

Quarterly Activities and Cash Flow Report

for the Quarter Ended 31 March 2018

30 April 2018

HIGHLIGHTS

- On the 26 March 2018, MinRex announced that it is proposing to acquire Clean Power Resources Pty Ltd (CPR), an exploration company with three high-quality project areas in NSW and WA that are prospective for cobalt, scandium, copper and nickel mineralisation.
- The Pacific Express project in NSW has confirmed Co-Sc-Ni laterite mineralisation in legacy drill holes that were used to model and report an Indicated Mineral Resource of cobalt, scandium and nickel within the current project area. While the two WA projects, Knight and Dragon, lie in a highly prospective area about 50km to the west of Leonora.
- A Meeting of Shareholders to approve the issue of Shares and Options will be called in May 2018, and Settlement of the acquisition of the controlling interest in the CPR projects is expected to occur during the June 2018 Quarter.
- On the 9 March 2018, MinRex announced that it had received very encouraging assay results from the Marble Bar South Project area (P45/3039), where ten rock samples all had anomalous gold values with a maximum value of 17.1g/t Au and an average of 2.6g/t Au, five of the samples (half) exceeding 1g/t Au.
- These East Pilbara results confirm the prospectivity of the Marble Bar project areas, in conjunction with the six gold nuggets totaling 22.7g recovered from P45/3040 in December 2017.
- On 26 February 2018, MinRex announced that the acquisition of a 70% interest in the East Pilbara Tenements had been completed and that field exploration would commence as soon as practicable.
- As at 31 March 2018 the Company had available cash of \$1.914 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 and tin in Tasmania; and the acquisition of additional prospective cobalt-scandium-copper-nickel projects in NSW and WA.

MinRex currently holds five projects, three in the East Pilbara area of WA – the Daltons Gold Project, the Bamboo Gold Project and the Marble Bar Gold Project; as well as the Deflector Extended Gold Project at Gullewa in Western Australia and the Heemskirk Tin Project on the west coast of Tasmania (Figure 1).

The Company has also commenced the acquisition of three new project areas, one in NSW and two in WA, which are currently held by Clean Power Resources Pty Ltd (CPR). The new projects are the Pacific Express Nickel-Cobalt-Scandium Project in north-eastern NSW, and the Dragon and Knight Nickel-Cobalt Projects, which are adjoining and lie about 50km to the west of Leonora in WA (Figure 1).

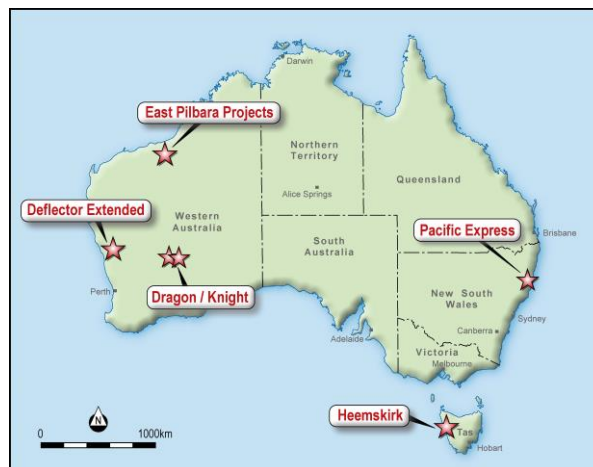


Figure 1: Location of MinRex Project Areas

Clean Power Resources Pty Ltd Acquisition

On the 26 March 2018, MinRex announced that it was proposing to acquire Clean Power Resources Pty Ltd (CPR), a company with three high-quality project areas in NSW and WA that are prospective for nickel, copper, cobalt and scandium mineralisation. These projects are being acquired by MinRex in order to secure, explore and develop prospective areas with known cobalt, scandium and nickel mineralisation.

