

Quarterly Activities and Cash Flow Report

for the Quarter Ended 30 June 2019

30 July 2019

HIGHLIGHTS

- On the 15 July 2019, MinRex announced rock sampling assay results from MinRex's Daltons, Marble Bar North and Marble Bar South Project areas visited in June 2019. A total of 140 samples were collected from the three project areas, with variable results being returned from areas beyond the old workings, including some high gold values;
- At the Daltons Project (E45/4681) the new sampling work was widespread and aimed to test outcrop, float and smaller workings and prospecting pits across the full width of the licence. The 100 new samples collected returned assays 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;
- Sampling at the Marble Bar North Project (P45/3040) returned values of over 0.1g/t Au from various parts of the licence area and a highest gold assay of 5.0g/t Au, from the 20 samples collected in June 2019;
- Sampling at the Marble Bar South Project (P45/3039) returned generally low values from areas beyond the old workings, with a highest gold assay of 42.5g/t Au in quartz float, from the 20 samples collected in June 2019;
- These results continue the assessment of the East Pilbara project areas and build on the excellent results from MinRex's four previous exploration campaigns and highlight the prospectivity and potential of these project areas in the East Pilbara;
- Once collated and analysed, East Pilbara results will be followed up by further programs of surface sampling and geological mapping before the end of the calendar year;
- During the June 2019 Quarter, the Deflector Extended Project was visited with the aim of generating new targets for exploration programs at this project area during 2019;
- As at 30 June 2019 the Company had available cash of \$0.56 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 June 2019 Quarter there were field programs completed at three of the four East Pilbara project areas and a short reconnaissance visit to the Deflector Extended Project area.

MinRex currently holds five projects, four in the East Pilbara Region of WA, which are 70% owned, the Daltons Gold Project, the Bamboo Creek Gold Project, the Marble Bar North Gold Project and

the Marble Bar South Gold Project, as well as the Deflector Extended Gold Project at Gullewa in Western Australia, which is 100% owned (Figure 1).

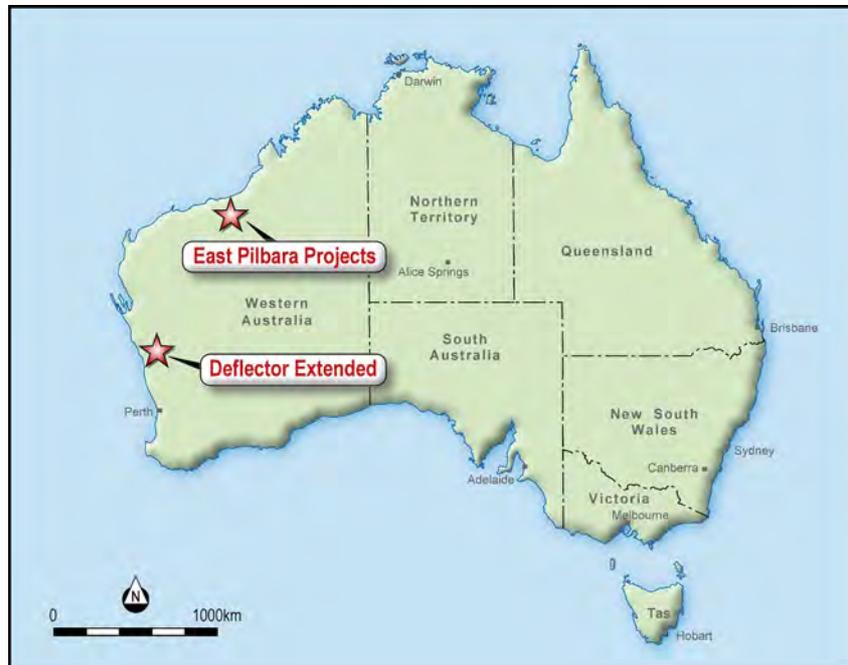


Figure 1: Location of MinRex Project Areas

East Pilbara Gold Projects

As previously announced in December 2017, East Pilbara field program recovered gold nuggets from the Marble Bar North Project tenement (P45/3040) and collected ten rock samples from the Marble Bar South Project tenement (P45/3039). During May 2018 an additional 190 rock samples were collected from the Marble Bar North (P45/3040), Marble Bar South (P45/3039), Daltons (E45/4681) and Bamboo Creek (E45/4560 & E45/4853) Project areas. Subsequently, follow up field exploration work was completed on all four of the East Pilbara Project areas during August and October 2018, with the collection of a further 270 rock samples from the project areas (Figure 2).

Between December 2017 and October 2018, a total of 470 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.

During the quarter, exploration work for 2019 recommenced at the East Pilbara Projects with the first field exploration program being completed in June 2019, with the assay results received during July 2019. On 15 July 2019 MinRex announced the assay results received from the rock sampling at Daltons, Marble Bar North and Marble Bar South Project areas. This was the fifth exploration program in the East Pilbara in the eighteen months that the Company has held an interest in the project areas.



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

Marble Bar North Project

Between December 2017 and October 2018, exploration programs at the Marble Bar North Project (P45/3040) collected a total of eleven gold nuggets, totalling 24.2gm in weight, from the western portion of the project area. Two quartz rock specimens were also collected, which when examined closely were seen to contain small particles of gold on their surfaces. Examination of the soil and gravel layers where the gold nuggets were recovered suggests that there is a surface layer of quartz scree which overlies a finer, sandy gravel layer, which sits directly on bedrock and is thought to host the gold nuggets. Further sampling of this basal gravel layer is planned for later exploration programs.

The licence area was also mapped in some detail and the old workings, dumps, spoil piles, geology and other features located and recorded. A total of 60 rock samples were collected at the Marble Bar North Project during that period.

During the quarter, a total of 20 rock samples (MNR061-080) were collected at the Marble Bar North Project (P45/3040), many from previously untested areas mainly in the south of the licence, but also some from old dumps, bulldozer heaps and minor old workings at the Ironclad mine site.

