules, ASX Settlement Operating Rules and the general law.

A summary of the significant rights attaching to the Shares on Offer pursuant to the Prospectus and a description of other material provisions of the Constitution is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

- (a) Voting at a general meeting
- Subject to any rights or restrictions for the time being attached to any class or classes of shares in the Company (at present, there is only one class of shares), whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.
- (b) Meetings of members
- Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act or the Listing Rules.
- (c) Dividends
- The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.
- (d) Transfer of Shares
- Subject to the Constitution and to any restrictions attached to a member's Shares, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, Listing Rules or

ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares:

- (i) only if that refusal would not contravene the Listing Rules or the ASX Operating Rules;
- (ii) if the registration of the transfer would create a new holding of an Unmarketable Parcel;
- (iii) to a subsidiary of the Company; and
- (iv) if the Corporations Act, the Listing Rules or the ASX Operating Rules forbid registration.

If the Board refuses to register a transfer, the Company must, within five Business Days after the date on which the transfer was delivered to it, give the lodging partner notice of the refusal and the reasons for the refusal.

(e) Issue of further Shares

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.

(f) Winding up

If the Company is wound up, then subject to any rights or restrictions attached to a class of Shares, any surplus assets of the Company remaining after payments of debts must be divided amongst Shareholders in proportion to the number of Shares held by them.

(g) Unmarketable parcels

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

(h) Share buybacks

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may buy back Shares in itself.

(i) Variation of class rights

At present, the Company's only class of shares on issue is ordinary Shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (i) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (ii) by a special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(j) Directors – appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three.

Directors are elected at annual general meetings of

Additional information

the Company. Retirement will occur on a rotational basis so that no Director (excluding any managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected.

(k) Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors entitled to vote on the resolution. In the case of an equality of votes on a resolution, the chairman of the meeting has a second or casting vote and the matter is decided in the negative.

(l) Directors – remuneration

The Constitution provides that Non executive Directors are entitled to such remuneration as determined by the Directors but which must not exceed in any year in aggregate \$350,000 or the amount last fixed by Shareholders at a general meeting.

(m) Variation of the Constitution

The Constitution can only be amended by special resolution passed by at least 75% of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company. The Company must give at least 28 days' written notice of a general meeting of the Company's members.

(n) Indemnities

The Company, to the extent permitted by the Corporations Act, indemnifies each Director against any liability incurred by that person as an officer of the Company or its Related Bodies Corporate including as a liability incurred as a result of appointment or nomination by the Company or subsidiary as trustee or as an officer of another corporation, unless the liability arises out of conduct involving a lack of good faith.

The Company, subject to the Corporations Act, may enter into, and pay premiums on, a contract insuring a Director against any liability incurred by that person as an officer of the Company or its Related Bodies Corporate.

of the exercise price per Option. Options not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.

(d) Transferable

The Options are freely transferable.

(f) Quotation

The Options will not be quoted. However, the Company will review the quotation of the Options on the ASX post Completion. The Company will make application for any Shares issued upon the exercise of any Option to be granted Official Quotation by the ASX

(f) Exercise

The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

Shares issued pursuant to the exercise of the Options will be issued following receipt of all relevant documents and payments in respect thereto and will rank for dividends pro-rata with the existing issued Shares, as at the date of exercise of the Options. Subject to any ASX ruling regarding Restricted Securities, Shares so issued will rank pari passu with the then issued Shares of the Company.

(g) Participating rights

The holders of Options will have the right to participate in new issues of capital which may be offered to the Company's shareholders during the currency of the Options, provided the entitlement arises in accordance with ASX Listing Rule 6.20. Any change to the Option's exercise price or the number of underlying securities must be made in accordance with ASX Listing Rules 6.21 and 6.22.

(h) Reconstructions

The rights of the holders of Options will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(i) Statement

A statement will be issued for the Options. A new holding statement will be issued when a change takes place in the number of Options held.

10.3 Terms and Conditions of Options

The terms and conditions of the Options to be issued under this Prospectus are:

(a) Issue price

The Options will be issued for no consideration.

(b) Exercise Price

The exercise price of the Options is 20 cents each.

(c) Expiry Date

The expiry date of the Options is 15 January 2018 (Expiry Date).

The Options may be exercised at any time prior to the Expiry Date, in whole or in part, upon payment

10.4 Terms and Conditions of Loyalty Options

For every 3 Shares held by eligible Securityholders on the Loyalty Option Record Date (10 October 2014) the Company will issue for no consideration 1 Loyalty Option (exercisable at 20 cents on or before 15 January 2018).

