

Quarterly Activities and Cash Flow Report

for the Quarter Ended 30 September 2019

30 October 2019

HIGHLIGHTS

- During September and early October 2019, ground-based exploration work was completed at MinRex's exploration licences in the East Pilbara Region; these areas are prospective for the discovery of gold, copper, nickel, chrome and other metals.
- Latest field work focussed on MinRex's two Bamboo Creek project areas (E45/4560 & E45/4853), with reconnaissance, geological mapping and rock sampling completion and a total of 230 rock samples being collected;
- Site reconnaissance and planning work also completed in preparation for more detailed future exploration at the Daltons Project (E45/4681), Marble Bar North Project (P45/3040) and Marble Bar South Project (P45/3039);
- To date results from the chemical analysis of the 230 rock samples collected this Quarter have not been received; once received an ASX Announcement detailing the assay results will be prepared;
- The results from this latest program will build on the excellent results from MinRex's five previous exploration campaigns on the East Pilbara project areas;
- As at 30 September 2019 the Company had available cash of \$0.3 million.

About MinRex

MinRex Resources Limited (ASX:MRR) ("MinRex" or "the Company") is an exploration company, listed on the Australian Securities Exchange, with its present focus being the exploration of gold and base metal projects in Western Australia. During the September 2019 Quarter field programs were completed at three East Pilbara project areas.

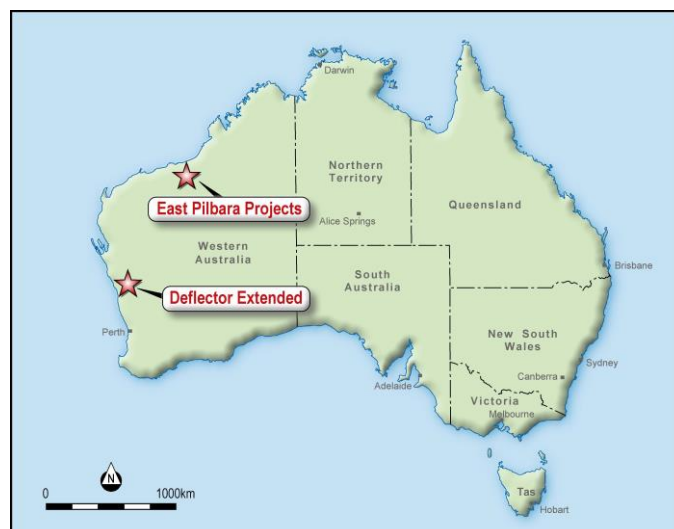


Figure 1: Location of MinRex Project Areas

MinRex currently holds five projects, four of which are located in the East Pilbara Region of WA. The East Pilbara 70%-owned Projects consist of Bamboo Creek Gold Project, Marble Bar North Gold Project, Marble Bar South Gold Project and the Daltons Gold Project. The Deflector Extended Gold Project at Gullewa in Western Australia is 100% owned by the Company (Figure 1).

East Pilbara Gold Projects

Prior to the September 2019 Quarter, exploration on MinRex's East Pilbara project areas had included five field exploration programs. This work recovered gold nuggets from the Marble Bar North tenement (P45/3040), along with a total of 80 rock samples and 90 rock samples from the Marble Bar South tenement (P45/3039). An additional 160 rock samples were collected from the Daltons tenement (E45/4681), 210 rock samples from the larger Bamboo Creek tenement (E45/4560) and 70 rock samples from the smaller Bamboo Creek tenement (E45/4853) (Figure 2). The 100 rock samples from the Daltons Project collected in June 2019, returned assays¹ of up to 60.6/t Au and 5.8% Cu with the average grade of all 100 samples being 1.80g/t Au and 0.12% Cu.

