

Quarterly Activities Report

for the Period Ended 30 September 2016

13 October 2016

HIGHLIGHTS

- A 5 year extension was granted for the Deflector Extended Gold Project lease (E59/1657) in late-September 2016. No work was completed at this Project in the Quarter while the extension of term approval was awaited. Earlier work in the June Quarter returned encouraging results from this tenement, which lies along strike from Doray Minerals Limited's newly commissioned Deflector Gold Mine.
- Analytical results were received for the 43 panned-concentrate, stream sediment samples and 28 rock samples collected at the Heemskirk Tin Project, in April and May 2016, with some encouraging results.
- Following the successful Private Placement and Rights Issue in June and July 2016, the Company had available cash of \$1.61 million at the end of September 2016.

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). Significantly, MinRex's Deflector Extended Gold Project is along strike from Doray Minerals Limited's Deflector Gold Mine, where open-cut and underground mining and ore processing has recently commenced at a new mine and plant complex.

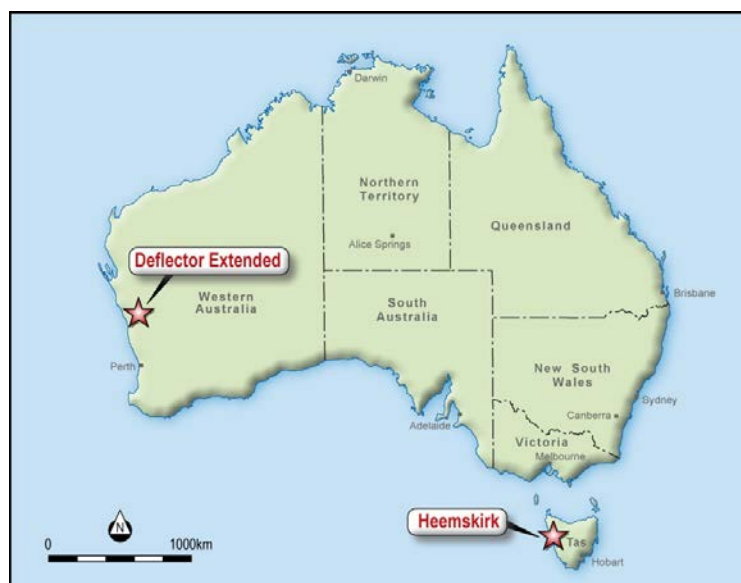


Figure 1: Location of MinRex Project Areas

Deflector Extended Gold Project

MinRex's Deflector Extended Gold Project (E59/1657) lies to the northeast of the Deflector Mine (Figure 2), where copper-gold mineralisation occurs in shear zones in meta-basalt, and also the Golden Stream Mine, which has been worked for gold in shear zone-hosted quartz veins in meta-basalt. The Deflector Mine has recently been re-opened, by Doray Minerals Limited, as an underground mining operation on extensions to the copper-gold sulphide lodes. Both deposits trend towards MinRex's tenement, where deep cover sequences have hindered previous exploration programs.

