

Q4 report 2016

Interim Consolidated Financial Statements.

Highlights from Q4 2016

- Increased focus on business development following up the changed strategy to diversify the Company.
- Continuous evaluation of prospects with focus on undervalued assets with relative short term to cash flow.
- Agreement with Legacy Hill Resources ('LHR') and Ambershaw Metallics, Inc ('AMI') to provide USD 200,000 in a convertible loan and grant of option to acquire 51% of AMI through a subsequent equity transaction of USD 7 million by end March 2017. AMI owns the Bending Lake asset in Canada and will produce magnetite pellets for DRI plants. AMI is expected to generate a positive EBITDA within 12-18 months.
- Secured a Share Subscription Facility with GEM to raise up to NOK 80 million.
- Preservation of the Mindoro Nickel asset, under uncertain political situation in the Philippines, paired with still challenging market conditions.

Subsequent events

- Initiated testing in China of upgrading of the Mindoro nickel ore through new methods, preliminary test resulted in good indications of upgrade, but additional testing will be necessary to reach a conclusion.
- Increased political uncertainty on the Philippines.
- The company is working to obtain financing to strengthen the company's current financial position.

Financial Results

(All numbers in brackets refer to comparable 2015 figures; profit and loss related figures compares to same period 2015 while balance sheet figures compare to figures as at 31 December 2015)

Key figures:

	Non audited 1.10.-31.12.		Non audited 1.1.-31.12.		Audited 1.1.-31.12.
(USD 1 000)	2016	2015	2016	2015	2015
Loss from continuing operations	-545	-1 338	-1 907	-3 524	-4 273
Loss discontinued operations	-406	-14 392	-1 222	-15 223	-16 041
Loss for the period	-951	-15 730	-3 129	-18 747	-20 314

The Mindoro Nickel Project has from December 2015 been classified as *Asset held for sale/Discontinued operation*. The remaining activity related to the Hurdal Project were written off as impaired in 2015.

There has been no exploration activity in Q4 of 2016 or 2015, and exploration expenses are only related to license fees.

Net loss from continued operations before and after tax amount to USD 545 thousand (loss of USD 1 338 thousand).

At 31 December 2016, cash and cash equivalents amount to USD 706 thousand (USD 420 thousand). The reason for the increase in cash deposit is due to share capital increases from rights issues, two private placements, and a convertible bond closed during first half of 2016. The bond was converted into shares 6 June 2016. The cash reserves are held in NOK and EUR and are entirely placed in bank deposits. Interest income on bank deposits was minimal during the period ending 31 December 2016 and 31 December 2015.

Book equity as at 31 December 2016 was USD 4 062 thousand or USD 0.11 per outstanding share (USD 3 378 thousand or USD 0.04 per share). The equity ratio was 57.3 per cent as at 31 December 2016 (55.2 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.

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

Business development and diversification.

In the fourth quarter of 2016, the company entered into an agreement which allows Intex to acquire a 51% stake in Ambershaw Metallics Inc. ('AMI'), a company controlled by Legacy Hill Resources Ltd. Ambershaw Metallics Inc. holds the Bending Lake iron deposit in NW Ontario, Canada, which hosts a NI 43-101 compliant resource of 336 Mt magnetite ore, and intends to provide the North American and international steel industry with high quality magnetite pellets suitable for DRI (Direct Reduced Iron) production using proprietary cold pelletising technology. AMI contemplates a short track to cash flow; the initial pellet production is expected to commence following a period of 12-18 months of resource review, engineering, and permitting.

Following the implementation of the adjusted strategy, the Company has reviewed a number of potential prospects. The approach is to find undervalued assets close to - or in production. The Company considers the market to be a buyers' opportunity market. Intex will provide updates to the market in due course with regard to its diversification strategy.

Realisation plan for Mindoro Nickel

During the fourth quarter of 2016 the company has entered into a cooperation agreement with Spruance Investments Ltd and its principal Jose Roy Borromeo to assist in developing more local partnerships for its Nickel resources on Mindoro in the Philippines. While the cooperation agreement with Spruance Investments Ltd expands the company's partnership opportunities, any partnership discussion for Mindoro Nickel is affected by an uncertain political situation in the Philippines. The company continues to preserve the values of the Mindoro Nickel, and work to increase its value for potential partners.

Cost reductions and cost control.

Cost reductions has continuously been implemented where possible. The Company is monitoring its cost basis on an ongoing basis both in Norway and in the Philippines.

Outlook

The company is moving forward with its strategy of diversification, and identifying new business opportunities. The company is optimistic about its capability to find and pursue assets that would be attractive in the company's portfolio, and that are close to or in production.

The company is working to increase the potential of its existing assets, but the realization of the assets is affected and is expected to continue to be affected by the challenging political climate in the Philippines.

