

---

## **MINREX RESOURCES LIMITED**

**ACN 151 185 867**

## **NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT**

---

Notice is given that the Meeting will be held at:

**TIME:** 10am (WST)  
**DATE:** Thursday, 10 September 2020  
**PLACE:** Level 11, London House  
216 St Georges Terrace,  
PERTH WA 6000

**As a result of the potential health risks and the Government restrictions in response to the coronavirus (COVID-19) pandemic, it is not practicable to host shareholders and members of the public in person at the General Meeting.**

MRR will ensure that all Shareholders have a reasonable opportunity to participate in the Meeting via virtual means, and Shareholders are able to ask questions in advance of the Meeting by e-mailing the Company at [info@minrex.com.au](mailto:info@minrex.com.au)

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4pm (WST) on Tuesday, 8 September 2020.***

---

## BUSINESS OF THE GENERAL MEETING

---

Notice is given that a general meeting of Shareholders of MinRex Resources Limited ACN 151 185 867 will be held at Level 11, London House, 216 St Georges Terrace, Perth WA 6000 on Thursday, 10 September 2020 at 10am WST for the purpose of transacting the following business referred to in this Notice of Meeting.

### AGENDA

---

#### 1. RESOLUTION 1 – ISSUE OF SECURITIES TO JAMES BAHEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:*

- (a) 12,500,000 Shares at an issue price of \$0.012 each;*
- (b) 3,125,000 Free Attaching Options; and*
- (c) 5,000,000 Incentive Performance Rights,*

*to James Bahen (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of James Bahen (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

---

## 2. RESOLUTION 2 – ISSUE OF SECURITIES TO GLENN WHIDDON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:*

- (a) 12,500,000 Shares at an issue price of \$0.012 each;*
- (b) 3,125,000 Free Attaching Options; and*
- (c) 5,000,000 Incentive Performance Rights,*

*to Glenn Whiddon (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Glenn Whiddon (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

---

## 3. RESOLUTION 3 – ISSUE OF SECURITIES TO JAMES PEARSE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:*

- (a) 1,666,667 Shares at an issue price of \$0.012 each;*
- (b) 416,666 Free Attaching Options; and*
- (b) 5,000,000 Incentive Performance Rights,*

*to James Pearse (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."*

## Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of James Pearse (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder or ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

---

**Dated: 10 August 2020**

**By order of the Board**



**James Pearse  
Non-Executive Director  
MinRex Resources Limited**

## **No Voting in person**

---

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, is not practicable for the Company to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting. If it becomes necessary to make changes to the current arrangements for the General Meeting, the Company will advise Shareholders through its website and by making an ASX announcement.

## **Voting by proxy**

---

All voting will be conducted by poll using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all Shareholders who would like to have their vote counted to vote by lodging a proxy form prior to 10am on 8 September 2020 (WST) (**Proxy Cut-Off Time**) (recommended).

Shareholders who wish to participate and vote at the Meeting should contact the Company at [info@minrex.com.au](mailto:info@minrex.com.au) or by phone at (08) 6555 2950 prior to 10am(WST) on 8 September 2020, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting.

How Shareholders can participate:

- (a) Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.
- (b) Shareholders who intend to participate and vote on a poll at the Meeting must contact the Company at [info@minrex.com.au](mailto:info@minrex.com.au) or by phone at (08) 6555 2950 to notify the Company that you intend to participate and vote on a poll at the Meeting by emailing the Company a poll form. You will also need to register and access the Shareholder Meeting by teleconference to follow the meeting and timing of the poll (see below). After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX in accordance with the Listing Rules.
- (c) Shareholders who have completed a proxy form but have not notified the Company that you intend to participate and vote on a poll at the Meeting will have an opportunity to participate in the meeting through the videoconference teleconference facility described below. In this circumstance, the person you have appointed as proxy will cast your vote on your behalf. Shareholders are encouraged to complete a Proxy Form to provide specific instructions to the Chair on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. Shareholders will not be permitted to appoint any other person as their proxy for the purposes of the Meeting.

### **Chair's voting intentions**

---

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

### **Submitting questions**

---

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing [info@minrex.com.au](mailto:info@minrex.com.au) by 8 September 2020. Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

### **Remote attendance via teleconference**

---

The Meeting will be made accessible to all Shareholders via a videoconference teleconference, which will allow Shareholders to listen to the Meeting and ask questions in relation to the business of the Meeting.

