

## Q4 report 2015

### Interim Consolidated Financial Statements

- New equity issued – NOK 7.9 million in gross proceeds to the Company
- Focus is still on the Mindoro Nickel partnership discussions – ongoing discussions with various Philippine partners
- Still in process with Atro Mining Vitali Inc - due diligence considered completed
- Cash position is still challenging – need financing if no cash from Mindoro Nickel partners

#### Financial Results

(All numbers in brackets refer to comparable 2014 figures; profit and loss related figures compares to same period 2014 while balance sheet figures compares to figures as at 31 December 2014)

(USD 1 000)	Q4 2015	Q4 2014	01.01-31.12 2015	01.01-31.12 2014
Loss from continuing operations	-1 338	-1 265	-4 453	-3 023
Loss discontinued operations	-14 392	-1 583	-15 223	-2 900
Loss for the period	-15 730	-2 848	-19 676	-5 923

The Mindoro Nickel Project has from December 2015 been classified as Asset held for sale/*Discontinued operation*. Impairment loss of USD 17.2 million from this initial classification are included in the result from discontinued operation.

The remaining capitalized exploration and evaluation costs of USD 0.7 million, all related to the Hurdal Project, are written off as impairment.

Total exploration costs for the period ending 31 December 2015 amount to USD 0.1 million (USD 0.1 million) and was mainly expensed license fee.

Net loss from continued operations before and after tax amount to USD 4.5 million (USD 3.0 million).

At 31 December 2015, cash and cash equivalents amount to USD 0.4 million (USD 3.4 million). The cash reserves are held in NOK, and USD and are entirely placed in bank deposits. Interest income on bank deposits was minimal during the period ending 31 December 2015 and 2014. The group has no interest bearing debt.

Book equity as at 31 December 2015 was USD 4.4 million or USD 0.048 per outstanding share (USD 23.0 million or USD 0.28 per share). The equity ratio was 65.1 per cent as at 31 December 2015 (78.6 per cent).

## **Key projects and portfolio summary**

Mindoro Nickel, Philippines is a world-class nickel laterite deposit holding 3 million tons of contained nickel. The Definitive Feasibility Study with innovative green design features Mindoro Nickel with the smallest carbon-footprint of any nickel processing plant and one of the most cost-efficient per pound nickel, due to exceptional leach properties of the ore.

A proposed, 3-stage plan (each under substantially lower financial and technical risks than a full-scale project) is the focus of the Company's current realization plans. With a carbon-neutral footprint, independence of fossil fuels, and an economic break-even grade of 0.4 % Ni, below the geological minimum grade, as well as a range of valuable by products, Mindoro Nickel can potentially set new standards for the utilization of lateritic mineral resources.

Nordli Molybdenum, Norway is a porphyry-style Molybdenum-deposit in Hurdal, hosting an inferred resource with about 400 million pounds Mo. The project is under reduced developments due to weak prices and current molybdenum market restructuring.

### **Operational review**

Realisation plan and partnership discussions. The Company is still pursuing partners for the Mindoro Nickel Project, and activities related to this are the key focus points of the Company. Atro Mining Vitali Inc. and its international principals as well as local partners (jointly "Atro") have made significant progress with respect to its potential investment in the Mindoro Nickel Project. The basis for proceeding is agreed in principle between the parties in Atro, and Atro has informed Intex that the process regarding the reorganisation of its mining activities in the Philippines is moving forward as scheduled. A successful conclusion of this process is considered to be the obstacle left to enter into definite agreements between all involved parties. Further more, Atro has assured Intex that the required funding to enter into the transaction is readily available. As stated previously, no further technical or commercial due diligence will be required and the reorganisation referred to above will significantly enhance Atro's ability to carry through various activities relating to the Mindoro Nickel Project, and the ability to move the Mindoro Nickel Project into its next phase. This will in turn enhance the value of Intex' remaining ownership in the project. At this stage, the parties are focusing on various legal issues related the future operation and the transaction structure.

Furthermore, Intex has for some time had dialogue with a Chinese/Hong Kong mining-investor (name not to be disclosed) regarding the Mindoro Nickel Project. The parties also met late 2015. Proposals have been made to enter into memorandum of understanding ("MOU"), but it has not been possible to establish a mutual ground of understanding for neither the MOU nor the process needed to move into a negotiation phase.