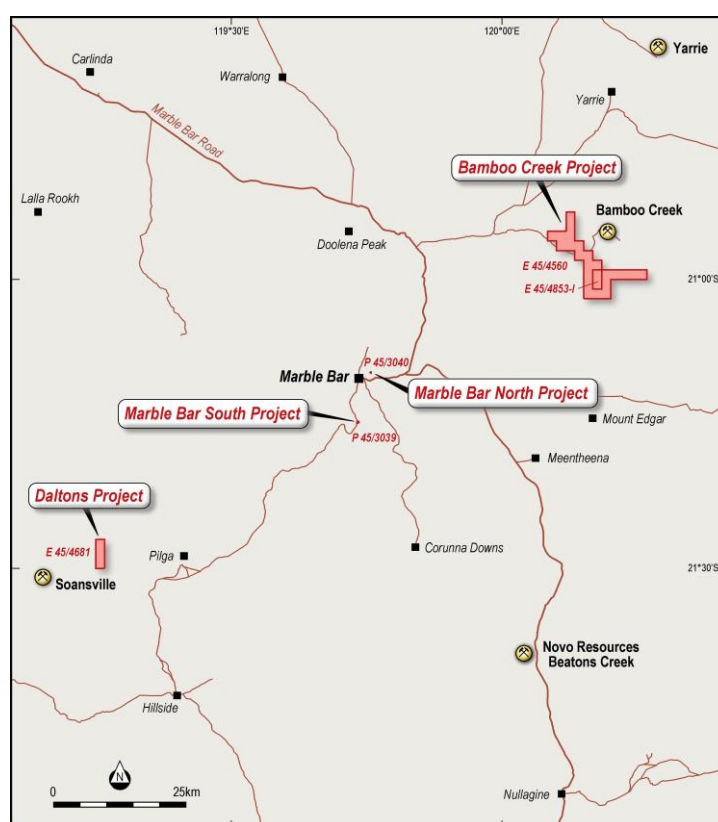


Figure 2: Location of MinRex's four East Pilbara Project Areas

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

¹ Refer to 15 July 2019 ASX Announcement

Work completed during the September 2019 Quarter

In the current September 2019 Quarter, MinRex completed its sixth field exploration program in the East Pilbara, in less than two years. On the 18 September 2019, MinRex announced that the current program was commencing and then announced its completion on the 4th October 2019. The work completed in this exploration program focussed on following up on the earlier very encouraging rock sampling results from the two Bamboo Creek project exploration licences (Figure 3) with detailed rock sampling and geological mapping to better understand the gold and base metals prospects now identified and continue the search for as yet undiscovered mineralised systems. In all 180 samples were collected from the larger lease (E45/4560) and 50 samples from the smaller lease (E45/4853) for a grand total of 230 rock samples collected in the current quarter.

The rock samples collected in the September 2019 Quarter are at the Bureau Veritas Laboratory in Perth, progressing through the analytical process. The assay results for the 230 rock samples are expected in the near future and these will be released, along with the locational data, maps and plans, as soon as possible after their receipt.