The gold mineralisation in this area occurs as quartz veins in sheared and strongly carbonated greenstones, and associated alteration zones close to the greenstone/granite contact (Figure 3).

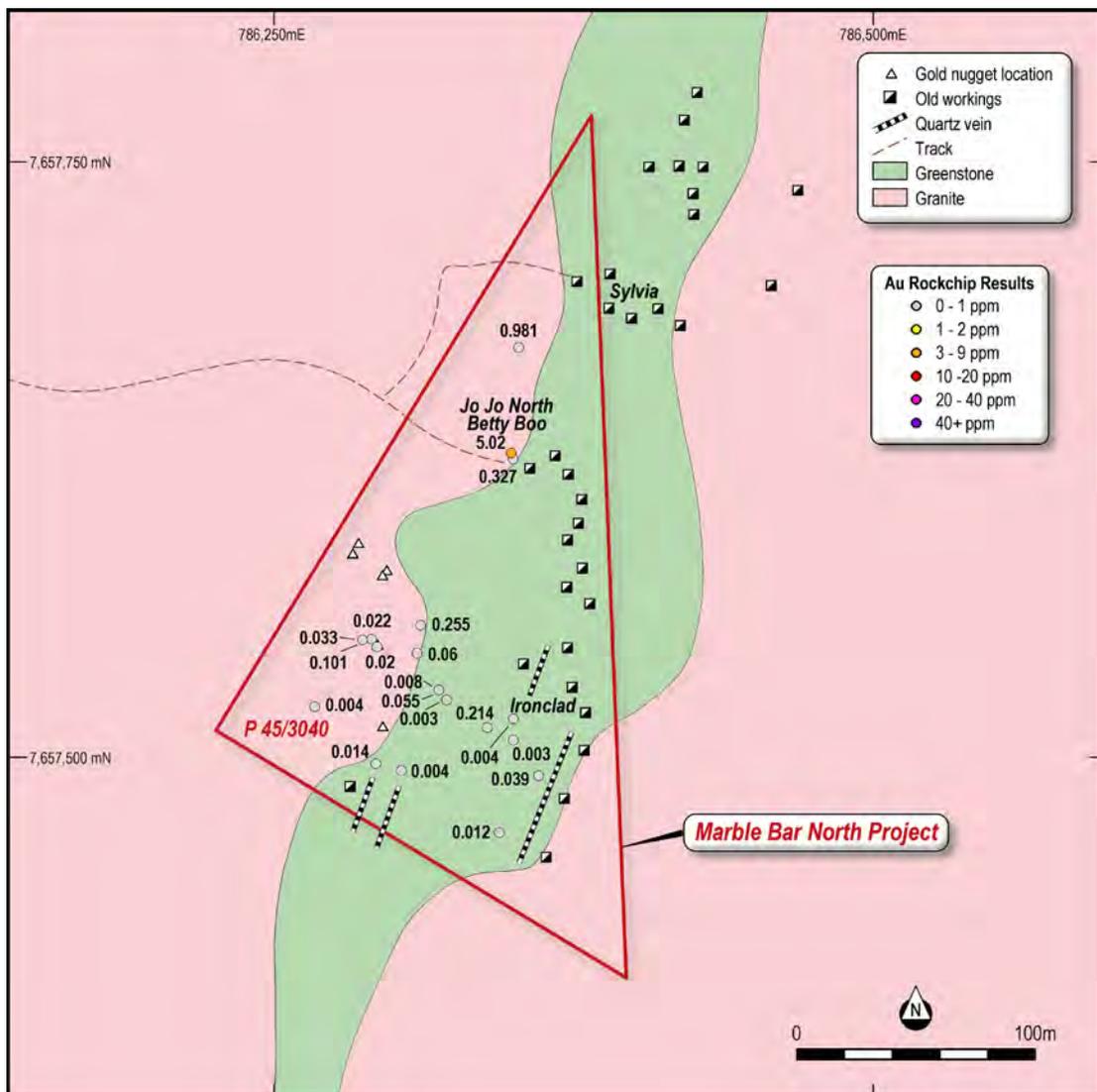


Figure 3: Marble Bar North Project showing workings and new June 2019 gold assay results

The 20 new rock samples from the Marble Bar North Project area were analysed for a total of 20 elements at Bureau Veritas in Perth. These included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. The samples were generally low for most elements, except the gold assays which varied from zero up to 5.0g/t Au, with six samples being over 0.1g/t Au. The full assay results for gold and base metals were released in an ASX Announcement on 15 July 2019, while the gold results are also shown diagrammatically on the plan above (Figure 3).

New samples were collected from throughout the licence area, mainly in the south, in areas beyond the previous sampling programs, which largely focussed on the old workings and were typically taken from scree, float and old dumps. The plan below shows the gold assay results for all 80 rock samples collected at the Marble Bar North Project to date, along with the location of old workings and the generalised geology plan (Figure 4).