The current cash of the Company takes operations through the first quarter of 2017. The company is currently working to obtain financing to strengthen the company's financial position.

Interim Consolidated Statement of profit and loss and comprehensive income

(USD 1 000)	Notes	Non audited 1.10.-31.12.		Non audited 1.1.-31.12.		Audited 1.1.-31.12.
		2016	2015	2016	2015	2015
Continuing operations						
Other revenue		53	41	211	195	199
Exploration and evaluation costs		2	2	-3	-54	-58
Other operating expenses		-600	-1 358	-1 949	-4 588	-4 408
Operating loss		-545	-1 315	-1 741	-4 447	-4 268
Financial income		1	-	4	19	19
Financial costs		-0	-23	-170	-25	-25
Net financial items		0	-23	-166	-6	-6
Loss before tax		-545	-1 338	-1 907	-3 524	-4 273
Loss after tax		-545	-1 338	-1 907	-3 524	-4 273
Loss discontinued operations	10	-406	-14 392	-1 222	-15 223	-16 041
Loss for the period		-951	-15 730	-3 129	-18 747	-20 314
Basic and diluted earnings per share		-0,03	-0,17	-0,09	-0,23	-0,23
Basic and diluted earnings per share continued operation		-0,01	-0,01	-0,05	-0,04	-0,05
Basic and diluted earnings per share discontinued operation		-0,01	-0,16	-0,03	-0,17	-0,18
Other comprehensive income:						
Net profit/loss on net investments in foreign operations		4 867	2 079	-1 531	7 633	7 633
Exchange differences on translation of foreign operations		-4 749	-1 132	1 590	-7 704	-7 704
Accumulated income/ expense related to discontinued operations		960	-1 134	-41	-1 134	-1 134
Total comprehensive income for the period to be reclassified to profit or loss in subsequent periods:		1 078	-187	18	-1 205	-1 205
Total comprehensive income for the period/year		128	-15 917	-3 111	-19 952	-21 519

Interim Consolidated Statement of financial position

<i>(USD 1 000)</i>		Non audited 31.12.	Audited 31.12.
	Notes	2016	2015
ASSETS			
Exploration and evaluation assets	10	-	-
Property, plant and equipment	9	9	18
Financial long term assets		192	0
Total non-current assets		201	18
Other receivables		27	156
Cash and cash equivalents	5	706	420
Total current assets		733	576
Asset classified as held for sale	10	6 152	6 258
Asset classified as held for sale		6 152	6 258
TOTAL ASSETS		7 086	6 851
EQUITY			
Share capital		339	208
Other paid-in capital		69 631	64 953
Cumulative translation adjustments		14 015	23 734
Other equity		-79 923	-85 112
Total equity	8	4 062	3 783
LIABILITIES			
Other long term liabilities		317	311
Total long term liabilities		317	311
Trade payables		54	113
Other current liabilities		178	226
Total current liabilities		232	339
Liabilities associated with asset classified as held for sale	10	2 474	2 418
Liabilities associated with asset classified as held for sale		2 474	2 418
TOTAL EQUITY AND LIABILITIES		7 086	6 851

Interim Consolidated Statements of Changes in Equity

<i>(USD 1 000)</i>	Share capital	Other paid-in capital	Cumulative translation adjustments	Other equity	Held for sale	Total
Equity 1 January 2015	222	76 505	11 591	-65 563	253	23 007
Share option costs	19	24		2 253		2 296
Profit/-loss for the period				-20 314		-20 314
Discontinued operation			668	63 870	-64 538	0
Other comprehensive income	-33	-11 576	3 287	8 252	-1 134	-1 203
Equity at 31 December 2015	208	64 953	15 546	-11 502	-65 419	3 785

<i>(USD 1 000)</i>	Share capital	Other paid-in capital	Cumulative translation adjustments	Other equity	Held for sale	Total
Equity 1 January 2016	208	64 953	15 546	-11 502	-65 420	3 785
Capital increase	126	3 263				3 389
Profit/-loss for the period				-3 129		-3 129
Discontinued operation				1 222	-1 222	0
Other comprehensive income	5	1 415	-1 531	170	-41	18
Equity at 31 December 2016	339	69 631	14 015	-13 239	-66 684	4 062