The Pacific Express project comprises a single exploration licence (EL8733) which was granted on the 29 March 2018, and covers approximately 100km², near Port Macquarie in NSW. The project area contains known, drilled Ni-Co-Sc bearing laterite and has a JORC (1996) Code defined indicated mineral resource within the current project area (Figure 2). In a subsequent ASX Announcement on 4 April 2018, additional details on the Pacific Express geology and past exploration results were provided, including previous drill results up to 26m at 0.11% Co, 18m at 0.86% Ni and 2m at 145ppm Sc.

The Jervois Bay Mining Limited (ASX:JRV) 1999 mineral resource estimate was reported under the JORC (1996) Code and it is uncertain that, following future evaluation and/or additional exploration, the historic estimate is equivalent to reporting of mineral resources under the JORC (2012) Code.

The Knight and Dragon prospects in WA are 40-80km to the west of Leonora and close to St George Mining's (ASX: SGQ) Mt Alexander project which has delivered excellent drill results (3m up to 6.4% Ni, 3.6% Cu and 0.2% Co), while additional nearby assay results of 7,290ppm cobalt indicate potential for significant cobalt mineralisation in the district. The region is considered highly prospective for Co-Cu-Ni mineralisation, with the nearby Sinclair nickel mine producing 1.6Mt @ 2.44% Ni in the period 2008-2013 (Figure 3).

Completion of the acquisition is subject to the completion of financial, legal and technical

due diligence by MinRex, and MinRex obtaining all necessary shareholder and regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or other law.

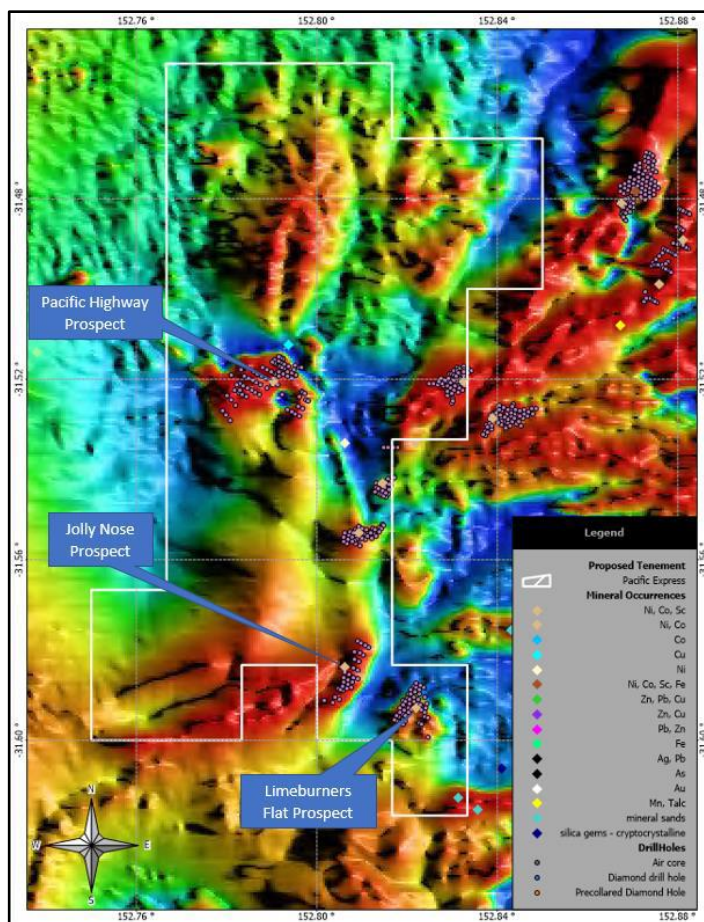


Figure 2: Pacific Highway Project Plan Showing Magnetic Geophysics and Historic Drill Holes