The Loyalty Options are subject to vesting conditions that the holder hold Shares on the Vesting Date (3 months from the date the Loyalty Options are issued), with the number vesting equal to the lesser of the number of Loyalty Options held on the Vesting Date and the number of Shares held on the Vesting Date divided by 3, and Completion. Unvested Loyalty Options will lapse.

For example if a Shareholder is issued 300,000 Loyalty Options (because they held 900,000 Shares on the Loyalty Option Record Date) and Completion occurred and:

- (a) sells 300,000 Shares before the Vesting Date, and therefore holds 600,000 Shares on the Vesting Date then only 200,000 Loyalty Options will vest and the remaining Loyalty Options will lapse; or
- (b) buys a further 200,000 Shares before the Vesting Date, the 300,000 Loyalty Options will vest; but the Shareholder will not receive any further Loyalty Options for the Shares bought after the Loyalty Option Record Date; or
- (c) sells 600,000 Shares and then buys 150,000 Shares resulting in a holding 450,000, with both transactions occurring before the Vesting Date, then 150,000 Loyalty Options will vest.

The terms of the issue of the Loyalty Options are the same as for the Options referred to in section 10.3 other than as follows:

- (a) Entitlement to be issued Shares and vesting
Upon vesting and subject to the procedure for exercise, each Loyalty Option entitles the holder to be issued one Share for each Loyalty Option vested.

A condition of vesting is Completion of the acquisition of Skin Elements.

The number of Loyalty Options to vest will be the lesser of:

- (i) the number of Loyalty Options held on the Vesting Date; and
- (ii) the number of Shares held on the Vesting Date divided by 3,

where the Vesting Date is the date 3 months after the Loyalty Options are issued.

Loyalty Options which do not vest on the Vesting Date will immediately lapse.

- (b) Expiry Date
The expiry date of the Loyalty Options is 15 January 2018 (Expiry Date).

The Loyalty Options may be exercised at any time after vesting and prior to the Expiry Date, in whole or in part, upon payment of the exercise price per

Loyalty Option.

10.5 Restricted Securities / Escrow

At the date of this Prospectus, the Company does not have any securities held in escrow.

Following Completion, the Consideration Shares and Options to be issued to the Vendors may be subject to escrow in accordance with the ASX Listing Rules. Such securities may be required to be held in escrow beginning on the date on which re-quotation of the company's securities commences and ending on a date determined by the ASX, and may not be transferred, assigned or otherwise disposed of during that period.

During the period in which these securities may be prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

The Company will announce to the ASX full details of the quantity and duration any Shares or Options required to be held in escrow prior to recommencing trading on the ASX.

10.6 Interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no other promoter of the Company:

- (a) has or has had at any time during the last two years, any interest in the formation or promotion
- (b) of the Company, or in property acquired by the Company in connection with its formation or promotion of the Company, or the Offer; nor
- (c) has been paid, or agreed to be paid an amount, and nor has been given, or agreed to be given any benefit for services provided by the person in connection with the formation or promotion of the Company, or the Offer.

HWL Ebsworth has acted as Australian legal adviser to the Company in relation to the Offer, advised the Company generally in relation to its admission to the Official List, performed work in relation to due diligence enquiries and provided general advice to the Company. The Company has paid, or agreed to pay, approximately \$60,000 for the above services. HWL Ebsworth may become entitled to further fees for future work based on its usual hourly charge out rates.

Ernst and Young has acted as Independent Accountant and has prepared the Independent Limited Assurance Report. The Company has paid, or agreed to pay, approximately \$20,000 for the above service.

Security Transfer Registrars has acted as Share Registry to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately \$3,300 in respect of these services.

10.7 Litigation

Additional information

The Directors are not aware of any litigation of a material nature, pending or threatened, involving the Company.

10.8 Australian Taxation Implications

The comments below provide a general summary of Australian tax issues for Australian tax resident individual Shareholders who acquire Shares under this Prospectus and hold their Shares on capital account for Australian income tax purposes.

These comments do not apply to Shareholders that hold their Shares on revenue account or as trading stock, or to non Australian tax resident Shareholders. They also do not apply to Shareholders that are banks, insurance companies or taxpayers that carry on a business of trading in Shares. These Shareholders should seek their own professional advice.