Interim Consolidated Cash Flow Statement

	Non audited 1.1.-30.9
<i>(USD 1000)</i>	2016
Profit/-loss for the year, continued operations	-1 906
Profit/-loss for the year, discontinued operations	-3 027
Depreciation, amortisation and impairment	-6
<i>Operating activities</i>	
Change in trade and other receivables (inkl. prepaid)	129
Change in trade payables and other current liabilities	-107
Changes in Other long term liabilities and financial asset	6
Changes in Asset held for sale	1 557
<i>Cash-flow from operating activities</i>	-3 355
<i>Investment activities</i>	
Net expenditure on property, plant and equipment	15
Investment in exploration and evaluation projects	-192
<i>Cashflow from investment activities</i>	-177
<i>Financing activities</i>	
Capital increase	3 414
<i>Cash flow from financing activities</i>	3 414
<i>Net change in cash and cash equivalents</i>	-118
<i>Cash and cash equivalents at the start of the period</i>	420
<i>Sum translation effects</i>	404
<i>Cash and cash equivalents at the end of the period</i>	706

Notes to the Interim Consolidated Financial Statements

- Note 1 General information
- Note 2 Basis for preparation
- Note 3 Accounting policies
- Note 4 Estimates
- Note 5 Financial risk management
- Note 6 Segment Information
- Note 7 Related parties
- Note 8 Shareholder value and Stock value
- Note 9 Assets
- Note 10 Discontinued operation
- Note 11 Subsequent event

Note 1 General information

Intex Resources ASA is a public limited liability company incorporated and domiciled in Norway. The Company's office address is Prinsens gate 2, 0152 Oslo, Norway. The Company's shares are listed on the Oslo Stock Exchange.

The Group's main activity is international exploration and evaluation activities with a focus on non-precious metals and mineral projects.

Note 2 Basis for preparation

This condensed consolidated interim financial 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 2015, 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 2015. Future effects of new accounting standards were described in the Consolidated Financial Statements for 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 2015.

Note 5 Financial risk management

General

The Group is exposed to a number of types of financial market risk arising from its normal business activities:

- Credit risk
- Liquidity risk
- Market risk

The corporate management monitors the Group's most important financial risks and assesses whether measures are required to reduce a specific risk if a need to do so is identified.

Liquidity risk

The aim of the Board of Directors is to maintain a strong capital base in order to retain the trust of investors, creditors and the market at large as well as to develop the business. Excess liquidity may be invested in financial instruments with low to limited risk that might generate a return somewhat above the interest from bank deposits. Capital management and return on liquid assets are continuously monitored by the Board of Directors.

The Group has been raising equity through a rights issue in January 2016, and through two private placements in April 2016. Further, the Company secured a convertible loan agreement of EUR 2 million which were settled in May and converted in June 2016.

In November 2016, the company entered into a Share Subscription Facility agreement with GEM Global Yield Fund ("GEM") pursuant to which GEM commits to invest up to NOK 80 million in the Company in the form of a SSF whereby the Company, may draw down on the facility by issuing new shares to GEM in return for cash. Subject to its terms, the equity facility can be used entirely at the company's discretion subject to terms set forth in company press release dated 22 November 2016.

Currency risk

The Group is exposed to currency risk relating to costs, receivables and liabilities in currency other than the functional currencies for its entities. Foreign exchange transactions are mainly in USD and EUR. At present, the Group does not utilise financial instruments to handle its currency risk. However, the Group regularly assesses whether there is a need to switch currency in order reduce any currency risk that may arise.

In addition, the Group's balance sheet is exposed to exchange rate movements between the functional currencies and the presentation currency (USD). The majority of the Group's cash and cash equivalents are in NOK and EUR.

The following table shows the exposure of the group's main financial assets in currencies other than the presentation currency and the effect on the Group's equity at 30 September 2016 if the specified currencies had appreciated/ depreciated by 10 per cent and all other variables remained constant:

<i>(in 1 000)</i>	Denominated currency (DC)	FX	FX rate 30.09.16	Carrying amount	Equity effect of +/- 10% change in FX rate
NOK	4 231	USD	8,62	491	+/- 49
EUR	200	USD	0,95	210	+/- 21

Note 6 Segment Information

Management considers that the Group has two business segments: 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 project in Norway.

Per 31 December 2015, the group has classified the segment Exploration and evaluation of mineral resources in the Philippines as discontinued operation.

Loss before and after tax for the segment is the same as for the continuing operation in the Statement of profit and loss and other comprehensive income. Further, see note 10 *Discontinued operation* for further information.

Note 7 Related parties

As of 31 September 2016, the number of shares held by directors and management of Intex Resources ASA are:

	No. of shares	No. of options
Lars Christian Beitnes, Chairman of the Board	25 000	182 578
Frode Aschim, Member of the Board ¹⁾	18 628	182 578
Mona Lynne Eitzen, Member of the Board		182 578
Cecilie Grue, acting CEO		182 578

¹⁾ Owned through Hannibal AS

The Chairman of the Board Lars C. Beitnes holds a long position of 180 000 CFD's on the Intex Resources ASA share.