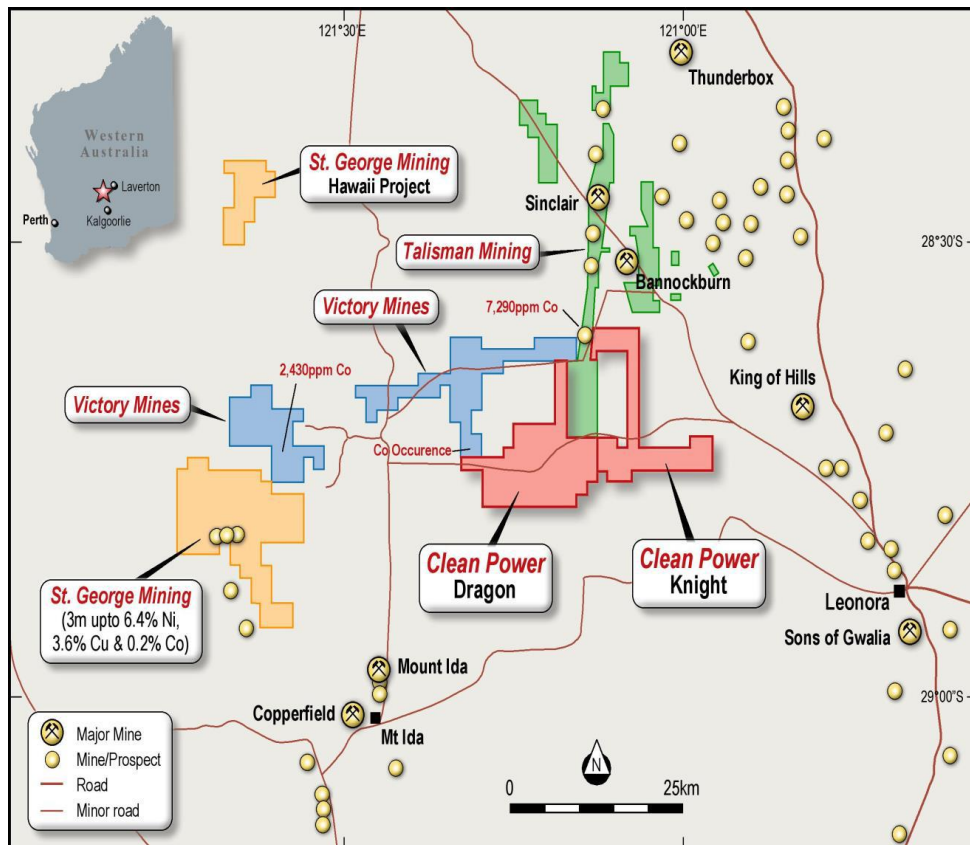


Figure 3: Dragon and Knight Projects Showing Location and Nearby Project areas

East Pilbara Gold Projects

As announced on the 8 February 2018, assay results were received for ten rock chip samples collected from the Marble Bar South project tenement, P45/3039, in December 2017. Rock chip samples were collected in this area as metal detecting was impractical due to the presence of scattered scrap metal, on the surface, adjacent to numerous old workings. These rock chips were all of vein quartz rocks collected from the surface expressions of old workings and diggings along a ridge line in the northern quadrant of the tenement area, adjacent to a significant number of historical workings that are up to 10m deep (Figure 4).