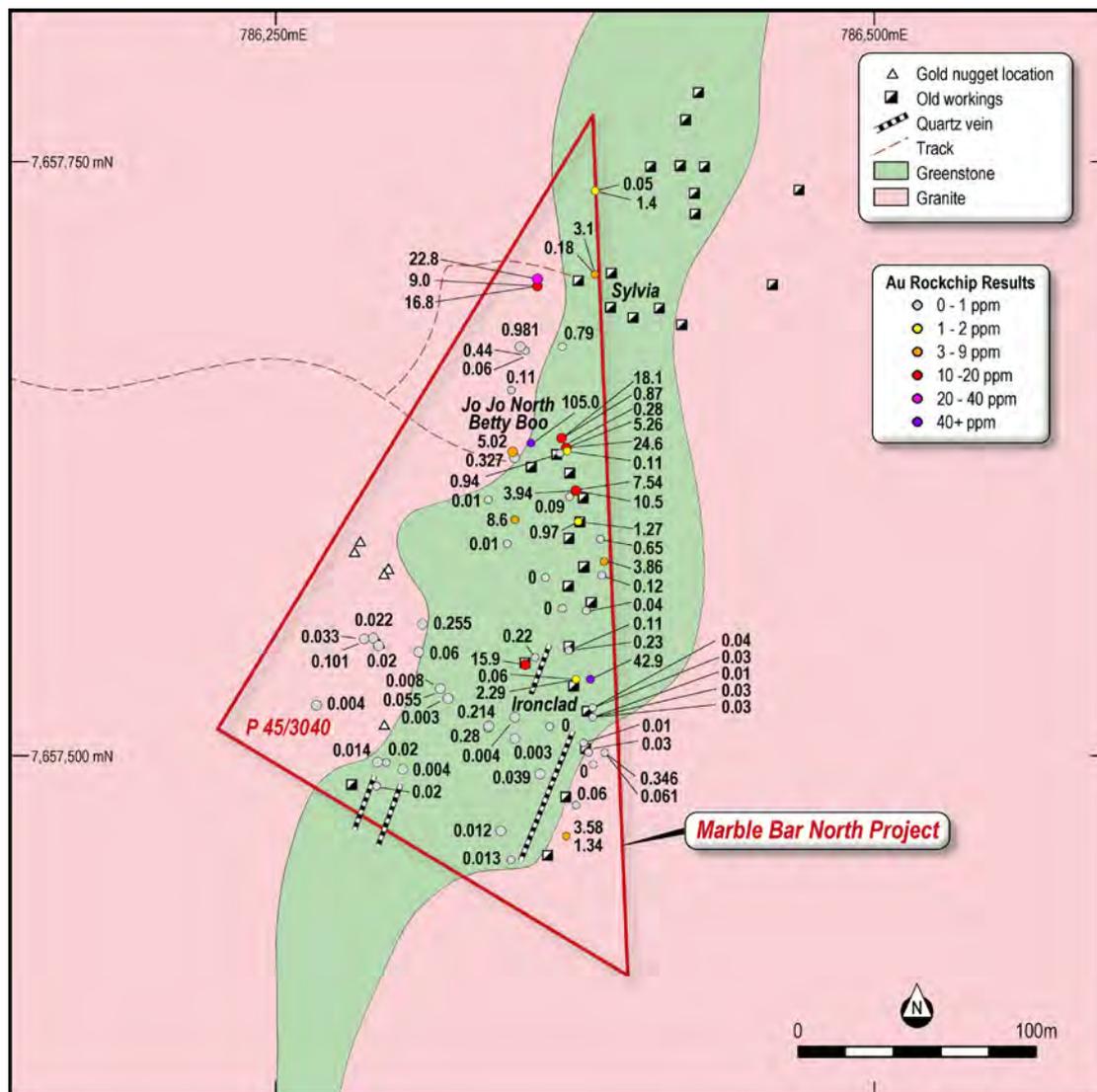


Figure 4: Marble Bar North Project showing workings, nugget finds and all 80 gold assays to date

Marble Bar South Project

Between December 2017 and October 2018, exploration programs at the Marble Bar South Project (P45/3039) included geological mapping, metal detecting and rock sampling along the ridge line and over the slopes surrounding the old McKays Find gold mine workings (Figure 5). No nuggets were recovered during this work, which was complicated by the extensive amounts of metallic rubbish and debris that occur within this lease area. It is thought that this area has been used as a dumping ground in the past as it contains extensive deposits of old metal, bottles, building materials and other debris. In the period a total of 70 rock samples were collected from conglomerate horizons in the northern sector of the licence, and from scree, float and outcrops within and around the old workings at the Marble Bar South Project.

This licence contains the old McKays Find gold mine and this line of old workings runs along a 30-40m high ridge of greenstone rocks which is truncated to the north by basal Fortescue Group conglomerate rocks. The known gold mineralisation occurs as a 100m long and 2m wide zone of quartz veining, which lies parallel to the regional schistosity.

During the quarter, a total of 20 new rock samples (MSR071-090) were collected at the Marble Bar South Project (P45/3039) from various locations, mainly in the southern sector of the licence, from scree, float and outcrops beyond and around the old workings. The aim of this current work was

to commence testing of the southern part of the licence for previously undetected gold mineralisation.

The 20 new rock samples from Marble Bar South were analysed for a total of 20 elements at Bureau Veritas in Perth. These included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc. A few samples were anomalous for various elements, but the outstanding results were in the gold assays which varied from zero up to 42.5g/t Au. The full assay results for gold and base metals were released in an ASX Announcement on 15 July 2019, with the gold results for the new 20 samples also shown on the plan below (Figure 5).