Copper Zinc project in Norway: Early 2016 Intex decided not to pursue the planned copper zinc venture in Norway with North Atlantic Minerals (NAML). Intex has decided to dedicate its management -and financial resources on the Mindoro Nickel Project, and therefore terminated the agreement with NAML. As a consequence, Intex will currently not pursue any exploration activities in central Norway has also not renewed the 31 exploration licences related to the copper zinc venture.

## Interim Consolidated Income Statement

(USD 1 000)	Notes	Non audited			Audited
		2015 Q4	2014 Q4	2015 01.01-31.12	2014 01.01-31.12
<b>Continuing operations</b>					
Other revenue	3	41	12	195	12
Exploration and evaluation costs	6	2	-	-54	-83
Other operating expenses	7,10	-1 358	-1 290	-4 588	-3 082
<b>Operating loss</b>		<b>-1 315</b>	<b>-1 278</b>	<b>-4 448</b>	<b>-3 153</b>
Financial income		-	13	19	130
Financial costs		-23	-	-25	-
<b>Net financial items</b>		<b>-23</b>	<b>13</b>	<b>-6</b>	<b>130</b>
<b>Loss for the period</b>		<b>-1 338</b>	<b>-1 265</b>	<b>-4 453</b>	<b>-3 023</b>
<b>Loss after tax for the period from continuing operations</b>		<b>-1 338</b>	<b>-1 265</b>	<b>-4 453</b>	<b>-3 023</b>
Loss discontinued operations	11	-14 392	-1 583	-15 223	-2 900
<b>Loss for the period</b>		<b>-15 730</b>	<b>-2 848</b>	<b>-19 676</b>	<b>-5 923</b>
Basic and diluted earnings per share		-0,17	-0,03	-0,23	-0,07
Basic and diluted earnings per share continued operation		-0,01	-0,02	-0,05	-0,04
<b>Other comprehensive income:</b>					
Net profit/loss on net investments in foreign operations		2 079	11 349	7 633	11 349
Exchange differences on translation of foreign operations		-2 266	-11 841	-8 838	-11 841
Total comprehensive income for the period to be reclassified to profit or loss in subsequent		-187	-492	-1 205	-492
Actuarial gains/-losses on defined benefit plan		-	25	-	25
<b>Total comprehensive income for the period/year</b>		<b>-15 918</b>	<b>-3 315</b>	<b>-20 882</b>	<b>-6 390</b>

## Interim Consolidated Balance Sheet

<i>(USD 1 000)</i>	Notes	Non-audited 31.12.2015	Audited 31.12.2014
<b>ASSETS</b>			
Exploration and evaluation assets	6,10	-	855
Property, plant and equipment	6,10	18	32
<b>Total non-current assets</b>		<b>18</b>	<b>887</b>
Asset held for sale	11	6 258	24 940
Accounts receivable		-	8
Other receivables		101	28
Cash and cash equivalents	8	420	3 426
<b>Total current assets</b>		<b>6 778</b>	<b>28 402</b>
<b>TOTAL ASSETS</b>		<b>6 796</b>	<b>29 289</b>
<b>EQUITY</b>			
Share capital	9	214	221
Other paid-in capital		64 953	76 505
Cumulative translation adjustments		23 734	13 520
Other equity		-84 480	-67 239
<b>Total equity</b>		<b>4 421</b>	<b>23 007</b>
<b>LIABILITIES</b>			
Other long term liabilities		311	510
<b>Total long term liabilities</b>		<b>311</b>	<b>510</b>
Liability related to asset held for sale	11	1 780	4 972
Trade payables		113	22
Other current liabilities		171	778
<b>Total current liabilities</b>		<b>2 064</b>	<b>5 772</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 796</b>	<b>29 289</b>

## Interim Consolidated Statements of Changes in Equity

<i>(USD 1 000)</i>	Share capital	Other paid-in capital	Cumulative translation adjustments	Other equity	Total
<b>Equity 1 January 2014</b>	<b>270</b>	<b>93 124</b>	<b>-668</b>	<b>-62 841</b>	<b>29 885</b>
Share option costs		22			22
Profit/-loss for the period				-5 923	-5 923
Other comprehensive income	-49	-16 642	14 188	1 526	-977
<b>Equity at 31 December 2014</b>	<b>221</b>	<b>76 505</b>	<b>13 520</b>	<b>-67 239</b>	<b>23 007</b>