Shareholders who wish to participate in the Meeting can do so by requesting the teleconference details from the Company. To request the teleconference details, Shareholders should email the Company at [info@minrex.com.au](mailto:info@minrex.com.au) by 8 September 2020.

Further details on how to dial in to the videoconference teleconference will also be available on the Company's website.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 0389.***

---

## EXPLANATORY STATEMENT

---

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

---

### 1 RESOLUTIONS 1 TO 3 – ISSUE OF SECURITIES TO DIRECTORS

#### 1.1 General

On 29 April 2020, the Company announced the results of its Non-Renounceable Entitlement Issue (announced to the market on 13 February 2020). In summary, the Company received applications for \$80,926 worth of Shares at \$0.01 per Share, meaning a shortfall of \$877,851 worth of Shares at \$0.01 per Share was available to be placed at the discretion of the Board by 24 July 2020 (**Shortfall**).

The terms of the Non-Renounceable Entitlements Issue also included free attaching unlisted Options exercisable at \$0.04 within 30 months from issue on the basis of 1 Option for every 4 Shares subscribed for. Accordingly, up to 21,946,262 free attaching unlisted Options were available to be placed as part of the Shortfall.

On 17 July 2020, the Company announced that the Shortfall would not be placed due to the recent trading price of the Company's Shares, the costs and dilution effect of placing the entire Shortfall and prevailing market conditions. In lieu of placing the Shortfall, the Board is proposing subject to Shareholder approval to undertake a smaller placement to directors of a total of 26,666,667 Shares at an issue price of \$0.012 each (**Placement Shares**) to raise \$320,000 (before costs). The issue price under this director placement represented:

- a discount of 24% to the 10-day VWAP of the Company shares to 16 July 2020 (being \$0.0158);
- a discount of 19% to the 20-day VWAP of the Company shares to 16 July 2020 (being \$0.0148); and
- a premium of 20% to the Shortfall issue price of \$0.01 (the Shortfall issue price represented a discount of 37% and 32% to the 10-day and 20-day VWAP of the Company shares to 16 July 2020 respectively).

Identical to the terms of the Shortfall, it is proposed subject to Shareholder approval that unlisted Free Attaching Options (each exercisable at \$0.04 on or before 30 months from issue) are be issued under the director placement on the basis of 1 Option for every 4 Shares issued, totalling 6,666,666 Free Attaching Options.

Funds raised from the director placement will be used for further exploration activities on the Company's projects, evaluation of additional acquisition opportunities and for working capital requirements. In addition to raising funds, the purpose of the director placement is to align the interests of the Board with Shareholders.

On 17 July 2020, the Company also announced that, further to the recent appointments of Non-Executive Directors Glenn Whiddon, James Bahen and James Pearse, as part of the remuneration packages agreed with each Director the Company has agreed subject to shareholder approval to issue each Director 5,000,000 Incentive Performance Rights expiring 5 years from issue which will convert into Shares on a 1 for 1 basis on the VWAP of the Company's Shares reaching \$0.04 over 20 consecutive trading days (on which Shares have actually traded) (representing 253% and 270% of the 10-day and 20-day VWAP of the Company shares to 16 July 2020 respectively, and 400% of the Shortfall issue price). The proposed issue of Performance Rights to the Directors provides a cost-effective

incentive based form of remuneration (particularly when coupled with the reduced director fees agreed with each Director as set out in the paragraph below) and is intended to reward and incentivise the Board for delivering value to Shareholders.

In addition to the proposed issue of Incentive Performance Rights, effective from 1 July 2020 the Company has agreed to pay each of James Bahen, Glenn Whiddon and James Pearse director fees of \$2,000 per month, representing at least a 40% reduction to director fees paid to previous non-executive directors of the Company. Effective from 1 July 2020, each of James Bahen, Glenn Whiddon and James Pearse will accordingly be paid \$24,000 per annum in director fees. James Pearse was appointed as a Non-Executive Director effective from 1 July 2020 and did not receive any remuneration prior to that date. Glenn Whiddon (appointed as a Non-Executive Director on 5 June 2020) and James Bahen (appointed as a Non-Executive Director on 8 April 2020) will each receive director fees of \$3,000 per month (or pro rata portion thereof) to 30 June 2020.