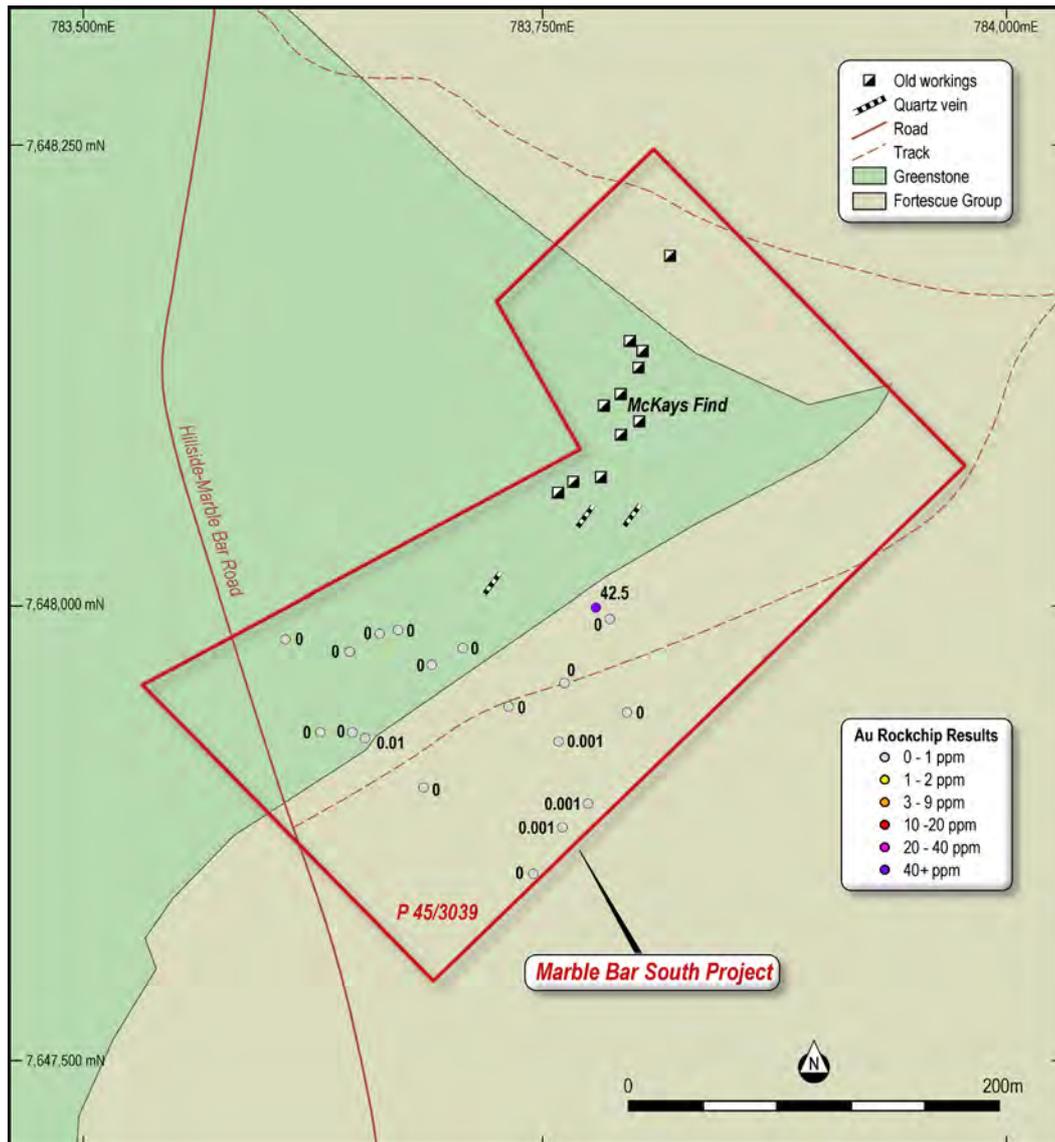


Figure 5: Marble Bar South Project showing geology and new June 2019 gold assay results

The highest value sample (42.5g/t Au) came from a loose quartz vein float sample in the centre of the licence that may have been transported from higher up on the ridge line, i.e. along strike from the McKays Find mine area. More sampling and geological mapping will be required to determine the significance of this sample. Generally low results were received for samples taken from other areas in the south of the licence area, although these represent only a small portion of this area and only a small number of samples. Further sampling and mapping work, to better understand this area will be completed on the next visit to the licence.

The plan below shows the gold assay results for all 90 rock samples collected at the Marble Bar South Project to date, along with the location of old workings and the generalised geology plan (Figure 6). Both of the Marble Bar properties contain old gold mine workings and have returned very encouraging sample assay results in all of the sampling programs completed to date.

