

Quarterly Activities and Cash Flow Report

for the Quarter Ended 31 March 2021

HIGHLIGHTS

- Signed formal Farm-in and Joint Venture Agreement with Wattle Resources Pty Ltd and Fortius Mines Pty Ltd in relation to EL7974 and EL7423, which forms part of the Sofala Project Area.
- Historical soil sampling assays from Wattle Resources for the Wiles Prospect received, includes¹:
 - 9.26 ppm Au
 - 4.28 ppm Au
 - 4.01 ppm Au
- Results of recent shallow RC drilling completed by Wattle Resources at the Wiles Prospect received, includes¹:
 - 2m @ 2.97g/t Au from 17m (WFR005)
 - 9m @ 2.43g/t Au from 6m (WFR004)
- Additional historical drilling assays received from Wattle Resources, includes¹:
 - 1.5m @ 37.9g/t Au from 66.5m (Big Oakey) (CH360-6)
 - 3m @ 4.2g/t Au from 73m (Big Oakey) (CH360-5)
 - 2m @ 8.11g/t Au from 92m (Caledonian) (CC 4)
 - 2m @ 7.7g/t Au from 2m (Caledonian) (CC 5)
 - 2m @ 9.81g/t Au from 38m (Surface Hill) (CSH 3)
 - 16m @ 3.3g/t Au from 48m (Surface Hill) (CSH 25)
 - 2m @ 9.85g/t Au from 46m (Whalans Hill) (CWH4)
 - 2m @ 3.62g/t Au from 26m (Whalans Hill) (CWH1)
- Confirmed land access rights to enable drilling at Wiles Prospect in May 2021 and Spring Gully Prospect
- Land access agreements being negotiated for drilling at the high-grade Queenslander gold mine and newly discovered gold prospect Hill X
- The Company remains well-funded with \$2.7 million in cash at the end of the quarter

MinRex Resources Limited (ASX: MRR) ("MinRex" or "the Company") is pleased to provide the following report on its activities during the March 2021 quarter. The Company's primary focus during the reporting period was

¹ Refer to MRR ASX announcement on 26-Feb-2021 titled Sofala Exploration update

signing the formal Farm-in and joint venture agreement with Wattle Resources Pty Ltd and Fortius Mines Pty Ltd (a wholly owned subsidiary of Australian United Mining Limited (ASX:AYM)) for EL7974 and EL7423 respectively, which forms part of the Sofala Project and commencing exploration activities in preparation of drilling in May 2021.