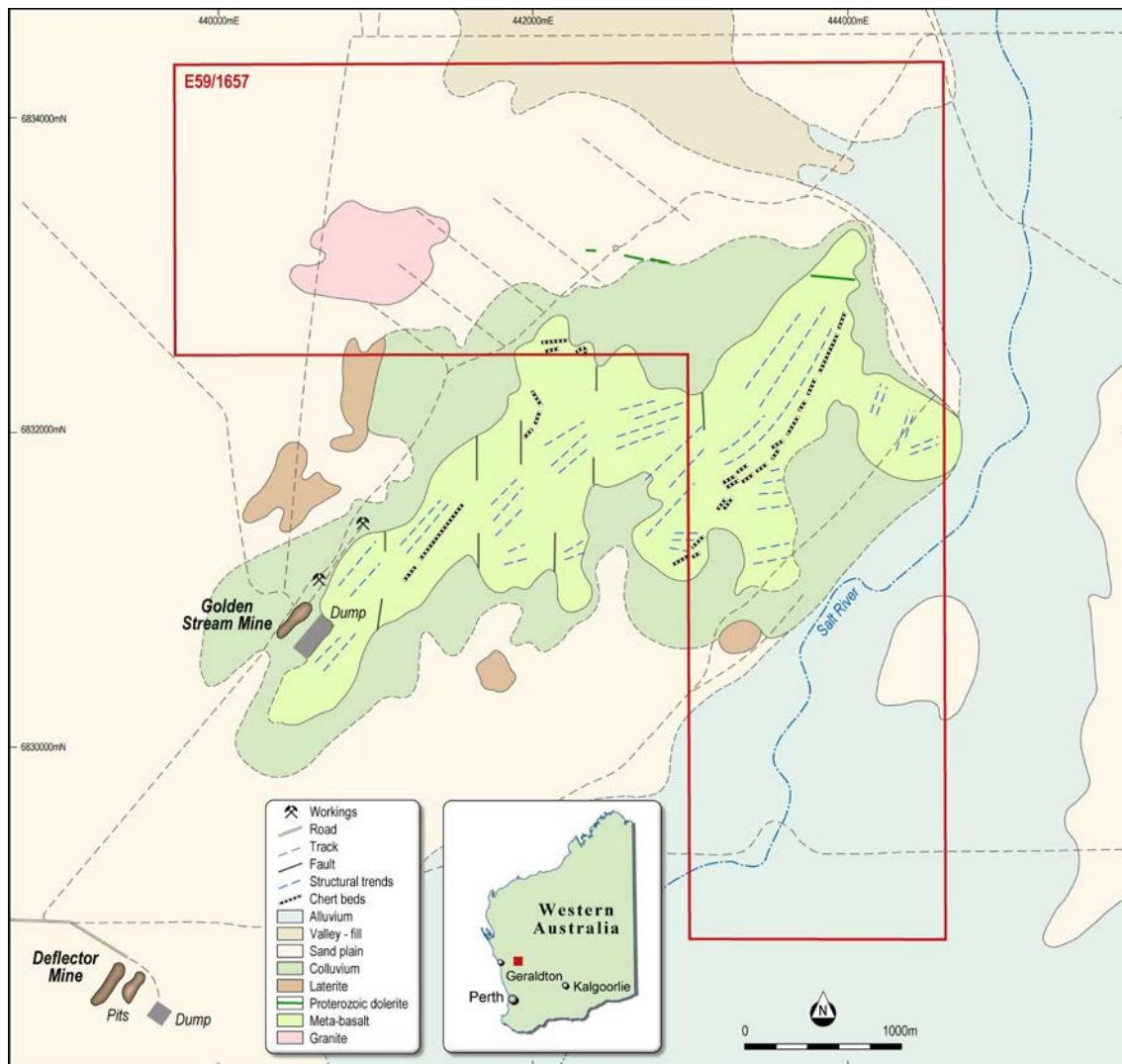


Figure 2: Geology of E59/1657 showing Deflector Mine and Golden Stream pit

The area of E59/1657 consists of about 15% outcrop of mafic meta-basalts in the Cagacaroon Hills area, and about 85% Cainozoic cover sediments, plus small areas of residual laterite (Figure 2). MinRex has been actively exploring the tenement (E59/1657) since 2011. This exploration has sought to use surface sampling and geology to hone in to buried mineralized structures and favourable settings for mineralization.

While there is clearly potential for buried gold mineralisation in extensions to either of the two gold mineralisation types in the area, it is considered that the pattern drilling and sampling completed in the past have not adequately tested the tenement. MinRex is continuing with its exploration programs in E59/1657 to test the remaining prospectivity for gold in structures or along lithological contacts, under the cover sequences in the tenement (Figure 3).