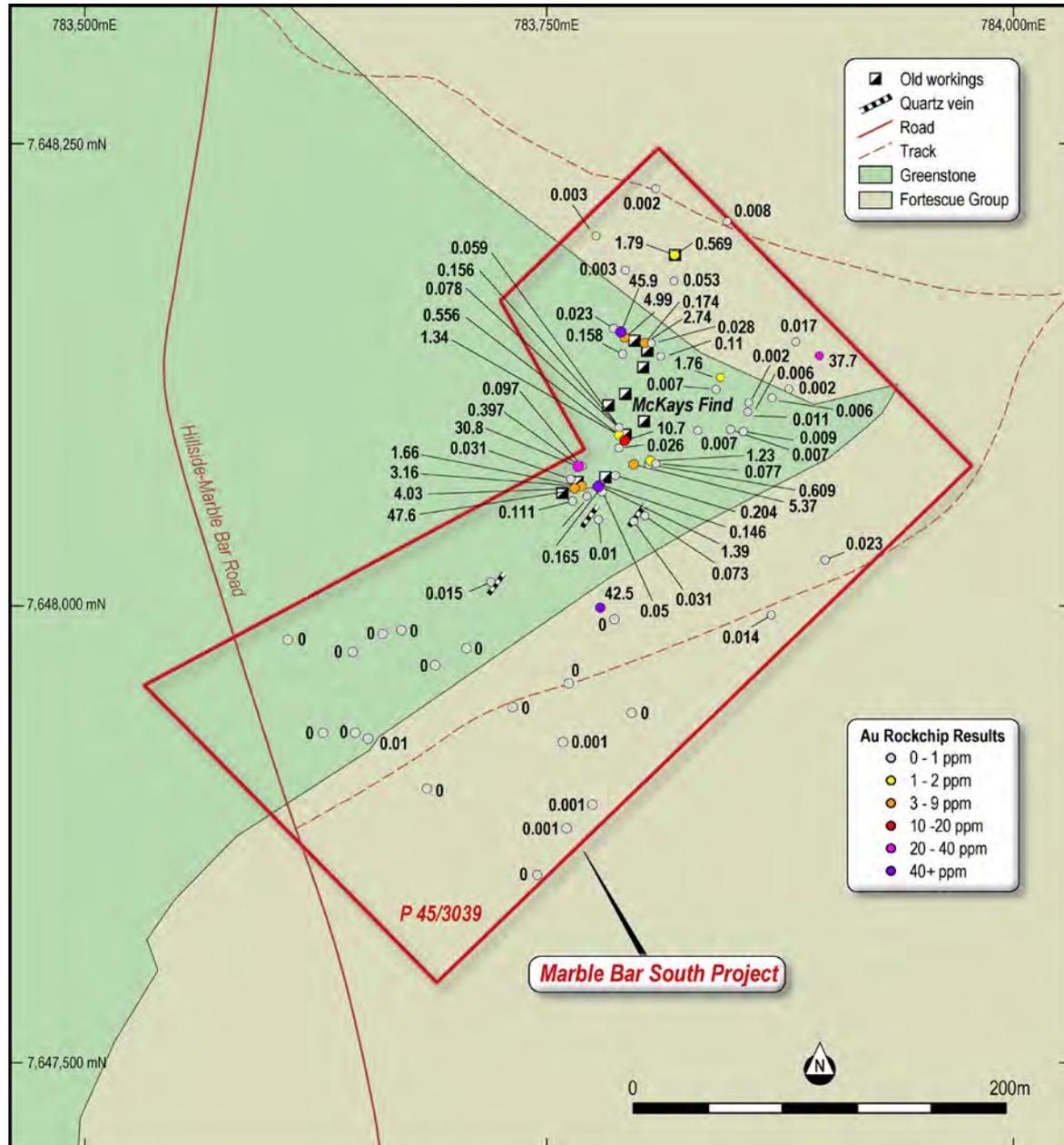


Figure 6: Marble Bar South Project showing geology, workings and all 90 gold assays to date

The initial exploration completed on the Marble Bar project areas has included collection of a large number of rock samples from the areas of old workings, conglomerate horizons, potential target areas and prospective geological zones and horizons, with these samples then being subjected to multi-element analyses in order to discover the most prospective areas. This work will be on-going and in conjunction with more geological mapping and detailed sampling to be completed in the lesser explored sectors of the project areas during the next sampling program.

Daltons Project

Between December 2017 and October 2018, exploration programs at the Daltons Project (E45/4681) included geological mapping, rock sampling and extensive metal detecting, along the entire length of the old workings, some 1,500m of strike length. This work collected a total of 60 rock samples from the old mine workings, dumps, spoil piles and outcropping quartz veins. The samples returned outstanding results in the gold and copper assays which were up to 163g/t Au and 8.17% Cu. October 2018 metal detecting was hindered by the presence of metallic debris in the vicinity of the old workings, leading to a recommendation for a pattern soil sampling program over the area of the old workings to better determine the most anomalous areas.

During the quarter, a total of 100 rock samples (DAR061-160) were collected at the Daltons Project (E45/4681) from a large area including the centre and across the entire width of the exploration licence (Figure 7). This included multiple rock types, structural settings, alteration zones, float, scree and colluvium. A few samples were also from the main old workings and previously un-sampled old workings.



Figure 7: View to the west across the licence from the old workings at Daltons in E45/4681

The old gold workings at the Daltons Mining Centre are located along a north-northwest-trending line of quartz and quartz-carbonate veins which have developed within the foliation of mafic greenstone schist and associated alteration zones in metabasalt, high-Mg basalt, dolerite and other mafic and ultramafic rock types of the Archean Warrawoona Group Greenstones. The geology in the project area strikes north-northwest is steeply dipping and layered with bands of jaspilite, quartzite, banded iron formation, ultramafic, felsic, mafic and amphibolite rocks, and granitoid. There are many structurally complex areas, numerous shear zones, major faults and steeply plunging fold axes, dips are between steeply east-dipping and vertical (Figure 8).

The Daltons gold workings can be traced for about 1500m strike length, with the main quartz lode marked by workings for about 700m with the maximum width of up to 10m and the strike of 340-350°. Recorded production was 5.543kg of gold from 409.5t of ore for an average grade of 13.5g/t Au. The quartz reefs are principally parallel with the schistosity within the greenstones. There are several shafts, two of which extend to depths of over 20m an inclined adit and some open stoping. There are copper minerals as well as gold in the workings.

During the quarter, the 100 rock samples collected at the Daltons project were from various rock types quartz veins, shear zones, dumps, scree and float. The samples were analysed for a total of 20 elements at Bureau Veritas in Perth. These included gold, silver, arsenic, cobalt, copper, chrome, bismuth, iron, lithium, manganese, molybdenum, nickel, lead, antimony, tin, tellurium, thorium, uranium, tungsten and zinc.

The outstanding assay results from June 2019 sampling were the gold and copper assays which returned up to 60.6g/t Au and 5.8% Cu, with an average grade of all 100 samples being 1.8g/t Au and 0.12% Cu, with a total of 14 samples assayed over 1.0g/t Au. The full assay results for gold and base metals were released in an ASX Announcement on 15 July 2019, while the gold results are also shown on the plan below (Figure 8).