EXPLORATION UPDATE

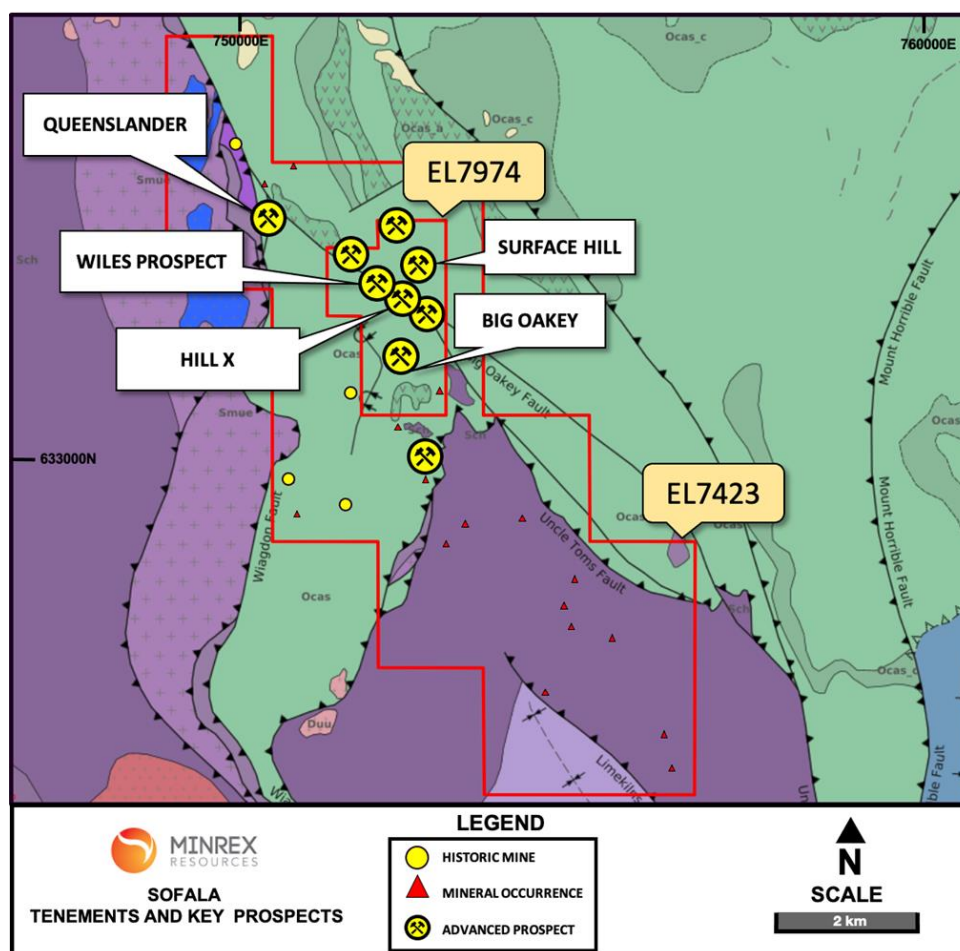
The Sofala Project Area is a historical gold mining region with workings dating back to 1851. MinRex holds farm-in over two exploration licences in (EL7974 and EL7423) to earn up to 80% of those licences. The area contains 10 historical mines and 16 artisanal workings. The project area covers 18 units (~41km²) across the two licences.

EL7974

Wiles Prospect²

The Wiles Prospect is a recently discovered orogenic gold deposit on strike of the Big Oakey Fault between Whalans Hill (**10m@1.63g/t Au**) and Caledonian (**2m@8.11g/t Au**). The prospect was discovered by joint-venture partner Wattle Resources Pty Ltd.

A soil sampling campaign of the previously unexplored ground was conducted by Wattle producing exceptional results (samples returned **9.26g/t Au**, **4.01g/t Au** and **4.28g/t Au**). This prospectivity was confirmed by shallow RC drilling in late 2020 with results returning **9m@2.43g/t Au from 17m (WFR005)** and **2m@2.97g/t Au from 6m (WFR004)**.



² Refer to MRR ASX announcement on 26-Feb-2021 titled Sofala Exploration update and 26-Mar-2021 titled MinRex on Ground in Preparation for Drilling