<i>(USD 1 000)</i>	Share capital	Other paid-in capital	Cumulative translation adjustments	Other equity	Total
<b>Equity 1 January 2015</b>	<b>221</b>	<b>76 505</b>	<b>13 520</b>	<b>-67 239</b>	<b>23 007</b>
Share option costs	19	24		2 253	2 296
Profit/-loss for the period				-19 676	-19 676
Other comprehensive income	-26	-11 576	10 214	182	-1 206
<b>Equity at 31 December 2015</b>	<b>214</b>	<b>64 953</b>	<b>23 734</b>	<b>-84 480</b>	<b>4 420</b>

## Interim Consolidated Cash Flow Statement

(USD 1 000)	Note	Non audited 2015		Non audited 2014	
		01.01-31.12	Discontinue d operation	01.01-31.12	Discontinue d operation
<b>Operating activities</b>					
Loss for the period		-4 453	-15 223	-3 023	-2 900
Non-cash option expenses	7	1949	-	-	-
Depreciation and other non-cash movements		705	17 239	440	16
Change in deferred tax		-	-3 211	-	112
Change in trade and other receivables		-65	46	77	38
Change in trade payables and other current liabilities		135	-141	-2	1 198
Changes in other long term liabilities	7	-199	160	5	-74
Change in financial assets		-	33	-	-20
Gains from sale of PPE		-	-	-	-12
<b>Cash flow from operating activities</b>		<b>-1 928</b>	<b>-1 097</b>	<b>-2 503</b>	<b>-1 642</b>
<b>Investment activities</b>					
Expenditure on property, plant and equipment	10	-	-6	-	-56
Proceeds from sale of PPE	10	-	-	-	12
<b>Cash flow from investment activities</b>		<b>-</b>	<b>-6</b>	<b>-</b>	<b>-44</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>		<b>-3 031</b>		<b>-4 189</b>	
<b>Cash and cash equivalents at start of period</b>		<b>3 667</b>		<b>8 532</b>	
<b>Translation effects</b>		<b>-110</b>		<b>-676</b>	
<b>Cash and cash equivalents at end of period</b>	8	<b>526</b>		<b>3 667</b>	

## Notes To The Interim Consolidated Financial Statements

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## **Note 1 General information**

Intex Resources ASA is a mineral exploration company with the aim to develop projects to a stage when they become attractive for mine operators with current activities in the Philippines and Norway.

## **Note 2 Basis for preparation**

This condensed consolidated interim financial report for the nine months ended 31 December 2015 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRSs (as adapted by the EU).

## **Note 3 Accounting policies**

The same accounting principles and methods of calculation have been applied as in the Annual Report for 2014. Future effects of new accounting standards were described in the Consolidated Financial Statements for 2014.

Revenue from sublease activities are presented gross in the profit and loss statement from 1.1.2015.

## **Note 4 Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

## **Note 5 Financial risk management**

As per the date of this report, the Group does not have sufficient funds for 12 months of operation. Per 31 December 2015 the company was in the process of raising fund for further operation. The gross proceed of NOK 7.9 million will enable the company operation through April 2016, which is expected to be sufficient for the Group to pursue the realization of the Mindoro Nickel Project. There is always a risk that the expected agreement is further delayed or for some unforeseen event will not take place and the Board monitor the situation closely. If necessary, the Board will implement required measures in due time. See note 12 *Subsequent event* note for further information.

## **Note 6 Segment Information**

Management considers that the Group has two business segments in 2015: Exploration and evaluation of mineral resources in the Philippines and in Norway. The Group's primary



activity is the Mindoro Nickel project in the Philippines. The Group also has the Hurdal Molybdenum and the Røros-Meraaker Zinc project in Norway. See note 12 *Subsequent event* for further information regarding the Røros-Meraaker Zinc project.

Per 31 December, the group has classified the segment Exploration and evaluation of mineral resources in the Philippines as discontinued operation. No further segment information will be presented. See note 11 *Discontinued operation* for further information.

## **Note 7 Related parties**

### *Sale of own shares and agreement of success fee*

Reference is made to the stock exchange notice of 15 May 2014, regarding the sale of 8.9 million treasury shares at NOK 2.25 per share to Double Concept Investments Ltd (DCI), a company controlled by primary insiders Alfonso Cusi and Wilfredo Fernandez.

On 1 December 2014, the Board of Intex paid Mr. Cusi and Mr. Fernandez a success fee of USD 794 403 / NOK 5 006 250 and a provision for this cost was included in the accounts per 31 December 2014. This amount was withheld by the Intex resources ASA as collateral for the full payment of the treasury shares. The bonus represented an amount equal to 25% of the underlying forward contract. At the same time it was also agreed an extension of the settlement for the treasury shares until 30 January 2015. It was also agreed to set the price for the remaining 75% to NOK 2.35 per share.