Tax laws are complex. The comments below are based on the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the A New Tax System (Goods and Services Tax) Act 1999, relevant stamp duty legislation, applicable case law and published Australian Taxation Office and State/Territory Revenue Authority rulings, determinations and statements of administrative practice at the date of this Prospectus. The tax consequences discussed below may alter if there is a change to the tax law after the date of this Prospectus. They do not take into account the tax law of countries other than Australia.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The Company and its advisors disclaim all liability to any Shareholder or other party for all costs, loss, damage and liability that the Shareholder or other party may suffer or incur arising from, relating to or in any way connected with the contents of this summary or the provisions of this summary to the Shareholder or other party or the reliance on this summary by the Shareholder or other party.

Shareholders should seek professional advice on the taxation implications of holding the Shares, taking into account their specific circumstances.

- (a) Dividends on a Share for Australian tax resident Shareholders
- Dividends distributed by the Company on a Share will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders should include in their assessable income the dividend actually received, together with any franking credit attached to that dividend.

It is expected that part or all of the income derived by the Company will be exempt from Australian tax under the non portfolio dividend exemption. To this extent part or all of dividends distributed to Australian tax resident Shareholders by the Company may be unfranked.

Where the Company derives other assessable income that gives rise to an Australian tax liability, the Company will be able to distribute franked dividends. However, Shareholders cannot expect any distributions from the Company to be franked in part or in full.

Where distributions are franked, the franking credit is included in the Shareholder's assessable income, the Shareholder will generally be entitled to a corresponding tax offset against tax payable by the Shareholder. To be eligible for the franking credit tax offset, a Shareholder must satisfy the 'holding period' rule and 'related payments' rule. This requires that a Shareholder hold the Shares 'at risk' for a continuous period of not less than 45 days (excluding the days of acquisition and disposal) and that the benefit of the dividend is not passed on within 45 days. Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied. The holding period rules will not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed \$5,000.00.

Where a Shareholder is an individual or a complying superannuation entity, the Shareholder will generally be entitled to a refund of tax to the extent that the franking credit tax offset exceeds the Shareholder's income tax liability for the income year.

Where a Shareholder is a company, the Shareholder will generally be entitled to claim a carry forward loss calculated by reference to any excess of the franking credit attached to the Shareholder's dividends over the Shareholder's tax liability for the income year. Shareholders that are companies should seek specific advice regarding the tax consequences of dividends received in respect of the Shares they hold and the calculation of carry forward tax losses arising from excess tax offsets.

Franked dividends received by a corporate Shareholder will generally give rise to a franking credit in the Shareholder's franking account (subject to the Shareholder satisfying the rules outlined above for claiming a tax offset). Special rules apply to Shareholders that are trustees (other than trustees of complying superannuation entities) or partnerships. These Shareholders should seek specific advice regarding the tax consequences of dividends received in respect of Shares held.

- (b) Disposal of Shares by Australian tax resident Shareholders

The disposal of a Share by a Shareholder will be a capital gains tax (CGT) event where the Shareholder holds their Share on capital account. The Shareholder will make a capital gain where the capital proceeds received on the disposal of the Share exceeds the cost base of the Share, and will make a capital loss where the reduced cost base of the Share exceeds the capital proceeds from the disposal of that Share. Capital losses may only be offset against capital gains made by the Shareholder in the same income year or future income years. Broadly, the cost base and reduced cost base of a Share will be equal to the amount paid to acquire the Share (including certain other costs, such as incidental costs of acquisition and disposal).

Generally, all capital gains and losses made by a Shareholder for an income year, plus any net capital

losses carried forward from an earlier income year, will need to be aggregated to determine whether the Shareholder has made a net capital gain or net capital loss for the year. A net capital gain is included in a Shareholder's assessable income whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years (subject to the satisfaction of the loss recoupment rules for companies).

If a Shareholder is an individual, complying superannuation entity or trust, and has held the Share for at least 12 months or more before disposal of the Share, the Shareholder will be entitled to a 'CGT discount' for any capital gain made on the disposal of the Share. Where the CGT discount applies, any capital gains arising may be reduced by 50% in the case of individuals and trusts, and by one third in the case of complying superannuation entities. Shareholders that are companies are not entitled to a CGT discount.

Where the Shareholder is a trustee of a trust that has held the Share for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of that trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains after offering current year or prior year capital losses.

(c) Tax file numbers

A Shareholder is not required to quote their tax file number (**TFN**) to the Company. However, if a TFN or exemption details are not provided, the Company may be required to deduct Australian tax from certain distributions (other than fully franked dividends) at the maximum marginal tax rate plus the Medicare levy. A Shareholder that holds Shares as part of an enterprise may quote their Australian Business Number instead of their TFN.