Figure 1 – Map of Sofala Project Areas EL7974 and EL7423

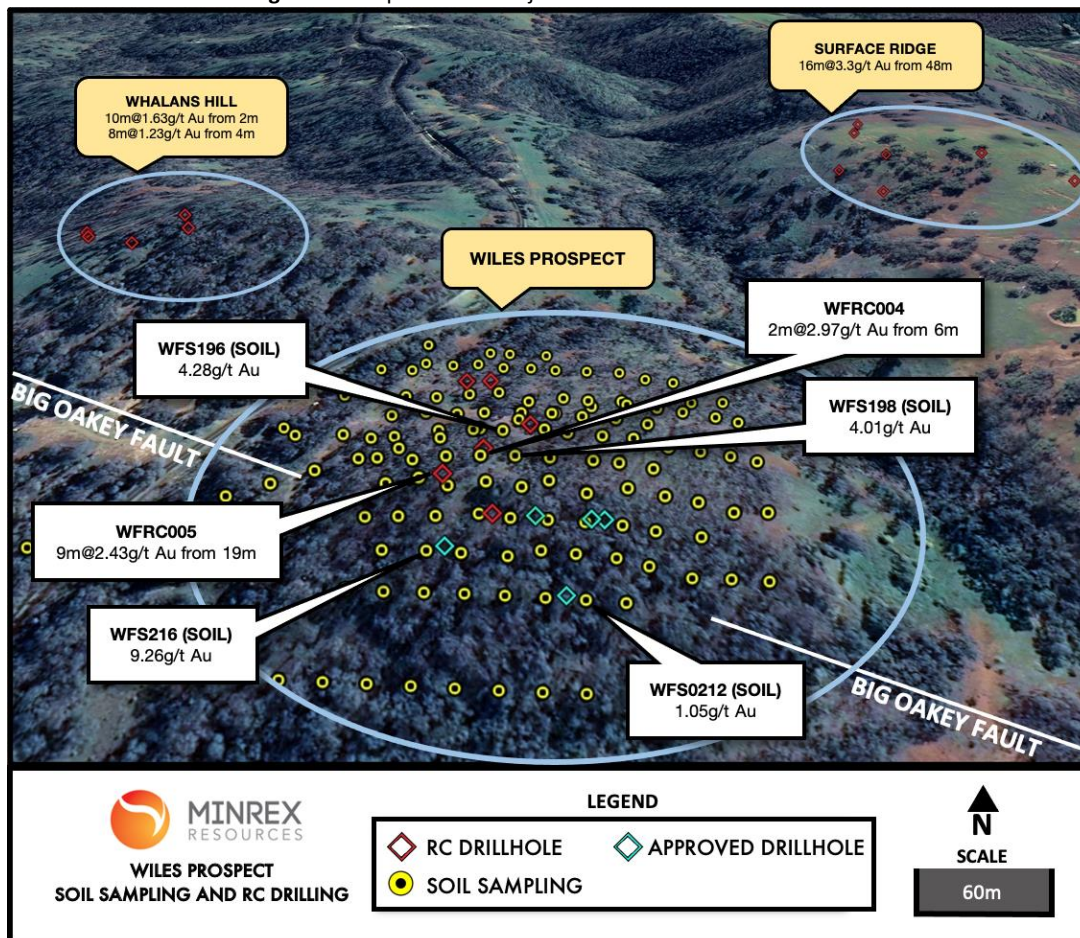


Figure 2 – Wiles Prospect RC Drilling and Soil Sampling from Wattle Resources P/L from 2018 -2020

Land Access Agreement and Drilling Campaign

MinRex has confirmed land access rights to the Wiles Prospect. A drilling program of up to 3,000m of infill RC drilling to further define the prospectivity of the Wiles prospect (regulatory approval pending). **Drilling is scheduled to commence in May 2021.**

The Company will deploy the Strike Drilling X350 AC/RC Drill Rig it secured for a 12-month period via the strategic co-operation agreement with NSW exploration company Argent Minerals Limited in December 2020.

EL7423

Land Access Negotiations

MinRex is also conducting land access negotiations with property owners at the Sofala Project's Queenslander and Hill X Prospects. Access arrangements are being progressed to support further RC drilling at these Prospects in the July / August period.

Queenslander

Queenslander is a high-grade orogenic gold deposit located on the EL7423 tenement. The deposit was a substantial operating gold mine in the late 19th century.

The Prospect contains a historic gold resource that requires additional exploration to be made JORC (2012) compliant. Diamond drilling completed by RGC Exploration produced significant intercepts high grade intercepts including **15.1m@3.39g/t Au from 215m³**.

About Hill X

Hill X is a gold prospect recently discovered by MinRex's JV partner Wattle (**0.62g/t Au, 1.3g/t Au**).