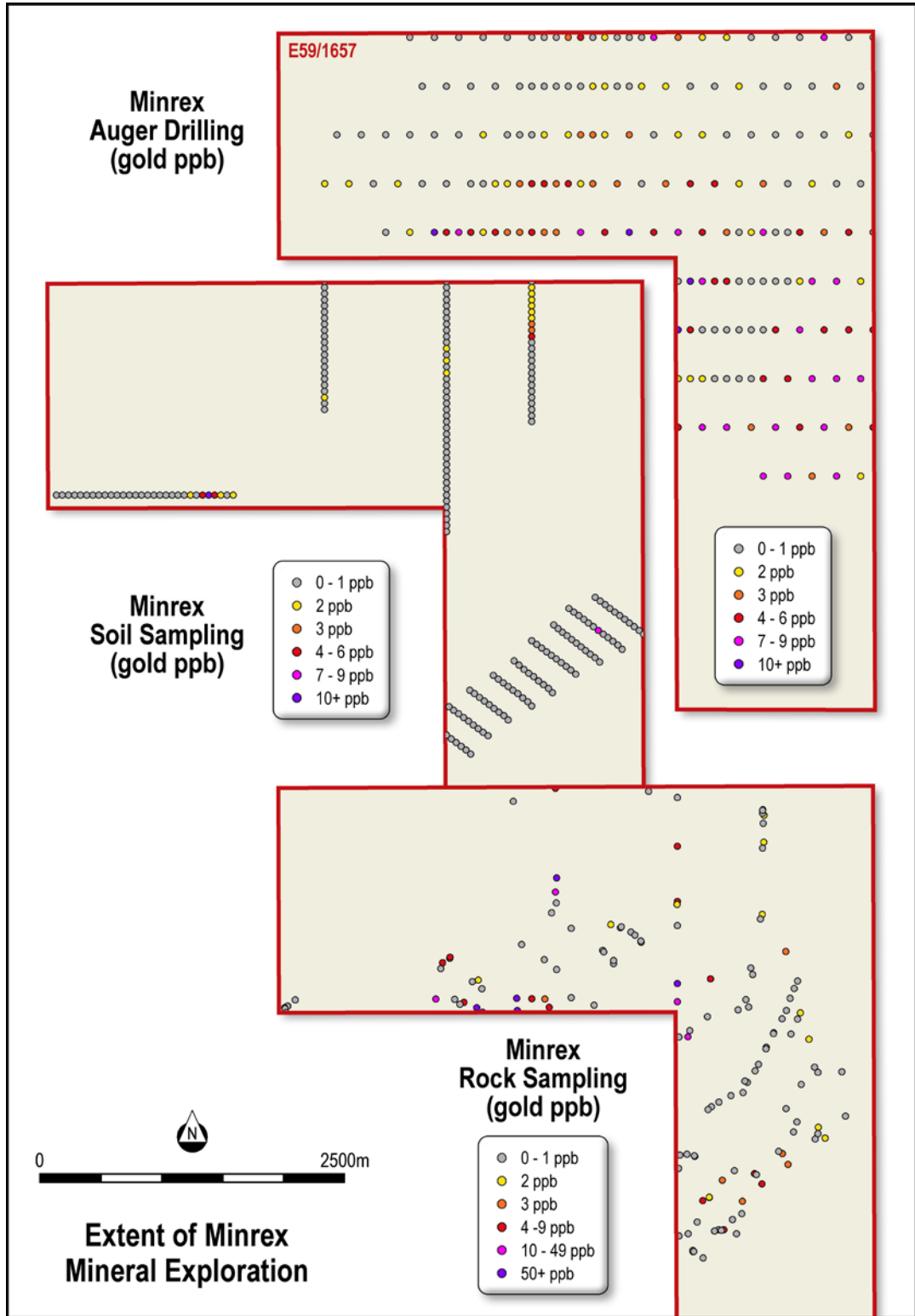


Figure 3: Sampling work completed by MinRex in E59/1657 in 2011-2016

Five surface sampling programs have now been completed by MinRex, within the Deflector Extended Gold Project area, utilizing auger drilling, surface grab samples of outcropping rocks, float, unconsolidated sediments, calcrete and ferricrete, and a number of lines of close-spaced, surface soil sampling lines have also been completed (Figure 3). All of this work has been completed under close geological supervision, and with regard to past work and the available geological and geophysical databases.

The tenement (E59/1657) has now been active for five years and an application for an Extension of Term was submitted to the Department of Mines and Petroleum of Western Australia in July, with an extension for a further five years being received in late-September 2016.

Now that the Extension of Term has been granted, MinRex proposes to continue with its mineral exploration programs at the Deflector Extended Gold Project, with the initial aim being to infill the detailed soil sampling lines (with multi-element low-level assays) to at least 500m line-spacing over the deeply covered areas of the tenement. Further infill, to 250m line-spacing, with samples at 25m intervals, will also be completed over the areas already indicated as potential extensions to the known mineralized structures. Depending upon the results from this work further infill may then be required to hone in onto precise locations for any gold mineralisation present.