On 30 January 2015, Intex Resources ASA extended settlement date to 20 May 2015, with an additional condition that Intex will have the right, but not the obligation, to buy back all the shares at the same price as they were sold for. This option needed to be declared by Intex within 5 days from the actual settlement of the shares by DCI.

On 22 April 2015 DCI partially settled the forward contract originally announced on 15 May 2014. 2 225 000 shares was settled at NOK 2.25 per share and 4 450 000 shares was settled at NOK 2.35 per share. The option as described above was not declared by Intex.

In April 2015, the Board of Intex Resources ASA granted Mr. Cusi and Mr. Fernandez a payment under the previous announced contract of NOK 15 018 750, of which NOK 4 561 250 was withheld as a collateral for the settlement of the remaining part of the forward agreement. Due to this, the proceeds from the sale of treasury shares will have no cash effect in the Company's accounts.

On 13 May 2015, the Board of Intex Resources ASA and DCI resolved to adjust the number of shares in the forward contract from 8 900 000 shares to 8 615 958 shares. In addition, DCI settled 1 940 958 shares at NOK 2.35 per share, consequently the forward contract was fully settled. Following this transaction, DCI holds 8 615 958 shares in the Company, representing 9.40% of the outstanding shares in the Company and Intex Resources ASA holds 351 708 treasury shares representing 0.39% of the shares in the Company.

### *Service Agreement*

Intex Resources ASA entered into a service agreement with CLH Invest AS providing administrative and consultancy services to the Group. The services from CLH Invest AS will be provided by Mr. Christian L. Holst, Chairman of the Board of Intex Resources, and the services provided under this agreement are those over and above those duties normally covered by a non-executive Chairman. The original agreement covered the period 1 November 2014 to 20 May 2015 with a fee of a monthly retainer of NOK 75 000. The agreement was extended from 21 May with a new monthly fee retainer of NOK 50 000. The agreement is terminated with effect from 1 November 2015.

### *Stock options*

For the twelve month period of 2015, USD 22 589 has been expensed as personnel cost based on the Group's option incentive program to board members and employees (2014: USD 6 308).

### **Note 8 Composition of Cash and Cash Equivalents**

The cash reserves are currently placed in bank accounts. The following table shows the exposure of the Group's cash and cash equivalents in currencies other than the presentation currency and the effect on the Group's equity at 31 December 2015 if the specified currencies had appreciated/ depreciated by 10 per cent and all other variables remained constant.

	Denominated currency (DC)	FX rate 31.12.15 vs USD	Carrying amount	Equity effect of +/- 10% change in FX rate
NOK	3 660 383	8,81	416	+/- 40

### **Note 9 Shareholder value and Stock value**

The share price at 31 December was NOK 0.55, down NOK 2.05 compared to the closing price at the end of 2014. As at 31 December 2015, total shares were 91.7 million, fully diluted 92.6 million, of which 0.4 million shares were held in treasury. The Company's market capitalization as at 31 December 2015 amounted to USD 5.7 million or NOK 50.4 million. Cash and cash equivalents as at 31 December 2015 amounted to USD 0.5 million, corresponding to USD 0.006 or NOK 0.051 per share.

As at 31 December 2015 the 20 largest shareholders, including Intex Resources ASA, held 48.69% of the total shares.

20 largest shareholders 31.12.2015	No of shares	Ownership in % of total shares
LGT BANK AG	8 615 958	9,40 %
ALGOT INVEST AS	4 540 649	4,95 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE VESLIK	3 370 000	3,68 %
MERCUR EIENDOM AS	3 223 754	3,52 %
TONSENHAGEN FORRETNINGSSENTRUM 2 A	2 366 779	2,58 %
SPENCER TRADING INC	2 320 625	2,53 %
J.P. MORGAN CHASE BANK N.A. LONDON	2 169 807	2,37 %
MATHIAS HOLDING AS	2 100 000	2,29 %
CREDIT SUISSE AG	2 000 000	2,18 %
SIX-SEVEN AS	1 555 000	1,70 %
CASTRO	1 531 163	1,67 %
AARHUS	1 383 808	1,51 %
VPF NORDEA AVKASTNING	1 350 000	1,47 %
J.P. MORGAN LUXEMBOURG S.A.	1 330 980	1,45 %
LANDSBANKINN HF	1 326 354	1,45 %
NIMECO AS	1 239 470	1,35 %
ØYRIKE AS	1 200 000	1,31 %
LANDGRAFF	1 009 808	1,10 %
NORDPOLEN INVEST AS	1 000 000	1,09 %
Other	1 000 000	1,09 %
<b>Total</b>	<b>47 042 512</b>	<b>51,31 %</b>
	<b>91 676 667</b>	<b>100,00 %</b>

#### Note 10 Assets

There has been no material addition of tangible and intangible assets during first half of 2015 or 2014.