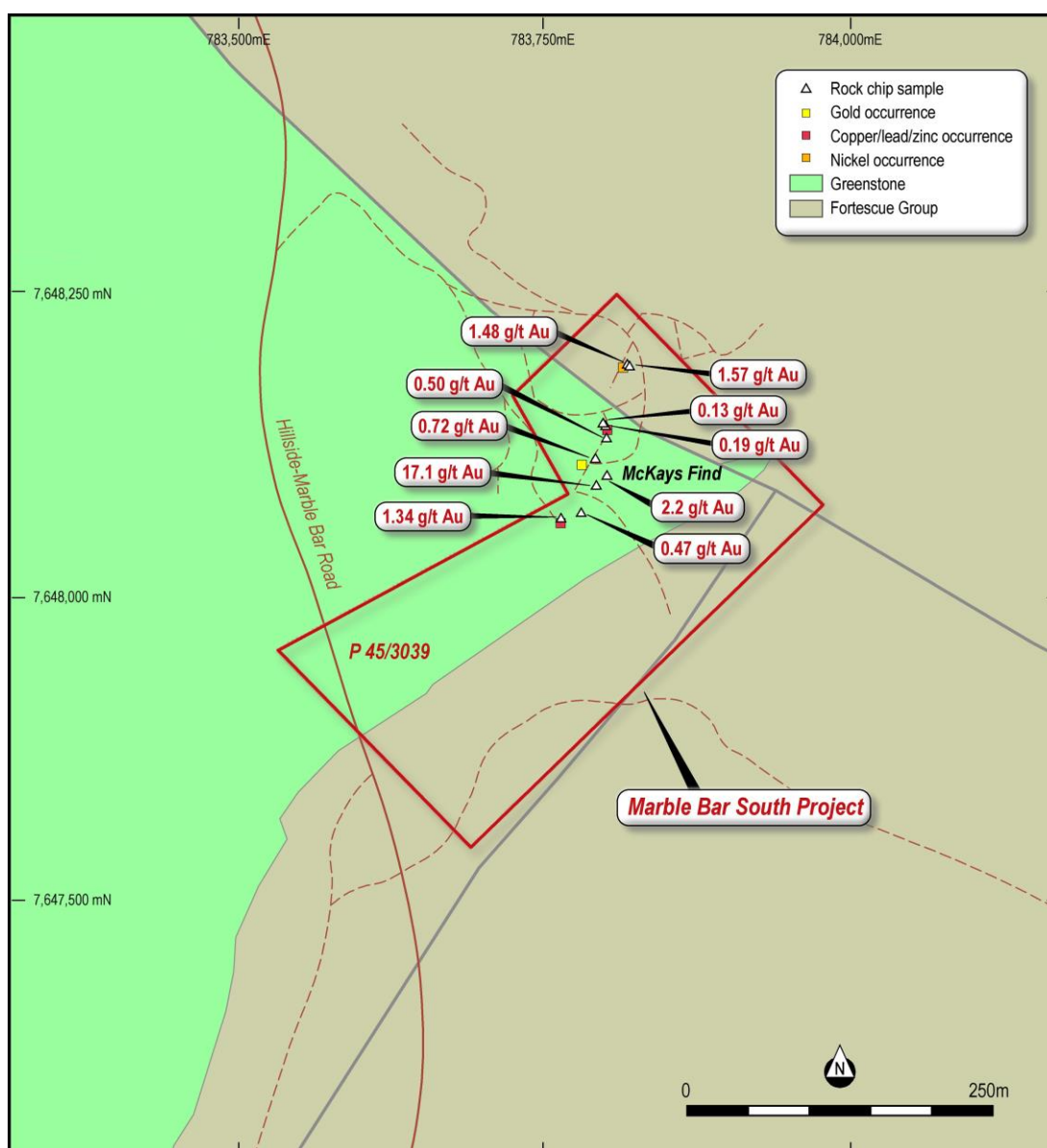


Figure 4: Plan of Marble Bar South tenement P45/3039, showing rock sample locations

The co-ordinate locations of these ten rock chip samples are given in the table below (Table 1) along with their assay values for gold, silver, arsenic, copper, chrome, nickel and zinc. The highest gold value is 17.1g/t Au, while the average for all ten samples is 2.6g/t Au. Five (half) of the samples have assay values in excess of 1g/t Au. The metallic elements other than gold are also elevated but not considered significantly anomalous.