Heemskirk Tin Project

Over the past hundred and forty years many small, rich tin deposits have been worked in the Heemskirk area of Tasmania, with most of this mining and prospecting having been completed prior to 1900. MinRex has now held this area since 2012 and has been successful in identifying a number of the known old tin workings, including the Peripatetic, McGuiness, St Dizier, Fisher & Smith, Morrisby, Carn Brea and Amy Creek workings (Figure 4). The Company is exploring this area with the aim of discovering large low-grade or smaller high-grade deposits of tin or tungsten.

A total of 51 of the 173 samples collected to date at Heemskirk are rock samples, taken from outcrops, old workings and prospective sites. The plan below shows the location of these samples along with the old known tin workings in the Heemskirk Tin Project area (Figure 4).

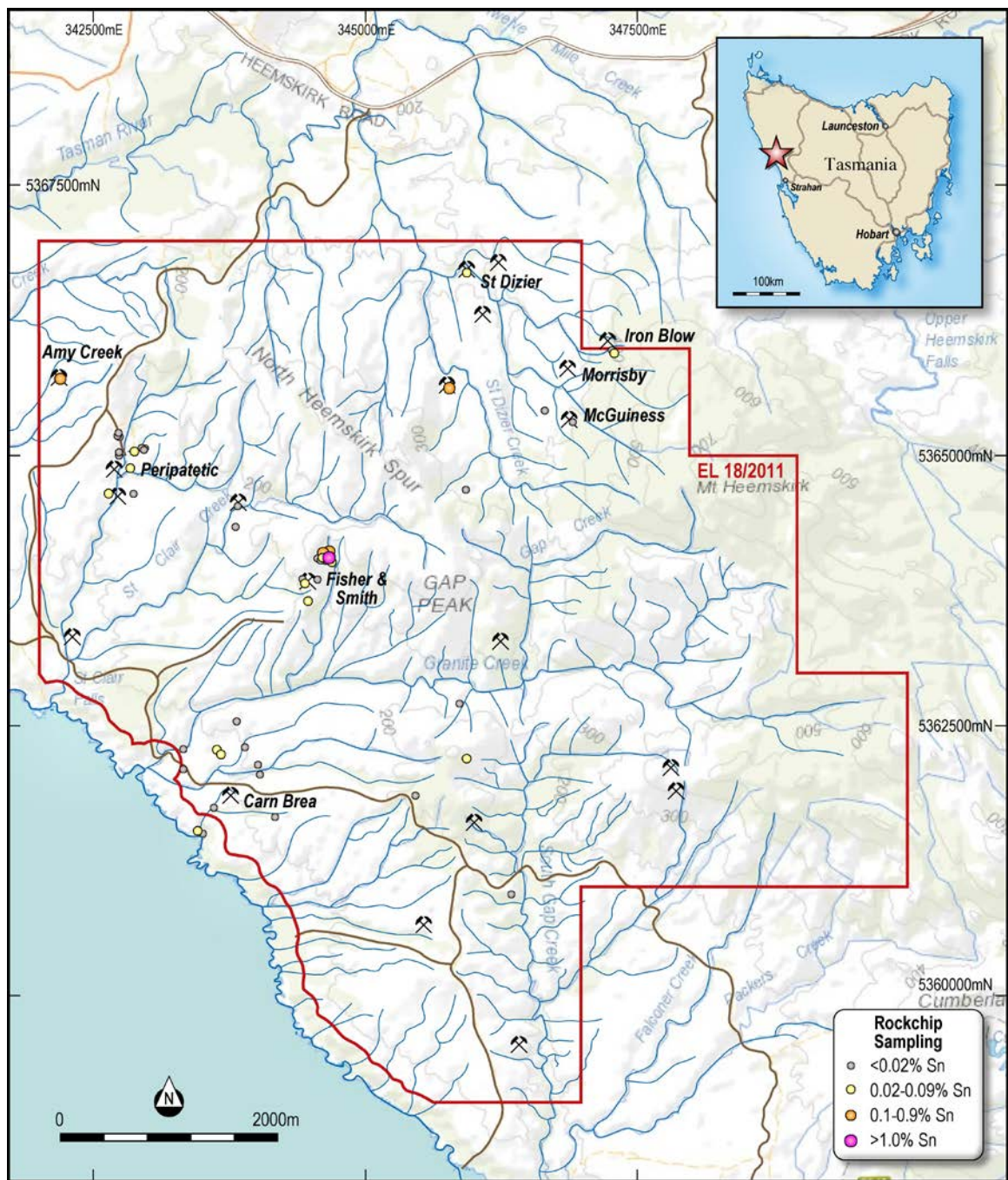


Figure 4: Plan of rock samples and the known old workings in the Heemskirk Tin Project