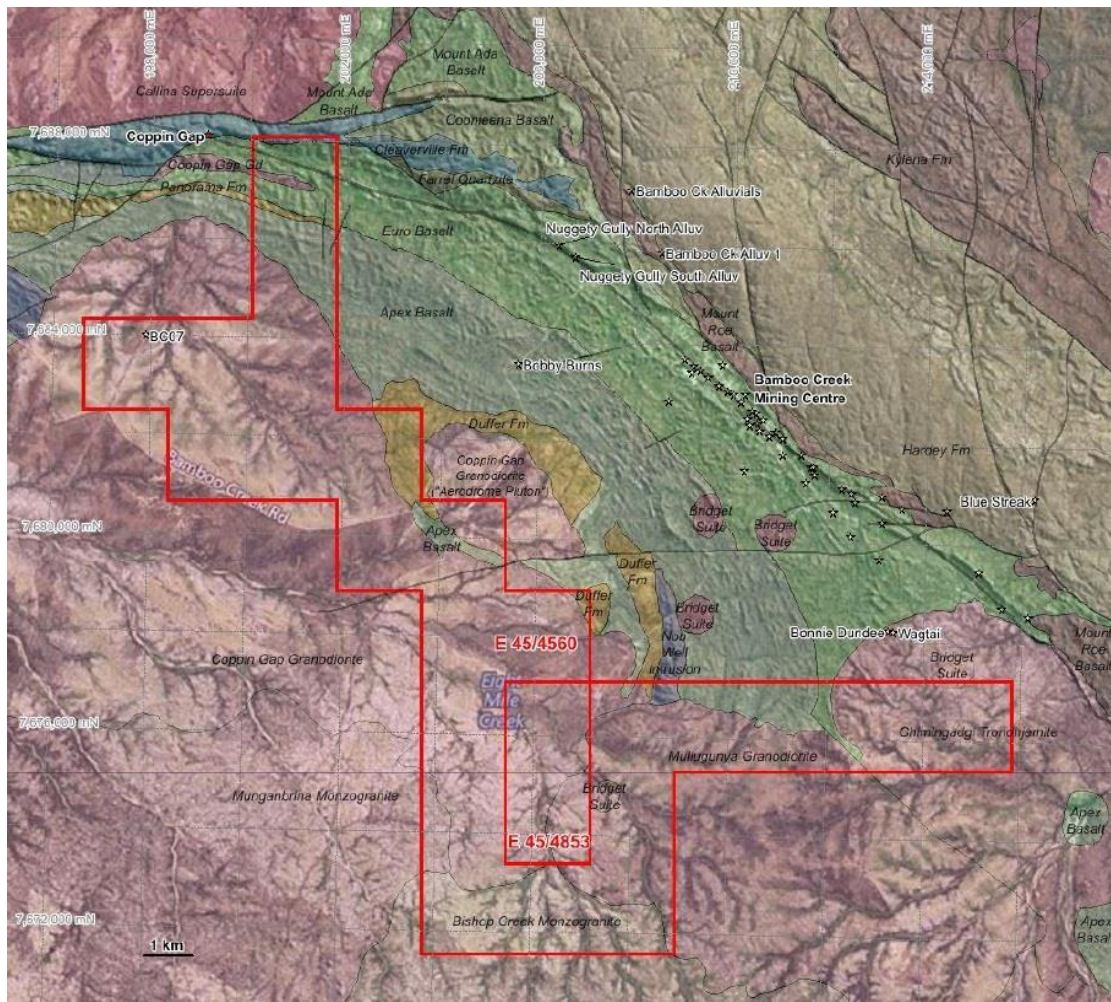


Figure 3: Map showing the geology of MinRex's two Bamboo Creek exploration licences

Previous exploration programs at the two Bamboo Creek Project exploration licences included geological mapping, metal detecting and the collection of numerous rock samples, which returned a number of anomalous gold and copper assays, especially from rock samples collected in the northern portion of the Bamboo Creek Project area, both along strike from the old Bamboo Creek gold mines and within the quartz vein hosted Norms Find and BC07 prospect areas. The samples collected were taken at previously identified gold, copper, chrome, nickel and polymetallic

prospects, and from outcrop and float; these returned assay values of up to 22.9g/t Au, 42g/t Ag, 18.5% Cu, 0.20% Cr, 0.15% Ni, 0.12% Pb and 0.28% Zn (Figure 4).