Sample No.	Easting m	Northing m	Au ppm	Ag ppm	As ppm	Cu ppm	Cr ppm	Ni ppm	Zn ppm
MB39R001	783816	7648191	1.57	1	143	607	495	198	26
MB39R002	783816	7648191	1.48	0.55	68	80	145	57	15
MB39R003	783799	7648140	0.19	0	34	5	225	74	24
MB39R004	783799	7648140	0.13	0.1	96	65	1050	211	42
MB39R005	783800	7648132	0.50	0.15	94	14	305	106	27
MB39R006	783791	7648114	0.72	0.15	117	98	455	204	52
MB39R007	783801	7648101	2.20	0.15	418	60	360	150	74

MB39R008	783792	7648092	17.1	0.8	185	44	480	197	60
MB39R009	783780	7648070	0.47	0.05	43	11	430	162	40
MB39R010	783763	7648065	1.34	0.15	40	28	140	55	19

Table 1: Assay results for ten rock chip samples from Marble Bar South Tenement P45/3039

MinRex will be targeting the collection of a large number of rock chip samples from along this ridge line and throughout the entire P45/3039 tenement as part of its initial exploration work on the Marble Bar tenements of the East Pilbara project. The large number of old workings and diggings in this area, in conjunction with the excellent assay results received from these initial ten rock chip samples is considered highly encouraging for the discovery of potentially economic gold mineralisation in this area.

As announced in an ASX release on 15 January 2018, the December 2017 field inspection also located six gold nuggets, totalling 22.7g, in the Marble Bar North (P45/3040) project area. Figure 5 below, shows the location and size of the nuggets relative to historical workings within P45/3040.

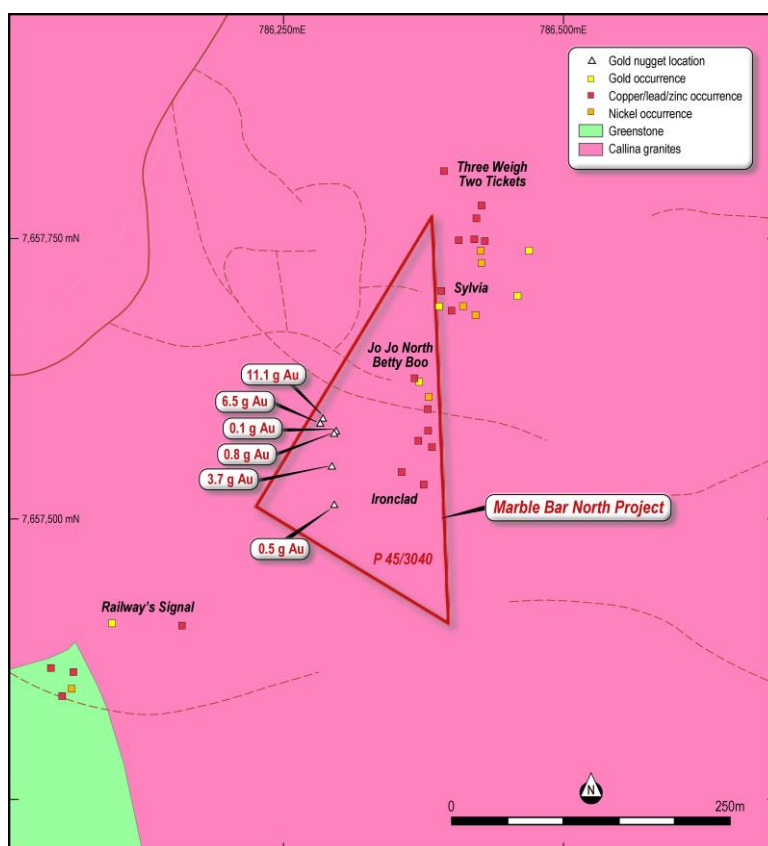


Figure 5: Plan of Marble Bar North tenement P45/3040, showing gold nugget locations

As announced in an ASX release on the 26 February 2018, the final conditions precedent to the settlement of the acquisition of 70% of the East Pilbara Project tenements were successfully completed and 14,583,334 fully paid shares in the Company issued at a deemed issue price of \$0.12 per share.