The securities held by each Director as at the date of this Notice are set out below:

<b>Director</b>	<b>Current</b>
James Bahen	Nil
Glenn Whiddon	2,413,262 <sup>1</sup>
James Pearse	Nil
<p><sup>1</sup> Indirectly held through Getmeoutofhere Pty Ltd &lt;Sinking Ship Super Fund A/C&gt;. As set out in the Appendix 3X lodged on 5 June 2020, Nautical Holdings WA Pty Ltd &lt;Abandon Ship Super Fund A/C&gt; holds 1,926,412 Shares. Glenn Whiddon has no relevant interest in Shares held by Nautical Holdings WA Pty Ltd as Jane Whiddon is the controller of this entity. However, they are noted here for good corporate governance purposes.</p>	

## 1.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of the Placement Securities and Incentive Performance Rights constitutes the giving of a financial benefit, and James Bahen, Glenn Whiddon and James Pearse are related parties of the Company by virtue of being Directors.

In relation to the securities proposed to be issued to each Director, the Board (with each Director who is proposed to receive securities not participating or being present during consideration of the proposed issue of securities to them) consider that Shareholder approval pursuant to Chapter 2E of the Corporation Act is not required in respect of the issue of:

- Shares and Free Attaching Options because these securities are being issued on arm's length terms – the issue of Shares at \$0.012 per Share together with a 1:4 free attaching Option represents a 20% premium to the price of Shares



offered under the Shortfall (offered to all Shareholders under the Non-Renounceable Entitlements Issue), a reasonable discount to the Company's recent trading price at the time of announcing the issue and are otherwise on reasonable terms by reference to other placements of this size for similar companies; and

- the issue of Incentive Performance Rights because the agreement to grant such securities, reached as part of the remuneration package for each Director, is considered reasonable remuneration in the circumstances after review of publicly available information relating to the remuneration structures of similar companies.

### **1.3 Listing Rule 10.11**

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. James Bahen, Glenn Whiddon and James Pearse are related parties of the Company by virtue of being Directors. Therefore, approval is required under Listing Rule 10.11 for the issue of any Placement Securities or Incentive Performance Rights to each of them.

Resolutions 1 to 3 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Placement Securities and Incentive Performance Rights to the Directors. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Furthermore, Shareholder approval of the issue of the Placement Securities and the Incentive Performance Rights means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 1 to 3 are passed, the Company will be able to proceed with the issue of the Placement Securities and the Incentive Performance Rights to the Directors. If Resolutions 1 to 3 are not passed, the Company will not be able to proceed with the issue of the Placement Securities and the Incentive Performance Rights to the Directors, and the Company may need to seek alternative means of raising capital and re-negotiate the remuneration packages received by each Director.

Resolutions 1 to 3 are ordinary resolutions.

### **1.4 Specific information required by Listing Rule 10.13**

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The maximum number of securities to be issued is:
  - (i) 12,500,000 Shares, 3,125,000 Free Attaching Options and 5,000,000 Incentive Performance Rights to James Bahen (and/or his nominees);
  - (ii) 12,500,000 Shares, 3,125,000 Free Attaching Options and 5,000,000 Incentive Performance Rights to Glenn Whiddon (and/or his nominees); and
  - (iii) 1,666,667 Shares, 416,666 Free Attaching Options and 5,000,000 Incentive Performance Rights to James Pearse (and/or his nominees);
- (b) The Placement Shares will be issued at an issue price of \$0.012 each. The Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (c) The Free Attaching Options will be issued for no consideration as free attaching options for the Director Placement on the basis of 1 Free Attaching Option for

every 4 Placement Shares issued. The Free Attaching Options will be Options issued on the terms set out in Schedule 1.

- (d) The Incentive Performance Rights will be issued for no consideration as part of the equity based remuneration packages of the Directors. The Incentive Performance Rights are performance rights issued on the terms set out in Schedule 2. Details of the Director's remuneration in addition to the proposed issue of Incentive Performance Rights is set out in Section 1.1 of this Explanatory Statement.
- (e) The purpose of the issues and the intended use of funds is set out in Section 1.1 of this Explanatory Statement.
- (f) Voting exclusion statements are included in Resolutions 1 to 3 of the Notice.

---

## GLOSSARY

---

**\$** means Australian dollars.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means MinRex Resources Limited (ACN 151 185 867).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Free Attaching Option** means an Option on the terms and conditions in Schedule 1.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Incentive Performance Rights** means a performance right on the terms and conditions in Schedule 2.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Notice** or **Notice of Meeting** means this notice of the general meeting, including the Explanatory Statement and Proxy Form.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Placement Securities** means Placement Shares and Free Attaching Options.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**VWAP** means volume weighted average price.