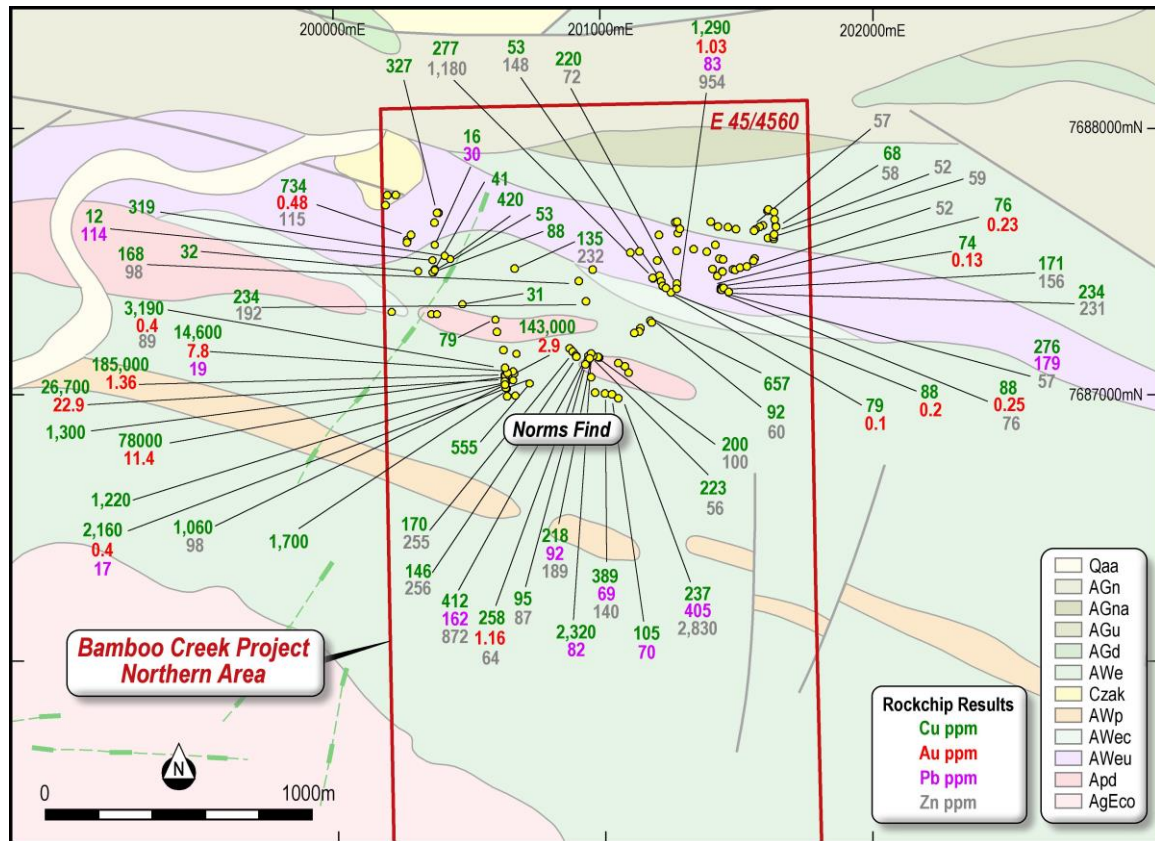


Figure 4: Northern part of the Bamboo Creek Project showing the samples collected to date

The Bamboo Creek Project area is prospective for gold mineralisation of the Bamboo Creek style; the Bamboo Creek goldfield lies just 5-10km to the north and east, and along strike, within the greenstones that occur in the northern portion of the exploration licence. In the current exploration program a total of 100 rock samples were collected from the along strike stratigraphy of the Bamboo Creek goldfield, within the exploration licence.

There is also potential for felsic porphyry-hosted base metal and molybdenum mineralization of the Spinifex Ridge (Coppin Gap) type, with the Spinifex Ridge Mo-Cu deposit being just 2km to the west of the northern portion of the exploration licence, occurring within a porphyry intrusion. In the current exploration program a total of 40 rock samples were collected from a prominent fluorite-carbonate-quartz vein system, with anomalous copper values, at the BC07 prospect that may be related to the nearby felsic porphyry-hosted base metal and molybdenum mineralization.

There is also potential for chrome-nickel mineralization in ultramafic bodies, as at Nobb Hill, and in the current exploration program a total of 40 rock samples were also collected from within and close to the Nobb Hill prospect. There is also potential for anomalism in other, as yet unidentified, mineralization styles within the Bamboo Creek Project area.

During this latest exploration program, some further work was also completed at the other three East Pilbara project areas, including the gold and base metal prospects at the Daltons Project and the two Marble Bar projects which both contain old gold mining workings and associated gold anomalism. From December 2017 through October 2019, a total of 840 rock samples have now been collected from MinRex's four East Pilbara project areas, with many of the assays being highly anomalous for gold, copper, silver, nickel, chrome and zinc.

In the future, field work will continue in the East Pilbara, with further exploration work at all four of MinRex's project areas around Marble Bar, but with a major focus being the Bamboo Creek and Daltons exploration licences. Further rock sampling, soil sampling and detailed geological mapping will be used to better understand these gold, base metal and poly-metallic mineralised systems. This work will aim to build on the results received from the six exploration programs that have now been completed by MinRex.

Deflector Extended Gold Project

MinRex's Deflector Extended Gold Project (E59/1657) lies to the northeast of the Silver Lake Resources Ltd underground Deflector Mine where copper-gold mineralisation occurs in shear zones in meta-basalt, and also the Golden Stream open-cut where gold was produced from shear-zone hosted quartz veins in meta-basalt.

No work was completed at the Deflector Extended Project during September 2019 Quarter.