The data compilation and review of historic mining and mineral exploration within the East Pilbara project areas is now nearing completion and it is expected that field exploration

work will commence in the near future. It is intended that the initial exploration of the East Pilbara project areas will include the collection of a significant number of rock chip samples from the areas of old workings in both P45/3039 and P45/3040, at Marble Bar, and also the other highly prospective project areas at Daltons and Bamboo Creek.

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.

About 85% of the area of E59/1657 is covered by sand, colluvium, scree and alluvium, with only about 15% outcrop of mafic meta-basalts in the Cagacaroon Hills area, and other small areas of granite and dolerite. 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 November 2017, an extensive field program was conducted at MinRex's Deflector Extended Gold Project, including geological mapping and the collection of 184 new surface rock samples, with the results from these new samples being shown below on Figure 7. The full results from this program were reported in an ASX announcement on 11 December 2017.

MinRex has now collected a total of 534 surface rock, scree and float samples in the Deflector Extended Gold Project area, along with soil samples and auger drill results, which have defined significant anomalous zones for further examination 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 full results from all 535 rock samples to date are shown below in Figure 6.

The best results are from an area, now known as Corner Creek, where a number of anomalous surface assay values (up to 2.9g/t Au) cluster in a distinct scree-covered area, adjacent to mafic meta-basalt and an interpreted fault zone, near the central corner of the lease. 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, especially immediately to the north.