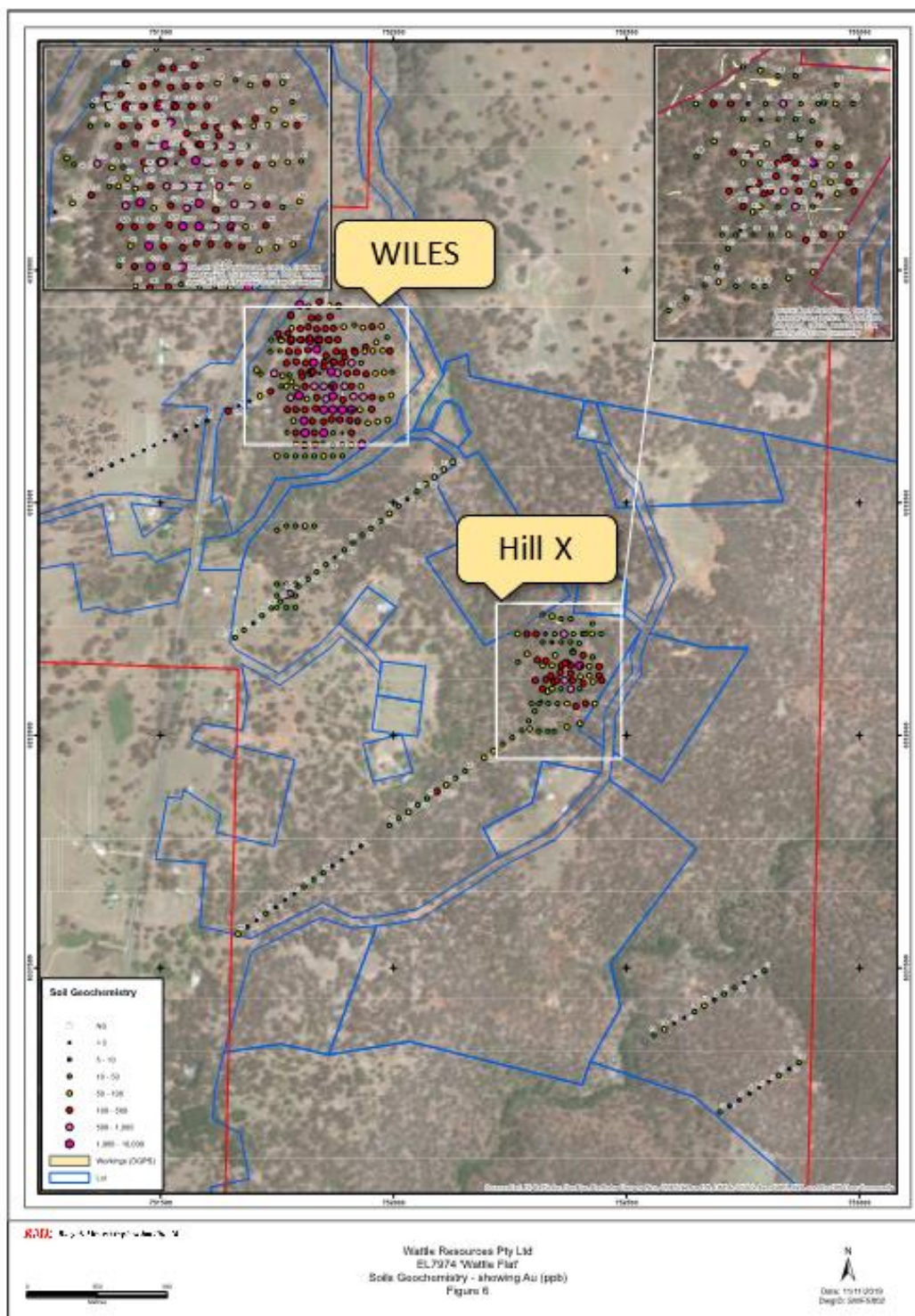


Figure 3 – Wiles & Hill X Prospect Soil Sampling from Wattle Resources October 2018

³ Refer to MRR ASX announcement on 25-Nov-2020 titled Investor presentation.

