

Quarterly Activities Report

for the Period Ended 30 September 2017

30 October 2017

HIGHLIGHTS

- In August, the Company successfully completed a Private Placement to raise \$277,348 (before costs) to continue exploration work on its mineral properties, due diligence on new corporate opportunities and working capital.
- In September, the Company successfully completed a Rights Issue to raise approximately \$539,142 (before costs) to continue exploration work on its mineral properties, due diligence, deal negotiation costs and shareholder and regulatory approvals for new corporate opportunities; plus additional working capital. At the end of September 2017 the Company had available cash of \$1.801 million, before the placement of shortfall shares on 17 October 2017.
- No work was completed at either of the mineral exploration properties during the quarter. However, planning is now underway to step-up the Company's exploration program, with a particular emphasis on its Deflector Extended Gold Project. Work in the previous Quarter returned highly encouraging results, enhancing the prospectivity of this tenement, which lies along strike from Doray Minerals Ltd.'s Deflector Gold Mine.

About MinRex

MinRex Resources Limited ("MinRex") is an exploration company, listed on the Australian Securities Exchange, with its present focus being the exploration of gold, base metal and tin projects in Western Australia and Tasmania. The Company is also actively evaluating other exploration and corporate opportunities.

MinRex currently holds two projects, the Deflector Extended Gold Project at Gullewa in Western Australia (about 400km north of Perth) and the Heemskirk Tin Project on the west coast of Tasmania (Figure 1).

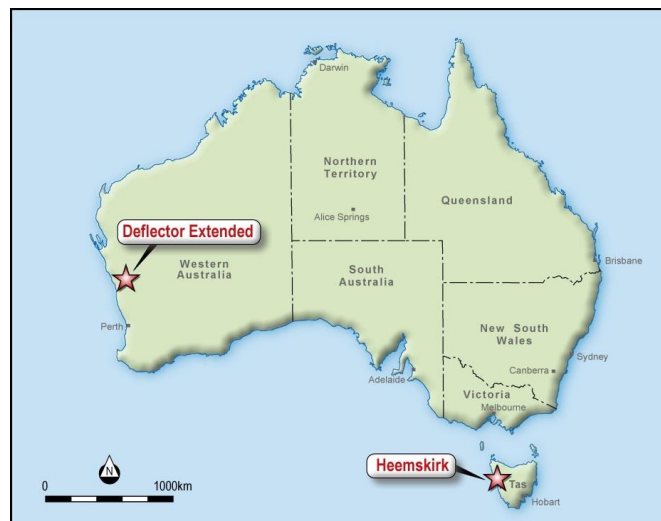


Figure 1: Location of MinRex Project Areas

Deflector Extended Gold Project

MinRex’s Deflector Extended Gold Project (E59/1657) lies to the northeast of the Doray Minerals Limited (“Doray”) 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. Both deposits trend towards MinRex’s tenement, where deep cover sequences have hindered previous exploration work. The Deflector Mine was opened in May 2016, as an underground mining operation on copper-gold sulphide lodes; Doray is also actively exploring its Deflector area tenements, with drilling at the Deflector Mine and other mines and prospects in the area.

The area of E59/1657 consists of about 15% outcrop of mafic meta-basalts in the Cagacaron Hills area, and about 85% cover sediments, plus one or two small areas of granite and laterite. Minrex has been actively exploring the Project area since 2011, utilising surface sampling and geological mapping to hone in to buried mineralized structures and favourable settings for mineralization.

During May and June 2017, an extensive field program at MinRex’s Deflector Extended Gold Project collected 160 surface rock samples and 14 soil samples. The results from the 160 new rock and float samples included three samples which returned assay results exceeding 0.1ppm Au. The full results from this program were reported in an ASX announcement on 14 July 2017.