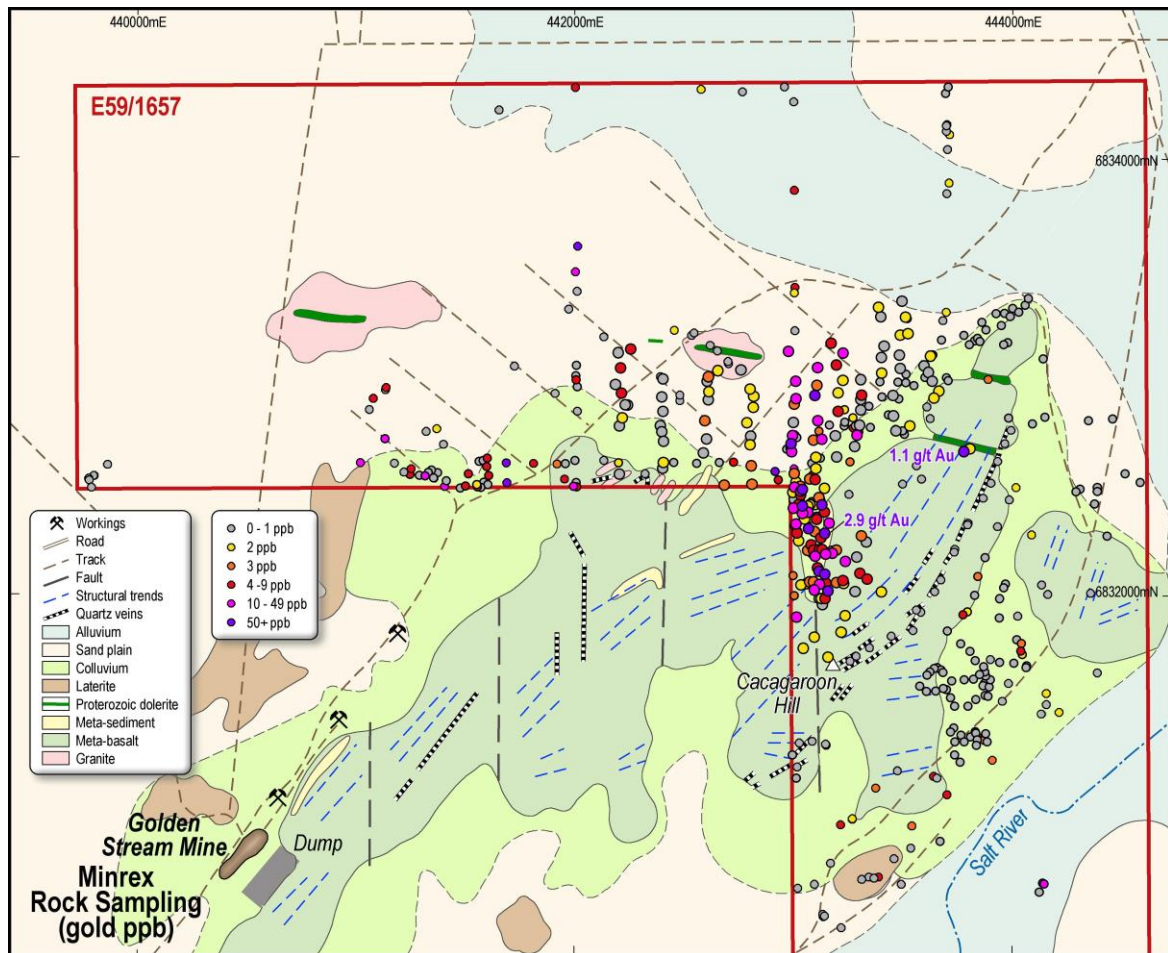


Figure 6: Plan showing the geology and all rock sample results to date, in E59/1657.

It is anticipated that the next stage of work at the Deflector Extended Gold Project will comprise a shallow, vertical aircore drilling program of lines of holes within this anomalous area. Commencement of the heritage survey process, with archaeological and ethnographic surveys over the proposed drilling areas will commence in 2018, along with the collection of further surface rock and soil samples, with a view to further pin pointing the most anomalous areas for subsequent drilling. This work will concentrate on the defined anomalous zones, but also include some further reconnaissance work elsewhere in the Deflector Extended Gold Project.

Heemskirk Tin Project

The Heemskirk Tin Project lies in exploration licence EL18/2011, on the west coast of Tasmania. 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 (Figure 7), in a search for large low-grade, or smaller, high to medium-grade tin deposits

MinRex has now submitted an Application for an Extension of Term to Mineral Resources Tasmania, seeking a one year extension to this licence and thereby aiming to extend the term of EL18/2011 to the 2nd April 2019.