Figure 5: Old Adit and abandoned Stamp Battery at the Carn Brea Mine site in 2016

In April-May 2016, a new field sampling program was completed in Area D and also infill sampling in the Area B sector in the Heemskirk Tin Project tenement. Panned concentrate stream sediment sampling in Area D collected 25 samples, while infill stream sediment sampling in Area B collected a further 18 samples. A total of 28 rock samples were also collected during the 17 days of field work and sampling (Figure 5). The 71 samples were then packaged and dispatched to Perth for examination and geological logging before being submitted to the Bureau Veritas Laboratory in Perth. Geological examination of the samples demonstrated that many of the stream sediment and rock samples contained visible tin minerals, principally cassiterite (Figure 6).

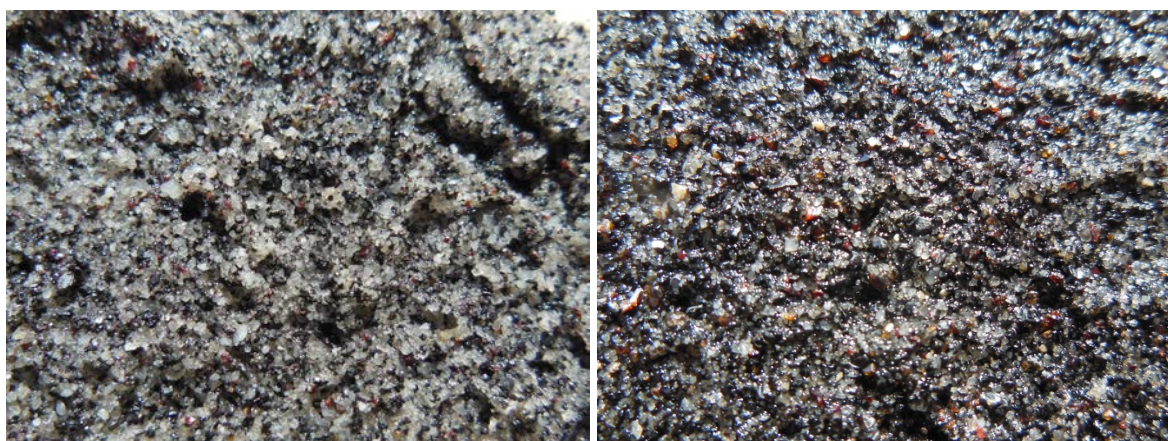


Figure 6: Photographs of Sample 53319 (15.4% tin)-left- and Sample 53320 (37% tin) - right

The 2016 sampling program has, again, returned high-grade assay results. From the total of 43 panned concentrate stream sediment samples, 10 have values over 1% tin and another 7 have values between 0.5 and 1% tin, for a total of 17 (40%) of the samples being over 0.5% tin. The highest sample grade was 37% tin (by weight) with the sample plainly containing a very high percentage of the, red-brown coloured, tin oxide mineral cassiterite (Figure 6).

The results from all 122 of the stream sediment concentrate samples, collected to date, are presented below, with the new (2016) results over 1% tin highlighted in red (Figure 7). In all 21 of the total 122 samples from Areas A, B, C & D, have values over 1% tin and another 17 have values between 0.5 and 1% tin, for a total of 38 (31%) of the samples being over 0.5% tin.