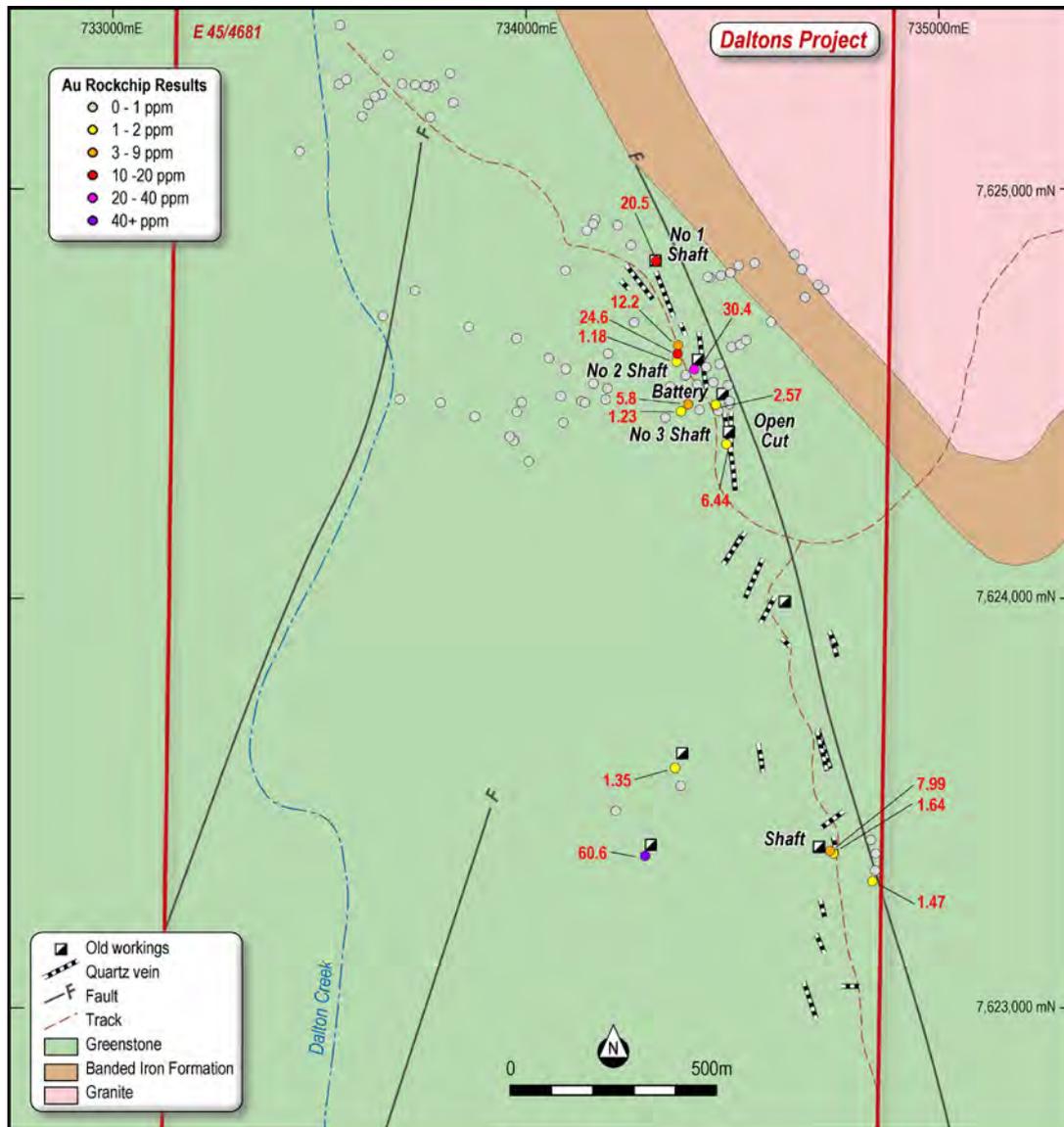


Figure 8: Daltons Project E45/4681 showing old workings and new June 2019 gold assay results

This lease area is large and holds the remains of an old battery with old tracks that provide access to most of the workings. The mineralisation occurs as gold-copper in quartz veins with the highest copper content (shown by green malachite and red cuprite minerals in the quartz) being associated with the highest gold grades. The lease is remote and best accessed by driving 72km south on the Marble Bar-Hillside unsealed road and 17km by weak tracks into the lease area. The long access time dictates that work in this area requires camping on site.

MinRex has now collected a total of 160 rock samples from the Daltons Project area and the gold results for all 160 of these samples are shown on the plan below (Figure 9). It is encouraging that gold is seen to occur along a strike length of over 1500m and also in several parallel structures over a zone up to 500m wide.