10.9 Consents

Written consents to the issue of this Prospectus have been given and have not been withdrawn at the time of lodgement of the Prospectus with ASIC by the following parties:

- (a) HWL Ebsworth Lawyers has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Australian legal advisor to the Company in relation to the Offer in the form and context in which it is named;
- (b) Ernst & Young has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Independent Accountant to the Company and its written consent to the inclusion in this Prospectus of its Independent Limited Assurance Report and to all statements referring to that report, in the form and context in which they appear; and
- (c) Security Transfer Registrars has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry to the Company, in the form and context in which it is named;
No entity or person referred to in (a) to (c) above has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above.
Each of the entities and persons referred to in (a) to (c) above has not authorised or caused the issue of this Prospectus or the making of the Offer, makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

10.10 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

10.11 Electronic Prospectus

Under Class Order 00/44 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the publication of notices referring to an electronic Prospectus, subject to compliance with certain provisions.

10.12 Authorisation of this Prospectus

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC.

Signed:



**Simon Durack, Executive Director
MinRex Resources NL**

11. Glossary

Term	Definition
\$	means Australian dollars.
Applicant	means a person applying for Shares under this Prospectus.
Application	means the lodgement of an Application Form.
Application Form	means the form of application for Shares attached to this Prospectus.
Application Monies	means the Offer Price multiplied by the number of Shares applied for.
ASIC	means Australian Securities and Investments Commission.
ASTC	means ASX Settlement Corporation Pty Limited ACN 008 504 532.
ASX	means ASX Limited ACN 008 624 691 or the securities market operated by the ASX as the case may be.
ASX Approval	means written confirmation from the ASX to the Company that ASX will re-admit the Company to the official list of the ASX and grant official quotation to all issued Shares, on terms and conditions acceptable to the Company (acting reasonably).
ASX Settlement Operating Rules	means the ASX Settlement Operating Rules issued by ASTC.
Board	means the board of Directors of the Company.
CHESS	means Clearing House Electronics Subregister System.
Closing Date	means, in relation to the Offer, the last day on which valid Application Forms may be accepted, as set out in Section 8.1 of this Prospectus.
Company or MRR	means MinRex Resources NL ACN 151 185 867.
Completion	settlement or completion of the purchase of shares in Skin by the Company under the Share Purchase Agreement.
Consideration Options	means 25,000,047 Options to be granted to the Vendors.
Consideration Shares	means 46,250,026 Shares to be granted to the Vendors.
Constitution	means the constitution of the Company at Completion.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the directors of the Company.
EBITDA	means Earnings Before Interest Tax, Depreciation and Amortisation.
EJNC	means Elizabeth Jane Natural Cosmetics
Existing Shareholders	means Shareholders of the Company at the date of the Prospectus.
Expiry Date	means the date on which this Prospectus expires.
Financial Information	means Historical Financial Statements.
Listing Rules	means the official listing rules of ASX, as amended from time to time.
Loyalty Options	means the Options granted to Shareholders on 10 October 2014 on the basis of 1 Option for every 3 Shares held.

Term	Definition
Meeting Booklet	means the Notice of an Extraordinary General Meeting of the Company to be held on 13 October 2014 and the accompanying Explanatory Memorandum, issued by the Company on 12 September 2014.
MRR Group	means the group of subsidiary companies of the Company.
NPAT	means Net Profit After Tax.
Offer	means the offer of Shares by MRR with one free attaching Option for every 3 Shares acquired made under this Prospectus.
Offer Period	means the Period commencing on the Opening Date and ending on the Closing Date.
Offer Price	means \$0.20 per Share.
Official List	means the official list of entities that ASX has admitted and not removed.
Opening Date	means the date the Offer opens, being 14 October 2014 or such other date determined by the Board.
Options	means an option to subscribe for one unissued Share in the Company at \$.20 per Share on or before 15 January 2018 and otherwise issued on the terms and conditions set out in section 10.4.
Partly Paid Shareholder Options	means the Options granted to the holders of partly paid Shares.
Preconditions to Issue	that the Resolutions are passed; ASIC changes the status of the Company from a public no liability company to a public company limited by shares; and ASX Approval is given;
Prospectus	means this document dated 7 October 2014 issued by the Company.
Resolutions	resolutions 1 to 12 contained in the notice of meeting forming part of the Meeting Booklet.
Share	means a fully paid ordinary share in MRR.
Share Purchase Agreement	means the agreement between the Company and the Vendors, under which the Company has contracted to purchase all of the shares in Skin.
Share Registry	means Security Transfer Registrars.
Shareholder	means a shareholder of MRR.
Skin Elements or Skin	means Skin Elements Pty Ltd ACN 110 352 424.
Vendors	means the shareholders of Skin.