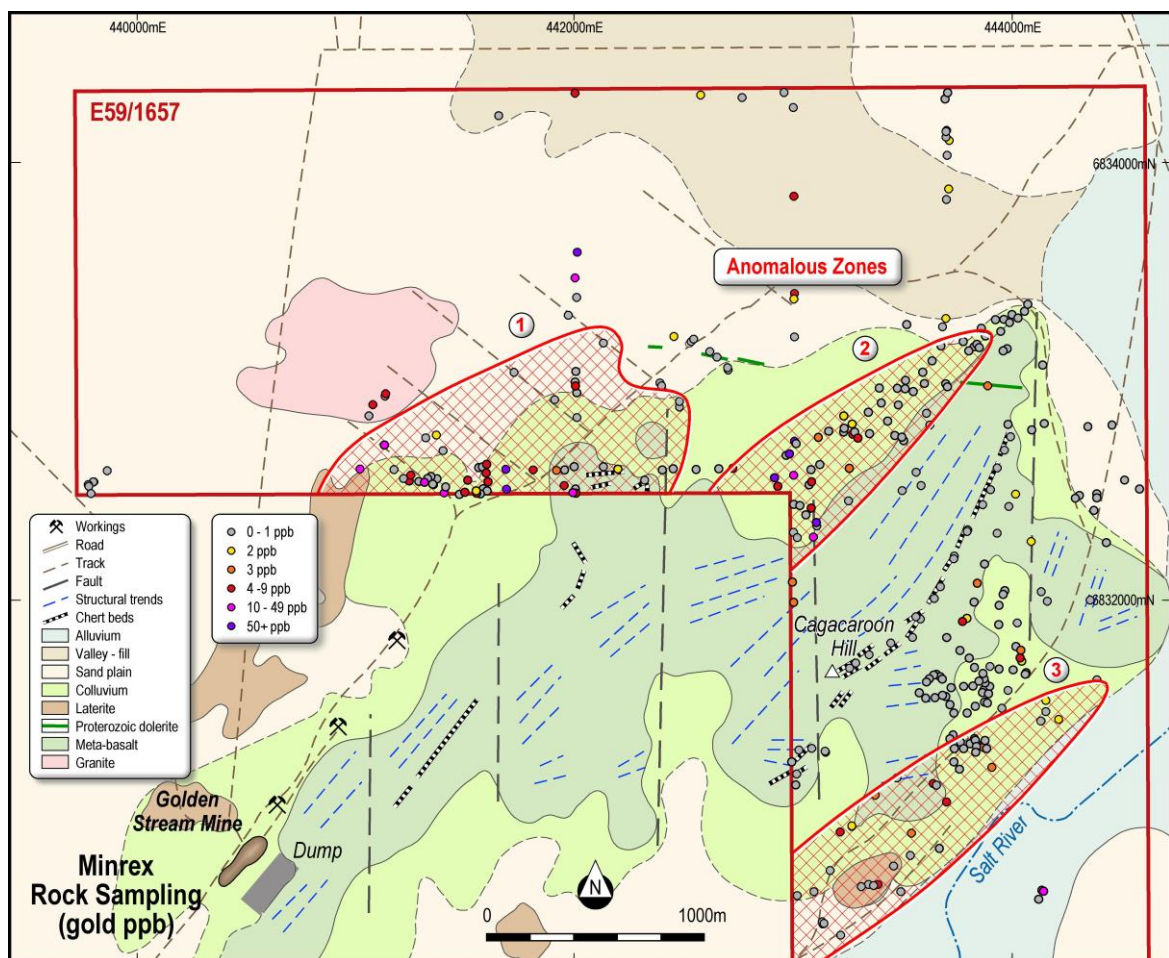


Figure 2: Plan showing the geology and all rock sample results to date; and anomalous zones

A total of 350 surface rock, scree and float samples have now been collected in the project area and these show a number of anomalous areas, suitable for further examination and sampling. In particular a number of anomalous assay values (up to 0.8ppm Au – in a repeat assay) cluster in a distinct scree-covered area, adjacent to mafic meta-basalt and an interpreted fault zone, near the central corner of the lease (Area 2) (Figure 2).

The other two anomalous zones (Figure 2) are to the north of the Golden Stream mine (Area 1) and along Salt River north of the hidden Gearless Well intrusion (Area 3); which may lie along strike from the Deflector Mine. The prevalence of higher gold values in rock and soil values in areas of mafic colluvium suggests that concealed mineralisation may lie below the blanket of scree surrounding the Cagacaroon Hills meta-basalt outcrop area.

Planning is now underway for the next field sampling program, which will aim to collect further rock and soil samples within the three defined anomalous zones, especially focussing on the newly defined Zone 2 - where three values exceed 0.1ppm Au, and also include some further reconnaissance work elsewhere in the Deflector Extended Gold Project, where deep cover could be concealing copper and gold mineralisation. An Aboriginal Heritage Survey is also being planned along with a Programme of Work to allow drilling along the anomalous zones in the future.

Heemskirk Tin Project

The Heemskirk Tin Project lies in exploration licence EL18/2011, on the west coast of Tasmania. A one year extension to this licence was granted on the 24th May 2017, extending the term to the 2nd April 2018. MinRex has now held its Heemskirk Tin Project since 2012 and has been successful in identifying a number of the old tin workings, dating from the 1870's-1880's, and has collected a total of 129 stream sediment concentrate samples, 99 rock chip samples and 78 soil samples, for a total of 306 samples.

The latest field program was completed in February 2017, to collect rock samples from old workings, along with soil samples from the slopes of anomalous stream valleys; and collect new stream sediment concentrate samples, where further infill was required. This diverse exploration program collected a total of 58 rock samples, 68 soil samples and 7 stream sediment concentrate samples, for 133 samples.

MinRex has completed stream sediment concentrate sampling, rock sampling and soil sampling within the Heemskirk Tin Project, in a search for large low-grade, or smaller, high to medium-grade tin deposits. It is thought that the work completed prior to MinRex commencing exploration in the area, was not extensive, systematic or thorough and that some potential remains for new discoveries in the area.

Work is now on-going to collate the exploration results to date and plan for the next stage of exploration.



Figure 3: Plan of all Panned-Concentrate Stream Sediment Assay Grades from Heemskirk

Private Placement and Rights Issue

On 9 August 2017, the Company announced that it had raised \$277,348 (before costs) through a private placement utilising its 15% placement capacity. At the same time, the Company announced a 2 for 3 non-renounceable Rights Issue. The Rights issue raised \$539,142 (before costs), leaving some 17,568,246 in shortfall shares to be placed by Directors. On 17 October 2017 all shortfall shares were placed.

Corporate Opportunities

The Company is continuing to assess a range of corporate opportunities and this work will continue through the coming period.

Corporate

As at 30 September 2017, the Company had available cash of \$1.801 million.

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 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

ABN

81 151 185 867

Quarter ended ("current quarter")

30 SEPTEMBER 2017

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	(30)	(30)
(b) development	-	-
(c) production	-	-
(d) staff costs	(19)	(19)
(e) administration and corporate costs	(83)	(83)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
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	(130)	(130)

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 (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	816	816
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	(15)	(15)
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	801	801

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,130	1,130
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(130)	(130)
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)	801	801
4.5 Effect of movement in exchange rates on cash held		-
4.6 Cash and cash equivalents at end of period	1,801	1,801

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	11	2
5.2 Call deposits	1,790	1,128
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)	1,801	1,130

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	21
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	
	-

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	
	-

Mining exploration entity and oil and gas exploration entity quarterly report

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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	250

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	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	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.



Sign here:
(Director)

Date: 30/10/2017

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.