Service Agreements

On 1 January 2016, the Company entered into a service agreement with Global Vision Limited for providing administrative and consultancy services to the Company. The services from Global Vision Limited are provided by Mr. Lars C. Beitnes, Chairman of the Board of Intex Resources. The services provided under this agreement are those over and above those duties normally covered by a non-executive Chairman. The agreement is in effect until 31 December 2016, and the monthly fee amounts to NOK 70 000 per month.

On 1 January 2016, the Company entered into a service agreement with Ether Capital Ltd for providing administrative and consultancy services to the Company. The services from Ether Capital Ltd are provided by Mr. Frode Aschim, a Board Member of Intex Resources. The services provided under this agreement are those over and above those duties normally covered by a non-executive Board Member. The agreement is in effect until 31 December 2016, and the monthly fee amounts to NOK 50 000 per month.

Stock options

As of 31 December 2016, the company has expensed USD 32 467 as personnel cost, based on option incentive programs to board members.

Note 8 Shareholder value and Stock value

The share price at 31 December 2016 was NOK 1.73, down NOK 0.47 compared to the closing price at the end of 2015. Total shares were 36 515 769, fully diluted 37 446 081, of which 87 927 shares were held in treasury. The Company's market capitalization amounted to USD 7 327 thousand/ NOK 63 172 thousand.

As at 30 September 2016 the 20 largest shareholders, held 61.65% of the total shares.

20 largest shareholders 30 September 2016	No of shares	Ownership in % of total
RBC INVESTOR SERVICES TRUST	7303167	20,00 %
THE WHITE NOVEMBER FUND LTD	3270216	8,96 %
LGT BANK AG	2153990	5,90 %
NIMECO AS	1285500	3,52 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	978750	2,68 %
ENGELSTAD	727988	1,99 %
J.P. MORGAN BANK LUXEMBOURG S.A.	639542	1,75 %
SIX-SEVEN AS	623398	1,71 %
E. LARRE HOLDING AS	580157	1,59 %
STAVANGER KARTING AS	561910	1,54 %
FRANKPLADS	548871	1,50 %
SPENCER TRADING INC	542452	1,49 %
MATHIAS HOLDING AS	500000	1,37 %
FRANKPLADS	500000	1,37 %
DEDEKAM HOLDING AS	475000	1,30 %
CREDIT SUISSE AG	388750	1,06 %
CASTRO	378750	1,04 %
LANDSBANKINN HF.	372589	1,02 %
LANDGRAFF	346384	0,95 %
VPF NORDEA AVKASTNING	332745	0,91 %
Other	14 005 610	38,35 %
Total	36 515 769	100,00 %

Note 9 Assets

There has been no material addition of tangible and intangible assets during 2016 or 2015.

Note 10 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* changed the measurement basis of any non-current assets included in the segment. On initial classification in 2015 the assets were measured to the lower of carrying amount and fair value less costs to sell. Impairment loss from initial classification were included in the result from discontinued operation with USD 17 222 thousand.

As of 31 December 2016, the group has recorded an additional impairment loss of USD 2 000 thousand, included in the operating expenses below.

Condensed statement of profit and loss:

	Unaudited 1.10.-31.12.		Unaudited 1.1.-31.12.		Audited 1.1.-31.12.
(USD 1 000)	2016	2015	2016	2015	2015
Other revenue			6		
Exploration and evaluation costs	-52	92	-238	-240	-404
Other operating expenses	-354	-17 473	-990	-18 107	-18 761
Operating loss	-406	-17 381	-1 222	-18 347	-19 165
Finianial costs		-16		-17	
Loss before tax	-406	-17 397	-1 222	-18 364	-19 182
Loss after tax	-406	-17 397	-1 222	-18 364	-16 041
Loss for the period	-406	-17 397	-1 222	-18 364	-16 041

Condensed statement of financial positions:

	Unaudited 31.12.	Audited 31.12.
<i>(USD 1 000)</i>	2016	2015
ASSETS		
Exploration and evaluation assets	5 870	6000
Property, plant and equipment	12	31
Financial long term assets	76	81
Total non-current assets	5 959	6112
Other receivables	66	38
Cash and cash equivalents	128	107
Total current assets	194	145
TOTAL ASSETS	6 152	6257
LIABILITIES		
Deferred tax	193	204
Other long term liabilities	196	16
Total long term liabilities	389	220
Trade payables	103	132
Other current liabilities	1 982	2066
Total current liabilities	2 085	2198
TOTAL LIABILITIES	2 474	2418

Note 11 Subsequent events

The company is working to obtain financing to strengthen the company's current financial position.

Financial Calendar:

Q1 Financial Report 2016, 12 May 2016

Annual General Meeting, 12 May 2016

Q2 Financial Report 2016, 30 August 2016

Q3 Financial Report 2016, 17 November 2016

Q4 Financial Report 2016, 28 February 2017