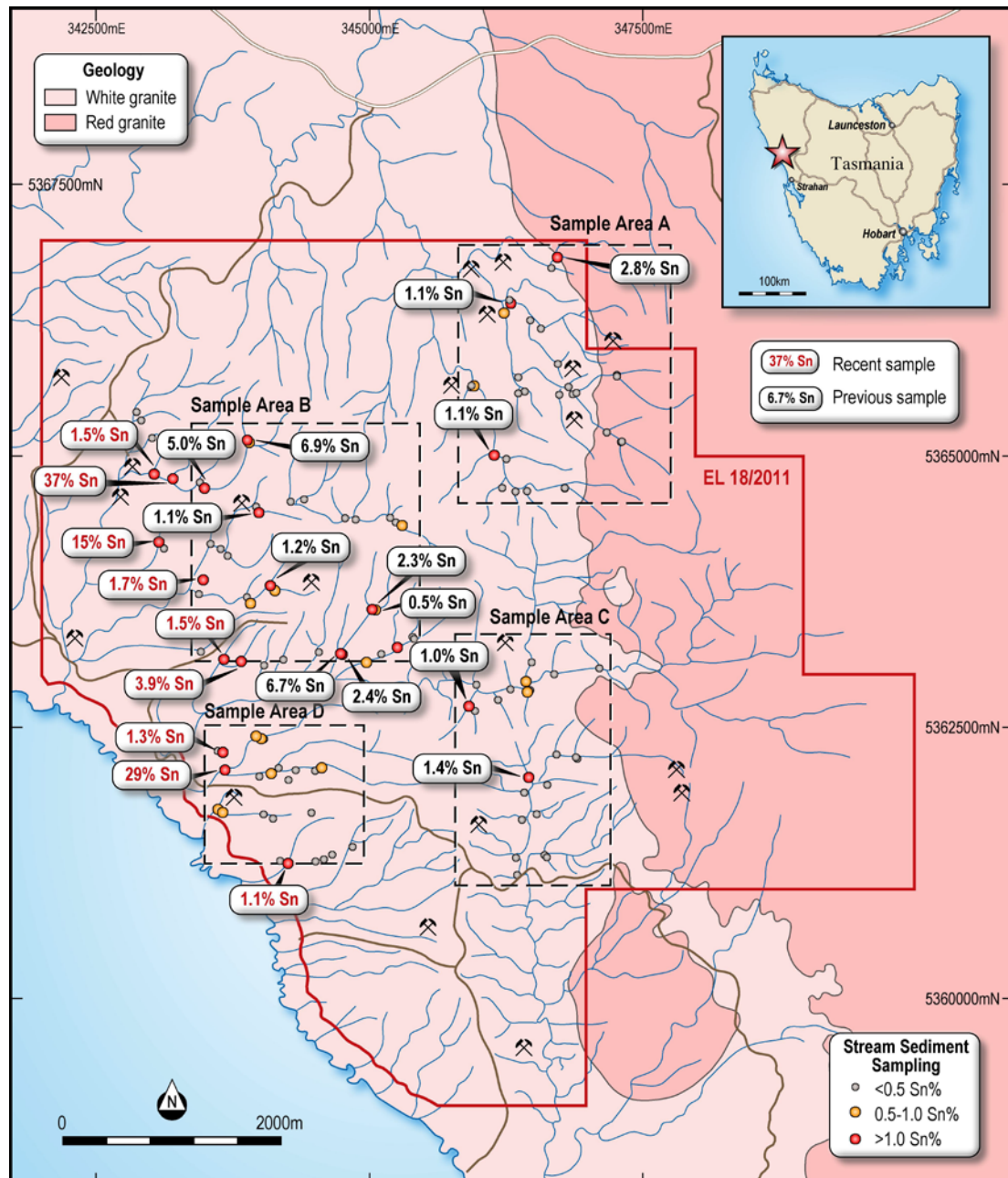


Figure 7: Plan of the Panned Concentrate Stream Sediment Assay Grades from Heemskirk

The samples are panned concentrate stream samples and are therefore higher grade than the original in-situ stream sediments; nonetheless, it is thought that the higher grade samples will directly correlate with the bedrock areas with the highest distribution of contained tin minerals (cassiterite).

A follow-up program is being designed to complete further infill stream sediment concentrate sampling in the areas with the highest tin results to date, in conjunction with further rock sampling at the old workings within these priority target areas.

The full assay results for the 43 panned concentrate stream sediment samples collected at the Heemskirk Tin Project in April-May 2016 are included below as Table 1 and the assay results for the 28 rock samples are included below as Table 2.

Corporate Opportunities

The Company is continuing to assess a range of corporate opportunities and this work will continue through the coming period. MinRex is in a good position to consider commercial opportunities as a result of the Company's cash holdings which give it the flexibility to take advantage of available assets.

Corporate

As at 30 September 2016, the Company had available cash of \$1.61 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.