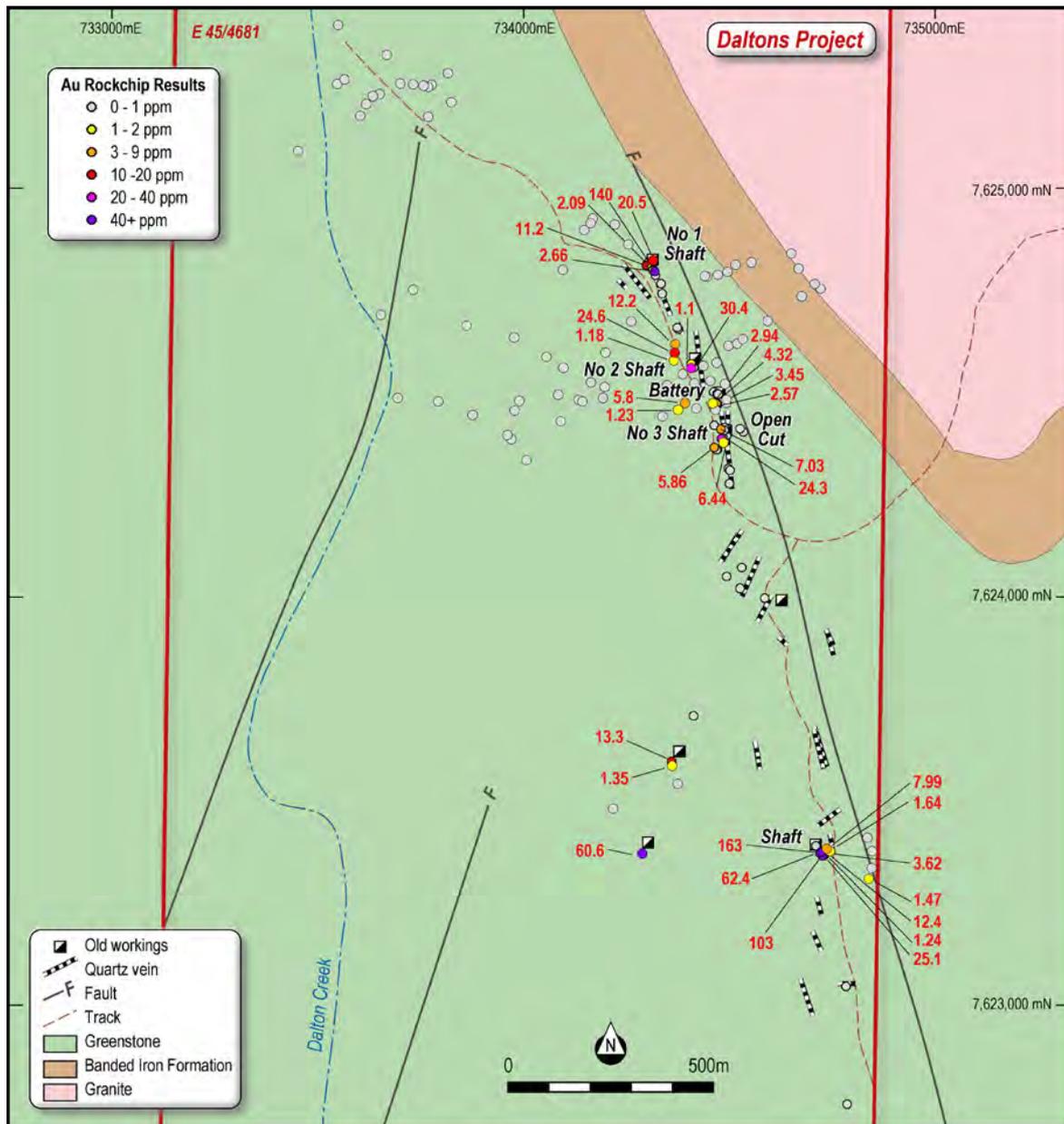


Figure 9: Daltons Project E45/4681 showing workings and all 160 gold assay results

Bamboo Creek Project

Between December 2017 and October 2018, exploration programs at the Bamboo Creek Project area included geological mapping, metal detecting and the collection of rock samples which returned a number of anomalous gold 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.

A total of 280 rock samples were collected in the period, from the two Bamboo Creek exploration licences (E45/4560 & 4853), from multiple areas, but including some of the named prospects, including Norms Find, BC07 and Nobb Hill, as well as various outcrop, float and scree zones. There are no old workings in MinRex's Bamboo Creek Project area but 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 10).

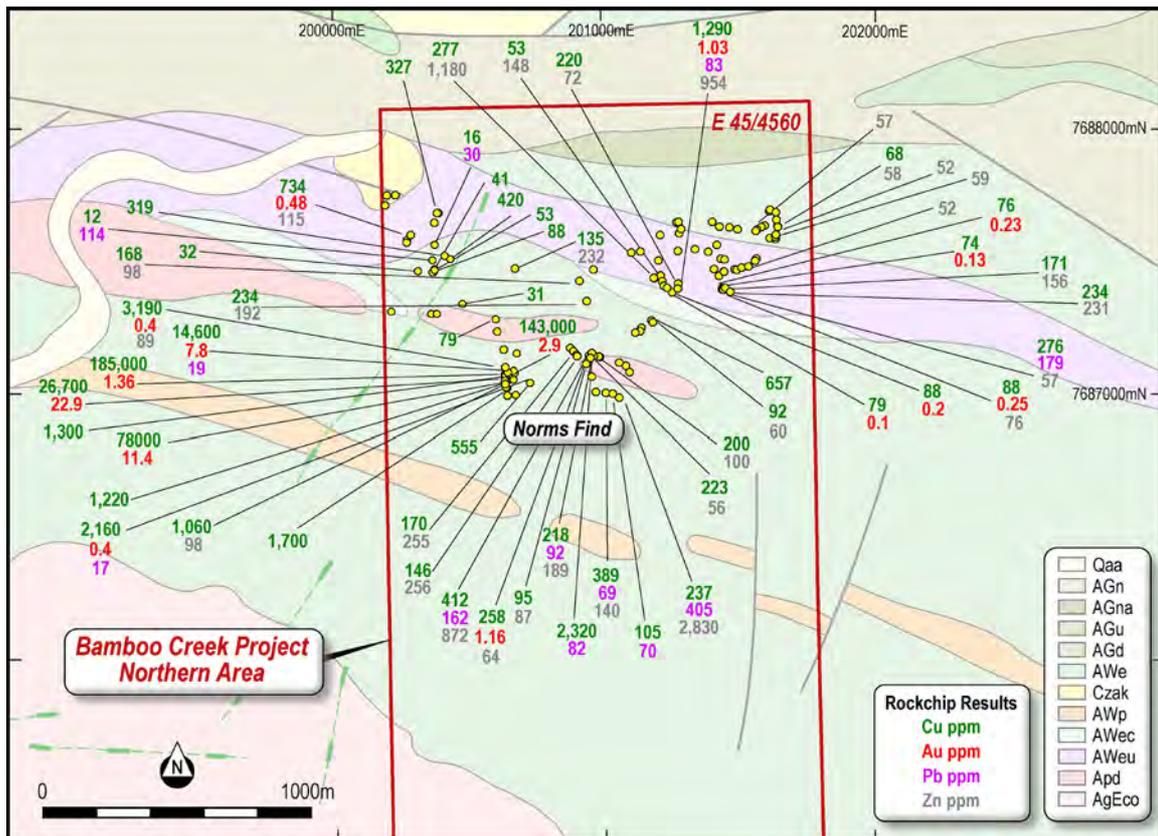


Figure 10: Northern part of the Bamboo Creek Project showing the samples collected to date

East Pilbara Summary

During the past eighteen months, extensive exploration, including geological mapping, reconnaissance of the old workings and previously defined prospects, metal detecting and comprehensive rock sampling, has been completed at all four of MinRex’s East Pilbara Project areas.

From December 2017 through to June 2019, a total of 610 rock samples have 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. The projects have also been historically researched, old workings and prospects identified and extensive reconnaissance work completed, including air photo interpretation, metal detecting, photography and geological mapping.

The field work in the East Pilbara is planned to continue during the second half of the calendar year, with further exploration work at all four of MinRex’s project areas around Marble Bar. Major focus of the exploration work will be on the two Bamboo Creek exploration licences. Further rock sampling, soil sampling and detailed geological mapping will be used to better understand the gold, base metal and poly-metallic mineralised systems. This work will aim to build on the results received from the previous five exploration programs.