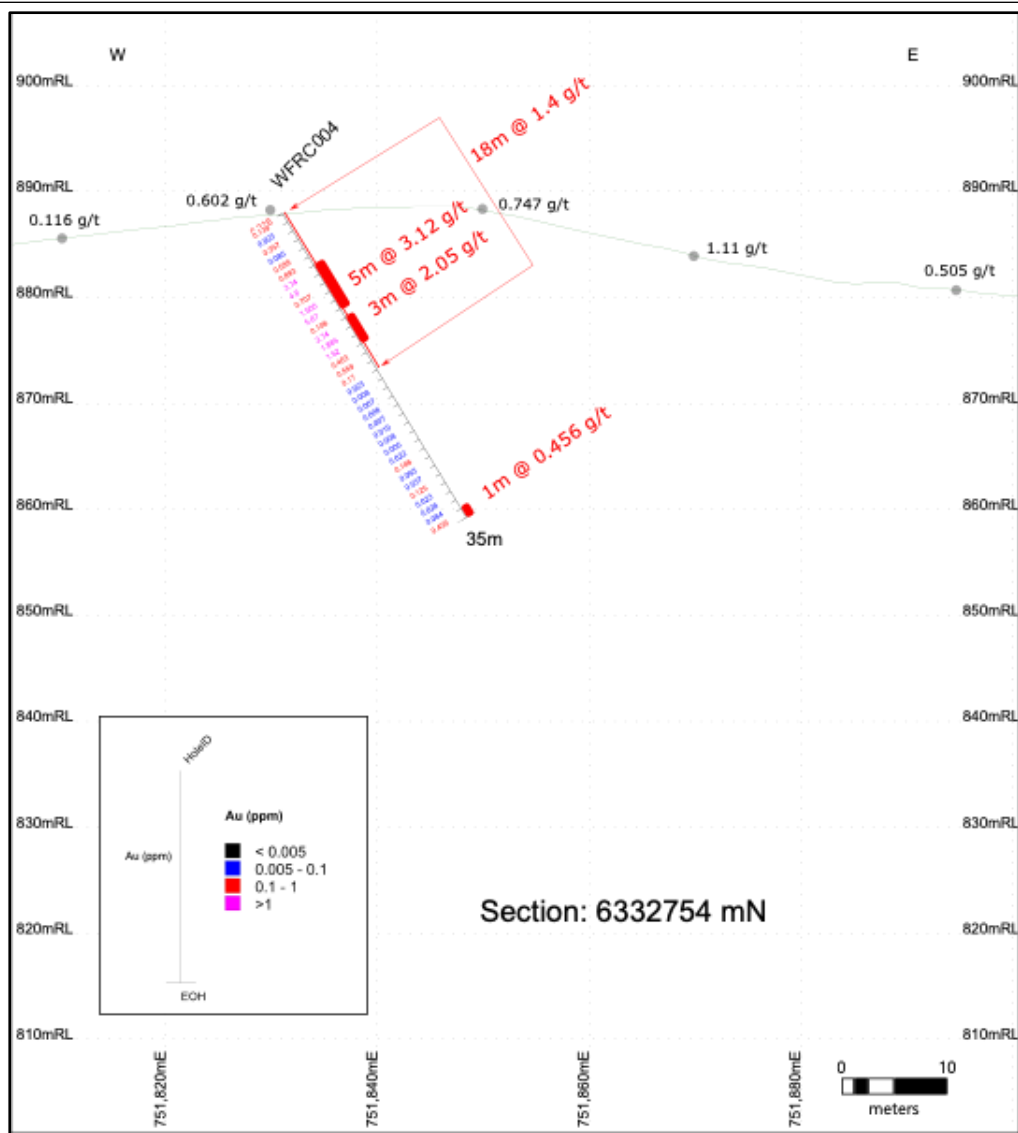


Figure 4 – Wiles Prospect September 2020 RC Drilling Cross-Section from Wattle Resources P/L

Upcoming Exploration Activities

The upcoming exploration programmes in June quarter 2021 include the following:

- 3000-meter RC drilling programme at the Wiles Prospect
- Geophysical review of aeromagnetic data from a survey conducted in 2012 over MinRex's Sofala and Mt Pleasant projects
- RC drilling to commence at the historic Queenslander mine at the Sofala project in June 2021.

Corporate

Issue of Shares and Options

During the quarter, the following shares and options were issued:

- 30,000,000 shares were issued as consideration relating to the Sofala Farm-In and Joint Venture Agreement with Wattle Resources Pty Ltd in relation to EL 7974;

- 50,000,000 shares were issued as consideration relating to the Sofala Farm-In and Joint Venture Agreement with Fortius Mines Pty Ltd (a wholly owned subsidiary of Australian United Mining) in relation to EL 7423;
- 22,000,000 unlisted advisor options were issued as part of the fees for advisory services provided to MinRex for the Lachlan Fold Belt Acquisitions and the Placement in October 2020, each issued at a price of \$0.0001 per option and exercisable at \$0.045 each on or before 8 April 2023.