Table 1 – Heemskirk Tin Project 2016 Stream Sediment - Concentrate Sampling Assay Results

Sample No.	Easting m	Northing m	Ag La ppm	As La ppm	Cu La ppm	Mo La ppm	Pb La ppm	Sn La ppm	Sn La %	U La ppm	W La ppm	Zn La ppm
53282	343949	5362430	0.2	1.4	6	0.8	3	7830	0.783	18.1	27.6	60
53283	343999	5362410	-0.1	1.4	6	1	2	7080	0.708	8.46	23.4	50
53284	344017	5362406	-0.1	2	10	1	5	709	0.071	8.54	7	110
53285	343605	5362288	-0.1	1.2	8	1	3	764	0.076	5.68	4.2	70
53286	343650	5362278	-0.1	1.2	6	0.6	2	12600	1.26	7.69	41.2	45
53287	343674	5362119	-0.1	3	-2	1.2	4	294000	29.4	59.2	1010	20
53288	343995	5362047	-0.1	0.6	6	0.6	2	737	0.074	5.13	5.4	50
53289	344105	5362081	0.2	-0.2	12	2.2	3	6150	0.615	5.7	29.4	55
53290	344165	5362114	-0.1	1.2	4	1.6	2	2810	0.281	13.7	16.5	55
53291	344249	5362033	-0.1	0.8	6	0.4	3	2100	0.21	11.7	10.4	45
53292	344325	5362105	-0.1	1.2	6	0.6	2	759	0.076	4.32	4.4	60
53293	344501	5362104	-0.1	1.8	8	0.8	3	109	0.011	12.8	5.6	50
53294	344548	5362125	-0.1	0.4	-2	0.4	3	8570	0.857	7.67	40.2	40
53295	343625	5361738	-0.1	1.4	8	0.8	2	5630	0.563	8.48	18.7	45
53296	343648	5361716	0.3	1.4	6	0.8	2	6490	0.649	3.66	24.1	50
53297	343853	5361705	-0.1	1.2	8	0.8	2	1060	0.106	4.09	4.7	30
53298	344032	5361705	-0.1	0.8	4	0.8	-1	119	0.012	2.18	1.55	40
53299	344113	5361662	-0.1	0.6	8	1.2	-1	556	0.056	5.16	3.55	20
53300	344465	5361730	0.7	0.4	4	0.6	4	1420	0.142	17.9	13.2	40
53301	344181	5361273	-0.1	1.2	10	1	3	4360	0.436	10.4	18.5	55
53302	344268	5361240	0.3	0.4	-2	-0.2	3	10800	1.08	18.3	114	40
53303	344502	5361277	0.2	1.4	8	0.6	2	384	0.038	5.15	5.15	40
53304	344571	5361294	0.2	1.4	8	0.8	3	1030	0.103	11.4	13.3	55
53305	344660	5361338	-0.1	1	4	0.4	-1	1340	0.134	3.41	6.3	40
53306	344837	5361402	-0.1	0.6	8	0.4	2	4580	0.458	7.67	18.1	55
53307	345408	5363323	0.2	2.6	12	1	6	589	0.059	6.53	13.7	60
53308	345397	5363333	-0.1	3	6	1.2	6	852	0.085	6.76	29.6	65
53309	345255	5363222	-0.1	2.6	10	1.8	7	21300	2.130	44.7	95.7	75
53310	345101	5363184	0.7	-0.2	4	1.6	3	4180	0.418	11.2	19.7	45
53311	344965	5363099	-0.1	1	-2	1	2	6870	0.687	20.5	29.7	50
53312	344207	5363125	0.4	1.6	10	1.2	3	1900	0.190	13.7	8.95	60
53313	344032	5363073	-0.1	1.2	4	0.8	2	1720	0.172	12.3	8.25	55
53314	343822	5363116	-0.1	0.4	6	0.6	2	38600	3.860	25.5	165	20
53315	343667	5363129	0.2	1.2	6	0.6	-1	15100	1.510	6.93	57.4	45
53316	343431	5363729	-0.1	0.8	4	2.8	-1	2000	0.200	8.9	12.5	60
53317	343478	5363866	-0.1	1.8	-2	1.8	6	16800	1.680	31.9	98.5	20
53318	343118	5364165	-0.1	-0.2	-2	1.2	-1	194	0.019	10.5	3.45	40
53319	343070	5364210	-0.1	-0.2	-2	0.6	-1	154000	15.400	14.1	394	40
53320	343201	5364811	-0.1	0.4	-2	2	7	370000	37.000	58.3	1010	40
53321	343033	5364830	-0.1	-0.2	-2	-0.2	2	14400	1.440	11.6	51.8	10
53322	343008	5365160	-0.1	0.8	4	0.8	5	4720	0.472	43.7	21.6	50
53323	342903	5365338	-0.1	-0.2	-2	1.2	3	582	0.058	19.8	6.65	30
53324	342890	5365407	-0.1	1.4	6	0.4	6	378	0.038	5.38	21.1	45