Deflector Extended Gold Project

MinRex’s Deflector Extended Gold Project (E59/1657) lies to the northeast of the Doray Minerals Limited 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.

During the current quarter, exploration work at Deflector Extended included reconnaissance and geological mapping to follow up the recent review of the previously completed exploration work. This included a re-examination of the 81 reports obtained from the Western Australian Mines Department’s WAMEX site along with the results from MinRex’s various auger drilling, soil sampling and rock sampling programs as well as the results from 189 shallow RAB and aircore drillholes and numerous soil samples completed within the licence area, by previous explorers during the period 1990-1994.

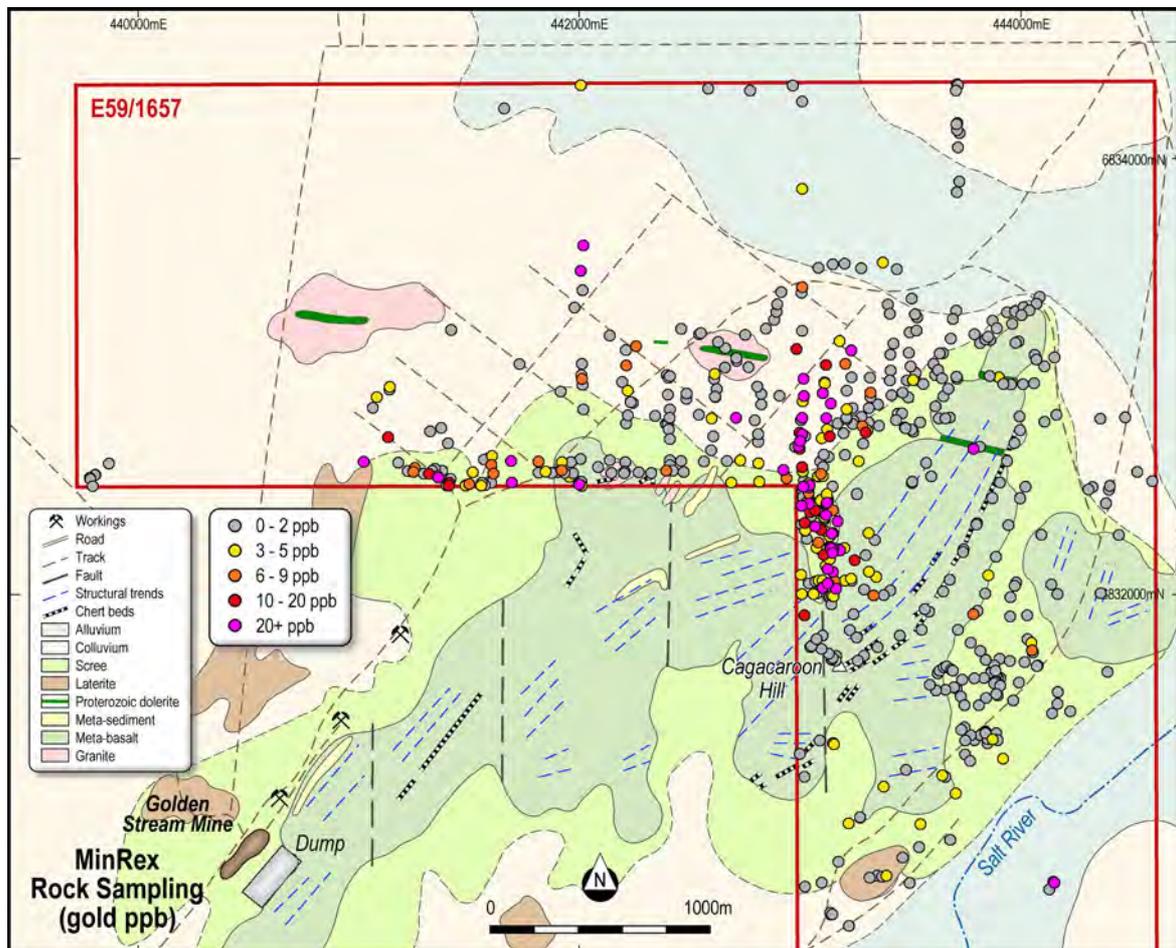


Figure 11: Plan showing the geology and all rock sample assay results, in E59/1657

MinRex has now 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, the results from which support 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 11).

Exploration during 2019 will focus on potential drill sites and targets for RAB drilling, especially in the most anomalous zone immediately to the north of the Cagacaroon Hills.

Heemskirk Tin Project

On 2 April 2019, the Heemskirk Tin Project exploration licence expired. MinRex decided not to renew this tenement licence, in favour of focusing its exploration activities on its tenements in Western Australia.

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%
Tasmania	Heemskirk	EL18/2011	9 km ²	03-04-11	02-04-19	100%	-

Corporate

On 2 April 2019, the Company moved its registered office to Suite 159, Level 2, Equus, 580 Hay Street, Perth WA 6000.

On 15 April 2019, Mr Constantine (Costa) Tsesmelis was appointed as a Non-Executive Director, whilst on 30 May 2019, Mr Timothy Wilson resigned as a Non-Executive Director.

The Company continues to look for other suitable corporate opportunities.

As at 30 June 2019, the Company had available cash of \$0.56 million.

For further information, please contact:

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Executive Director
MinRex Resources Limited
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F: +61 8 9321 3559
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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(50)	(294)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(168)	(701)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	12
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	(216)	(983)

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 (12 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	773	1,540
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(216)	(983)
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	557	557

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	557	773
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)	557	773

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**

62

-

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**

-

-

-

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.		

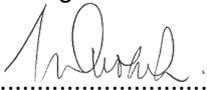
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	140
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	190

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	EL18/2011 (Heemskirk)	Relinquished	100%	0%
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 July 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.