Corporate Directory

MinRex Resources NL (ASX:MRR)

ACN 151 185 867

To be renamed

Skin Elements Limited (ASX:SKN)

ACN 151 185 867

Current Directors

Simon Durack (to continue as non-executive director post-acquisition)

Emmanuel Heyndrickx (to step-down as non-executive director post-acquisition)

Robert Downey (to step-down as non-executive director post-acquisition)

Abraham Anthony Schildkraut (to step-down as non-executive director post-acquisition)

Proposed Directors (to be appointed post-acquisition of Skin Elements Pty Ltd)

David Humann Independent Chairman (elect)

Peter Malone Managing Director & CEO (elect)

Luke Martino Independent non-executive director (elect)

Company Secretary

Simon Durack (to continue as Company Secretary post-acquisition)

Auditor

Ernst & Young
Level 5, 11 Mounts Bay Road
Perth WA 6000

Registered Office

LinQ House
Level 1, 17 Ord Street
WEST PERTH, WA 6005

Telephone: +61 (0)8 9486 8806

Facsimile: +61 (0)8 9321 3559

Email: info@minrex.com.au

Website: www.minrex.com.au

Solicitors to the Company

HWL Ebsworth Lawyers

Share registry

Security Transfer Registrars Pty Ltd

Investigating Accountant

Ernst & Young
Level 5, 11 Mounts Bay Road
Perth Western Australia 6000

APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

All Correspondence to:

Security Transfer Registrars Pty Ltd
PO BOX 535, APPLECROSS WA 6953
770 Canning Highway, APPLECROSS WA 6153
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

MINREX RESOURCES NL

ABN: 81 151 185 867

BROKER STAMP

Broker Code

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

No shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.
Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

I/We apply for:

, , Shares at AUD \$0.20 per share
(plus 1 free attaching Option (expiring 15 January 2018 @ \$0.20) for every 3 New Shares issued)

I/We lodge full application of monies of:

A\$, , .

Full Name of Applicant / Company

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (e.g.: THE SMITH SUPER FUND A/C)

< >

Postal Address

Unit

Street Number

Street Name or PO BOX

/

Suburb/Town/City

State

Postcode

Country Name (if not Australia)

CHESS HIN (where applicable)

☒

If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

Contact Name

Contact Number

()

Email Address

Tax File Number / Australian Business Number

Tax File Number of Security Holder #2 (Joint Holdings Only)

Declaration and Statements:

- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
- I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
- I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
- I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

E & O.E.

This Application Form relates to the Offer of Fully Paid Shares in MinRex Resources NL pursuant to the Prospectus dated 7 October 2014.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 5,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

All cheques should be made payable to 'MinRex Resources NL Application Account' and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:

MinRex Resources NL
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR

Delivered to:

MinRex Resources NL
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Applications must be received by no later than 5.00pm on the Closing Date 27 November 2014 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHES HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold shares allotted to you under this Application on the CHES subregister, enter your CHES HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to MinRex Resources NL. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

CORRECT

Mr John Alfred Smith

INCORRECT

J A Smith

Company

Use the company's full title, not abbreviations.

ABC Pty Ltd

ABC P/L or ABC Co

Joint Holdings

Use full and complete names.

Mr Peter Robert Williams &
Ms Louise Susan Williams

Peter Robert &
Louise S Williams

Trusts

Use trustee(s) personal name(s), Do not use the name of the trust.

Mrs Susan Jane Smith
<Sue Smith Family A/C>

Sue Smith Family Trust

Deceased Estates

Use the executor(s) personal name(s).

Ms Jane Mary Smith &
Mr Frank William Smith
<Estate John Smith A/C>

Estate of Late John Smith
or
John Smith Deceased

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Mr John Alfred Smith
<Peter Smith A/C>

Master Peter Smith

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Mr John Robert Smith &
Mr Michael John Smith
<John Smith and Son A/C>

John Smith and Son

Superannuation Funds

Use the name of the trustee(s) of the super fund.

Jane Smith Pty Ltd
<JSuper Fund A/C>

Jane Smith Pty Ltd Superannuation Fund





MinRex Resources NL
ACN 151 185 867

To be renamed
Skin Elements Limited.