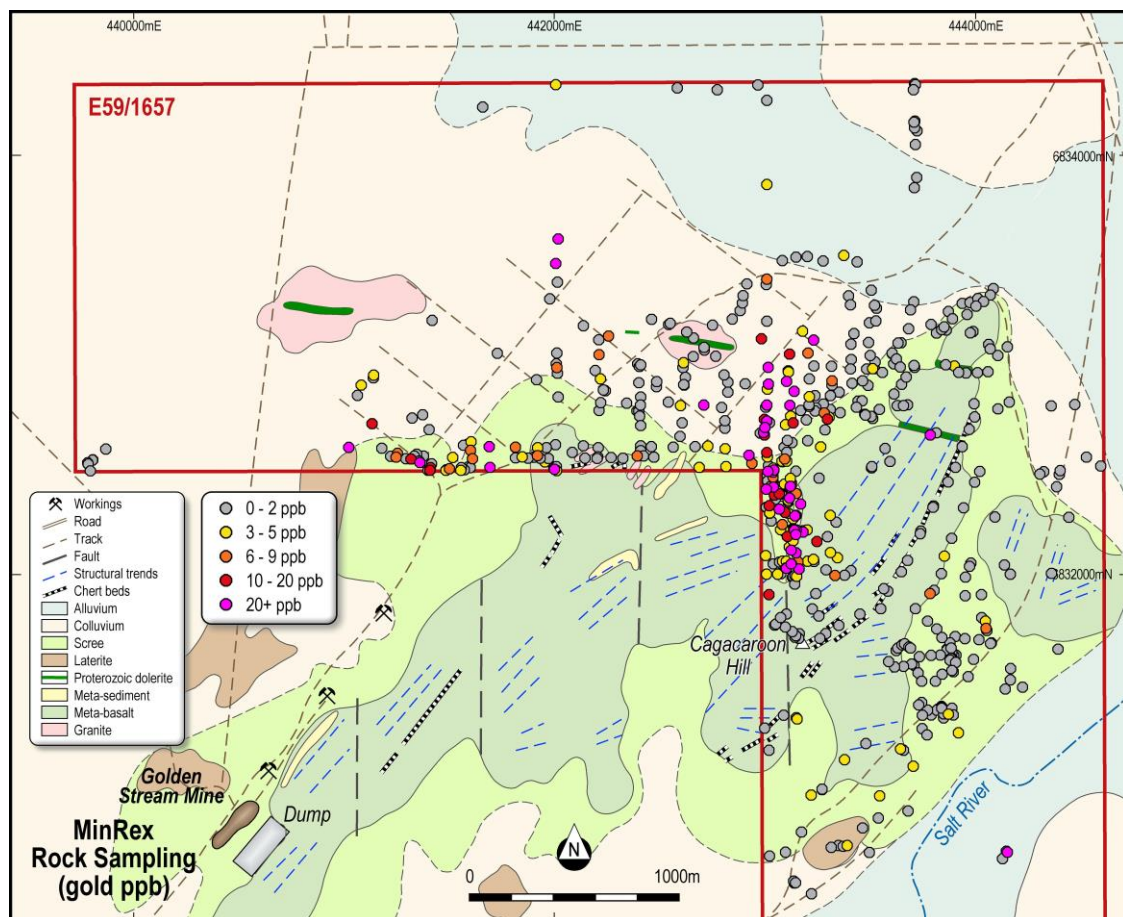


Figure 5: Plan showing the geology and all rock sample assay results, in E59/1657

Previous work on this tenement during the year included reconnaissance and geological mapping to follow up the review of the previously completed exploration work. To date, MinRex collected a total of 600 surface rock samples at the Deflector Extended Gold Project, 594 soil samples and 185 auger drill samples which have defined significant anomalous zones for further exploration and sampling. There have also been prior programs of RAB drilling, aircore drilling and soil sampling, by earlier explorers of the area, with the results supporting the definition of these anomalous zones. The assay results from all 600 rock samples collected by MinRex in the project area are shown above (Figure 5).

Exploration work will continue during second and third quarters of the year with a focus on potential drill sites and targets for RAB drilling, targeting the most anomalous zone immediately to the north of the Cagacaro Hills.

Tenement information as required by Listing Rule 5.3.3

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

Corporate

As at 30 September 2019, the Company had available cash of \$0.3 million.

For further information, please contact:

Simon Durack
Executive Director
MinRex Resources Limited
T: +61 8 9486 8806

info@minrex.com.au

Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Kieron Munro, a Competent Person who is a Member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Munro is employed as an independent geological consultant by MinRex and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MINREX RESOURCES LIMITED and its Controlled Entities

ABN

81 151 185 867

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(59)	(59)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(198)	(198)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(256)	(256)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Acquisition of subsidiaries	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	557	557
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(256)	(256)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	301	301

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	301	557
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposit	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	301	557

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

49

-

Payment to directors including non-executive directors' fees and superannuation for the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

-

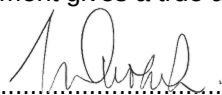
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	160
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	200

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 30 October 2019

Print name: **SIMON DURACK**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.