As at December 31 the capitalized exploration and evaluation costs of USD 0.7 million, all related to the Hurdal Project, are written off as impairment.

#### Note 11 Discontinued operation

The Group has sharpened its strategy and focused its financial- and management resources to pursue the realization of the Mindoro Nickel Project. From this, it is considered that the carrying amount will be recovered through a sale transaction. As a result of this and from December 2015, The Mindoro Nickel Project is considered as *held-for-sale*. Further, as this represent a major line of business, this will be classified as *Discontinued operation*.

The classification as *Discontinued operation* changes the measurement basis of any non-current assets included in the segment. On initial classification any such assets are measured to the lower of carrying amount and fair value less costs to sell. The expected fair value is estimated based on probable outcome from ongoing discussions. Impairment loss from initial classification are included in the result from discontinued operation.

#### Statement for *Discontinued operation*:

	Non audited			Audited
	2015 Q4	2014 Q4	2015 01.01-31.12	2014 01.01-31.12
<i>(USD 1 000)</i>				
Exploration and evaluation costs	92	-109	-240	-518
Other operating expenses	-17 473	-335	-18 107	-1 243
<b>Operating loss</b>	<b>-17 381</b>	<b>-444</b>	<b>-18 347</b>	<b>-1 761</b>
Financial costs	-16	-1 157	-17	-1 157
<b>Net financial items</b>	<b>-16</b>	<b>-1 157</b>	<b>-17</b>	<b>-1 157</b>
<b>Loss for the period before tax</b>	<b>-17 397</b>	<b>-1 601</b>	<b>-18 364</b>	<b>-2 918</b>
Income tax	0	-3	1	-3
Deferred tax	3 005	21	3 140	21
<b>Loss discontinued operations</b>	<b>-14 392</b>	<b>-1 583</b>	<b>-15 223</b>	<b>-2 900</b>

## Note 12 Subsequent event

### *Røros-Meraaker Zinc project*

The group has decided to dedicate its management and financial resources on the Mindoro Nickel Project and terminated the agreement with North Atlantic Minerals Ltd. As a consequence, the group will not pursue any exploration activities in central Norway and has not renewed the 31 exploration licenses.

### *Rights issue prospectus*

Intex Resources ASA issued the prospectus for the subsequent offering of minimum 13 166 667 and maximum of 20 000 000 new shares in Intex Resources ASA 18 December 2015. The subscription period ended 7 January 2016, and in total 13 166 667 shares were subscribed for at a subscription of price of NOK 0.60 per share.

For each Offer Share allocated and paid for in the Rights Issue, the subscriber will, in addition, receive one warrant giving the subscriber a right to subscribe for an additional share in the company at a subscription price of NOK 0.66, to be exercised no later than 18 July 2016. If exercised, existing Shareholders not using their subscription rights will be further diluted.

The minimum amount of the Rights Issue, NOK 7 900 000, has been, irrevocably, underwritten by participants in an underwriting syndicate consisting of major shareholders in the Company and all members of the Board of directors, on the terms set forth in the underwriting agreements dated 23 November 2015.

Pursuant to the underwriting agreements, each underwriter in the underwriter syndicate will upon completion of the Rights Issue receive an underwriting fee corresponding to 2.5% of the underwritten amount.

Based on the subscription received and the allocation principles as set out in the Prospectus, the Board of Directors allocated and issued 13 166 667 new shares, raising a gross proceed of NOK 7 900 000. Following the registration of the new share capital, the Company has 104 843 334 shares outstanding, each with a nominal value of NOK 0.02.

Financial Calendar:

*Q4 Financial Report 2015, 18 February 2016*

*Q1 Financial Report 2016, 12 May 2016*

*Annual General Meeting, 12 May 2016*

*Q2 Financial Report 2016, 18 August 2016*

*Q3 Financial Report 2015, 17 November 2016*