As at the date of this report the Company has 551,137,055 ordinary shares, 136,523,170 unlisted options (exercisable at \$0.04 and \$0.045) and 15,000,000 performance rights (expiring on 16-Sep-2025) on issue.

Cashflows for the Quarter

Attached to this report is the Appendix 5B containing Company's cash flow statement for the quarter. The significant cashflows relating to the quarter included \$281k spend on exploration and evaluation expenditure (December '20 Quarter \$44k), \$63K on other non-current assets and \$56K administration and corporate cost, of which \$22k related to the payments made to related parties, also noted under section 6.1 of Appendix 5B, for directors' fees and consulting fees paid during the quarter.

As at 31 December 2020, the Company had available cash of \$2.7 million.

This ASX announcement has been authorised for release by the Board of MinRex Resources Limited.

-ENDS-

For further information, please contact:

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Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Stuart Till, 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 Till 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.

MARCH 2021 QUARTER - ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

Farm-in & Joint Venture Agreement Signed for Sofala Project
Sofala Exploration Update

27 January 2021
26 February 2021

These announcements are available for viewing on the Company's website www.minrex.com.au under the Investor Relations tab. MinRex confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

Tenement information as required by the Listing Rule 5.3.2

Region	Project	Tenement	Area approx.	Grant Date	Expiry Date	Change in Holding	Current Interest
East Pilbara	Dalton	E45/4681	9 km ²	13-07-17	12-07-22	-	70%
East Pilbara	Bamboo Creek	E45/4560	69km 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%
East Lachlan Fold	Mt Pleasant	ELA5954 ¹	58 units	N/A	-	-	100%
East Lachlan Fold	Sofala	EL7423 ⁴	14 units	30-11-09	30-11-21 ⁵	-	-
East Lachlan Fold	Sofala	EL7974 ^{3,5}	4 units	11-10-12	11-10-20 ⁴	-	-
East Lachlan Fold	First Find	EL8976	7 units	14-04-20	14-04-23	-	100%
East Lachlan Fold	Sunny Corner North	EL5964 ²	19 units	12-07-02	12-07-21	-	-
East Lachlan Fold	Sunny Corner North	EL9133	54 units	13-04-21	13-04-24	-	100%
East Lachlan Fold	Sunny Corner South	ELA6142 ¹	12 units	-	-	-	100%

Notes:

1. Application Only – awaiting revamped approval offer following nomination for a term of three (3) years on grant.
2. MinRex holds an exclusive 12-month option for the Joint Venture rights currently held by Argent Minerals Limited (ASX: ARD) over the exploration area of the tenement.
3. Renewal for EL7974 lodged and approved on 07-Dec-2020, accepted and awaiting final signatures for renewal.
4. An option to Farm-In and Joint Venture with Fortius Mines Pty Ltd to earn up to an 80% interest in EL7423.
5. Subject to Farm-In and Joint Venture with Wattle Resources Pty Ltd to earn up to an 80% interest in EL7974.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MINREX RESOURCES LIMITED and its Controlled Entities

ABN

81 151 185 867

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(71)	(167)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(56)	(281)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(127)	(448)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(210)	(320)
	(e) investments	-	-
	(f) other non-current assets	(63)	(63)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(273)	(383)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2	3,222
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(195)
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 (Proceeds from unissued unsecured convertible note)	-	-
3.10	Net cash from / (used in) financing activities	2	3,027

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,098	504
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(127)	(448)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(273)	(383)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2	3,027

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,700	2,700

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	2,700	3,098
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,700	3,098

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

22

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amounts reported in item 6.1 relate to payments to directors non-executive fees and consulting fees paid during the quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(127)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(210)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(337)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,700
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,700
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8.0
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

Compliance statement

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

Date: 30 April 2021

Authorised by: By the Board of MinRex Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.