Table 2 – Heemskirk Tin Project 2016 Rock Sampling Assay Results

Sample No.	Easting m	Northing m	Ag La ppm	As La ppm	Cu La ppm	Mo La ppm	Pb La ppm	Sn La ppm	Sn La %	U La ppm	W La ppm	Zn La ppm
16001	343891	5362312	-0.1	1.2	6	0.6	-1	57	0.006	2.55	8.75	35
16002	343662	5362259	-0.1	0.6	4	0.4	2	541	0.054	2.82	6	60
16003	343638	5362274	1	926	34	0.6	37	334	0.033	20.4	11.1	310
16004	344021	5362069	-0.1	3.6	18	6	7	94.8	0.009	7.79	6.6	65
16005	344001	5362154	-0.1	2.8	4	-0.2	-1	27.8	0.003	1.83	1.4	95
16006	344164	5361674	-0.1	5.8	12	192	2	23.8	0.002	11.6	790	35
16007	343606	5361757	-0.1	2.4	-2	1.2	3	29	0.003	4.11	3.45	70
16008	344597	5364089	1.7	0.4	-2	0.8	149	3410	0.341	4.34	21.1	100
16009	344597	5364089	0.2	1.2	4	-0.2	33	1790	0.179	2.52	12.7	95
16010	344608	5364050	0.4	6	-2	-0.2	1210	2290	0.229	5.93	8.35	50
16011	344608	5364050	21.3	321	38	0.8	245	25200	2.520	7.11	87.8	70
16012	344608	5364050	0.5	9.6	6	-0.2	17	327	0.033	4.08	8	100
16013	344608	5364050	0.9	4	-2	0.6	10	234	0.023	2.05	5.25	20
16014	344608	5364050	3.5	140	82	0.8	228	176	0.018	7.35	8.45	50
16015	344574	5364025	-0.1	0.8	-2	2	11	258	0.026	3.7	8.85	55
16016	344574	5364025	-0.1	-0.2	-2	-0.2	6	63.4	0.006	3.12	2.7	80
16017	344574	5364025	-0.1	0.8	-2	0.4	4	16.4	0.002	2.83	2.25	80
16018	344554	5363871	1.4	2.8	6	0.6	3	365	0.037	3.05	13.3	65
16019	342713	5365195	-0.1	-0.2	-2	1.8	-1	8.8	0.001	1.34	7	45
16020	342713	5365195	-0.1	-0.2	6	2.4	-1	33.2	0.003	1.04	8.2	40
16021	342713	5365195	0.2	1.4	-2	1.2	-1	10.4	0.001	0.35	1.9	45
16022	342867	5365049	0.5	14.6	10	1.6	16	946	0.095	2.02	12.9	45
16023	342867	5365049	-0.1	2	8	1.2	11	18.4	0.002	2.69	12.8	20
16024	342934	5365082	0.4	4.8	12	1.6	22	46.8	0.005	7.59	5.2	40
16025	342934	5365082	-0.1	3.8	44	1.2	17	41	0.004	3.96	10.1	75
16026	342729	5365022	1	27.8	40	1.2	3	394	0.039	1.62	20.9	35
16027	342729	5365022	0.8	1180	24	0.8	7	82.2	0.008	2.31	38.2	60
16028	342857	5364653	-0.1	6.2	6	1.2	3	75.2	0.008	1.49	17.2	45

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 2016

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	(37)	(37)
(b) development	-	-
(c) production	-	-
(d) staff costs	(14)	(14)
(e) administration and corporate costs	(144)	(144)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
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	(192)	(192)

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	951	951
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	951	951

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	852	852
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(192)	(192)
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)	951	951
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,611	1,611

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	2
5.2 Call deposits	1,609	1,609
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)	1,611	1,611

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**

68

-

-

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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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	14
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	314

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: 13/10/2016

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.