---

**SCHEDULE 1 - TERMS AND CONDITIONS OF FREE ATTACHING OPTIONS**

---

**1. Entitlement**

Each Free Attaching Option (**Option**) entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Option.

**2. Exercise Price**

Subject to paragraph 9, the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

**3. Expiry Date**

Each Option will expire at 5:00 pm (WST) on the day which is 30 months after the date on which the Option is issued (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**4. Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**5. Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**6. Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**7. Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5) (e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (a) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**8. Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**9. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

**10. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**11. Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**12. Options are not quoted**

The Options will not be quoted on the ASX.

**13. Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

---

## SCHEDULE 2 - TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

---

### 1. Definitions

In these terms and conditions, unless the context otherwise requires:

**ASX** means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

**Board** means the board of directors of the Company.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Australia.

**Change of Control Event** has the meaning given in condition 14(b).

**Company** means MinRex Resources Limited ACN 151 185 867.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Expiry Date** means 5pm (WST) on the date which is 5 years from the date of issue of a Performance Right.

**Holder** means a holder of a Performance Right.

**Listing Rules** means the official Listing Rules of the ASX as they apply to the Company from time to time.

**Performance Right** means the right to acquire a Share on these terms and conditions.

**Share** means a fully paid ordinary share in the capital of the Company.

**Vesting Condition** has the meaning given in condition 2.

**VWAP** means volume weighted average price.

### 2. Performance Rights

Each Performance Right is a right of the Holder (and/or its nominees) to acquire a Share subject to these terms and conditions.

### 3. Vesting Condition

Each Performance Right will vest on the VWAP of the Company's Shares over 20 consecutive trading days (on which Shares have actually traded) reaching \$0.04 at any time prior to the Expiry Date (**Vesting Condition**).

### 4. Exercise

Upon the Vesting Condition being satisfied, the Holder may exercise a Performance Right by delivering a written notice of exercise (**Notice of Exercise**) to the Company Secretary at any time prior to the Expiry Date. The Holder is not required to pay a fee in order to exercise Performance Rights.

### 5. Expiry

Any Performance Rights that have not been exercised prior to the Expiry Date will automatically expire on the Expiry Date.

### 6. Transfer

A Performance Right is not transferable.

### 7. Entitlements and bonus issues

The holder of a Performance Right will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

### 8. Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following

such reorganisation the Holder's economic and other rights are not diminished or terminated.

**9. Right to receive Notices and attend general meetings**

Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

**10. Voting rights**

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

**11. Dividend rights**

A Performance Right does not entitle the Holder to any dividends.

**12. Return of capital rights**

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**13. Rights on winding up**

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

**14. Change in control**

- (a) If prior to the earlier of the conversion or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Rights is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Rights to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of the Performance Rights is equal to 10% of the entire fully diluted share capital of the Company.
- (b) A Change of Control Event occurs when:
  - (i) takeover bid: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
  - (ii) scheme of arrangement: the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
- (c) The Company must ensure the allocation of shares issued under sub-paragraph (a) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Rights and all remaining Performance Rights held by each Holder will remain on issue until conversion or expiry in accordance with the terms and conditions set out herein.

**15. Timing of issue of Shares on exercise**

Within 10 Business Days of receiving an Exercise Notice, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise;
- (b) if required, give ASX a notice that complies with section 708A(5) (e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to

ensure that an offer for sale of the Shares does not require disclosure to investors;  
and

- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

**16. Compliance with law**

The conversion of the Performance Rights is subject to compliance at all times with the Corporations Act and the Listing Rules.

**17. Application to ASX**

Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will within five (5) Business Days after the conversion, apply for official quotation on ASX of the Shares issued upon such conversion.

**18. Ranking of Shares**

Shares into which the Performance Rights will convert will rank parri passu in all respects with existing Shares.

**19. No other rights**

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.



If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: MRR

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday, 8 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting via virtual means the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, is not practicable for the Company to allow Shareholders to physically attend the Meeting. All voting will be conducted by poll using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the following instructions. Shareholders who wish to participate and vote at the Meeting should contact the Company at [info@minrex.com.au](mailto:info@minrex.com.au) or by phone at (08) 6555 2950 prior to 10am(WST) on 8 September 2020, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting. Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting via virtual means, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