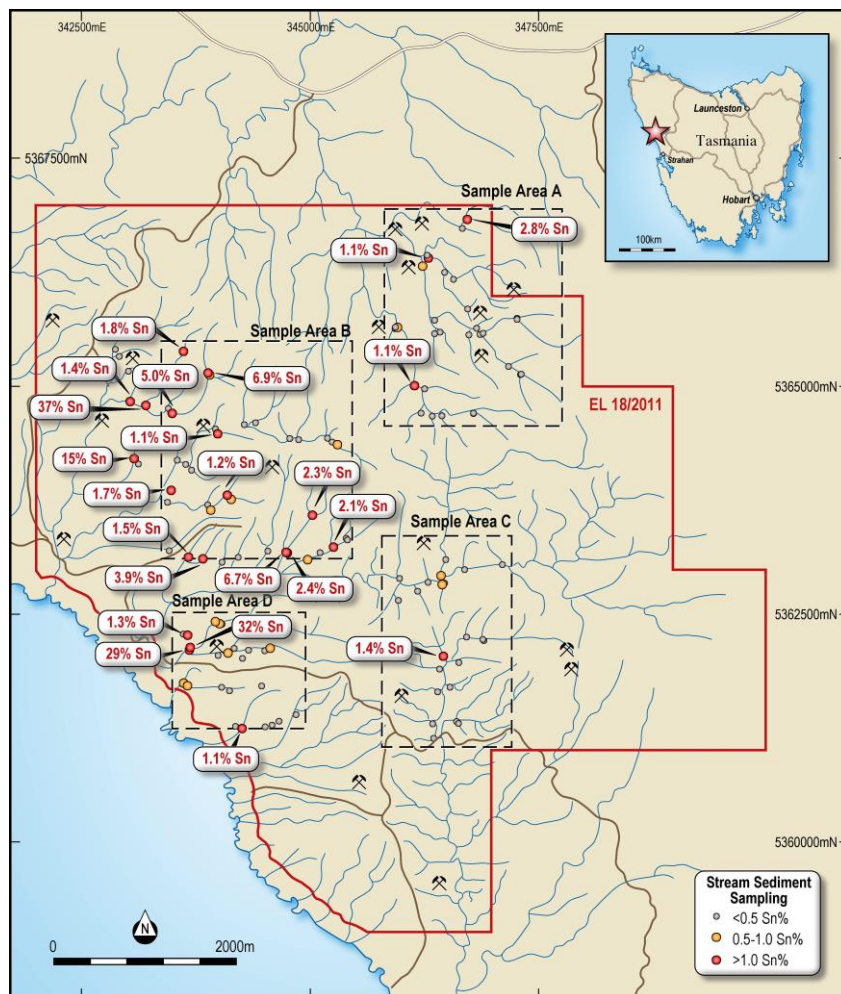


Figure 7: Plan of all Panned-Concentrate Stream Sediment Assay Values from Heemskirk

Work on collating all of the exploration results to date has been completed and plans made for the next stage of exploration, a new field program is expected to commence, later in 2018, following receipt of the Extension of Term for the licence. This new program is likely to include extending the stream sediment concentrate sampling into the north-western zone of the project area.

MinRex Tenement List

Region	Project	Tenement	Area approx.	Grant Date	Expiry Date	MinRex 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	Pending	-	70%
East Pilbara	Marble Bar North	P45/3040	3.03 ha	Pending	-	70%
Murchison	Deflector Ext.	E59/1657	15 km ²	12-07-11	11-07-21	100%
Tasmania	Heemskirk	EL18/2011	9 km ²	03-04-11	02-04-18	100%

Table 2: Current listing of the Tenement holdings of MinRex Resources Ltd

As the proposed acquisition of the CPR tenements has only been recently commenced, and is not yet settled, the CPR tenements are not listed above.

Corporate

Cash

As at 31 March 2018, the Company had available cash of \$1.914 million.

Share Issues

During the quarter, the Company issued 14,583,334 shares as the final consideration for the acquisition of the controlling interest in the East Pilbara tenements.

Additionally, the Company issued 1 million shares as a deposit for the proposed acquisition of Clean Power Resources Pty Ltd.

For further information, please contact:

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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

ABN

81 151 185 867

Quarter ended ("current quarter")

31 March 2018

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	(39)	(106)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(19)
(e) administration and corporate costs	(278)	(601)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	8
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	(314)	(718)

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 (9 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	(779)	(879)
2.6	Net cash from / (used in) investing activities	(779)	(879)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,444
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	-	(63)
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	-	2,381

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,007	1,130
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(314)	(718)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(779)	(879)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,381
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,914	1,914

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	1,902	14
5.2	Call deposits	12	2,993
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)	1,914	3,007

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**

86

-

-

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**

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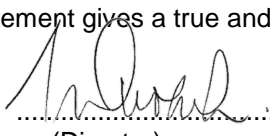
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description 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	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	250
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	450

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	-E45/4681 Daltons, East Pilbara	Indirect - acquired	-	70%
	-E45/4560 Bamboo Creek, East Pilbara	Indirect – acquired	-	70%
	-E45/4853 Bamboo Creek, East Pilbara	Indirect – acquired	-	70%
	-P45/3039 Marble Bar South, East Pilbara	Direct - acquired	-	70%
	-P45/3040 Marble Bar North, East Pilbara	Direct – acquired	-	70%

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 April 2018

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.