

MINREX RESOURCES LIMITED

ACN 151 185 867

PROSPECTUS

For an offer of up to:

- (a) 1,000 Shares each at an issue price of \$0.02; and**
- (b) 72,500,000 Placement Options to the Placement Participants.**

THE OFFERS CLOSE AT 5.00PM WST ON FRIDAY, 11 DECEMBER 2020

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Securities under the Offers.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT INFORMATION

This Prospectus is dated 3 December 2020 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares and Placement Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 11, 216 St Georges Terrace, Perth WA 6000 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.4).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus. The Company will not apply to ASX for quotation of the Placement Options offered by this Prospectus.

The Shares and Placement Options offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business by contacting the Company. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus with the relevant Application Form.

Applications for Placement Options under the Option Offer and Shares under the Share Offer will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus. Refer to Section 1.6 for details.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Shares and Placement Options under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offers. This document does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 2.

By participating in the Offers, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

CORPORATE DIRECTORY

Directors

Mr Glenn Whiddon

Mr James Pearse

Mr James Bahen

Company Secretary

Miss Aida Tabakovic

Registered Office

Level 11

216 St Georges Terrace

Perth WA 6000

Telephone: +61 8 9481 0389

Facsimile: +61 8 9463 6103

ASX Code: MRR

Website: www.minrexresources.com

Share Registry*

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

Telephone: 1300 288 644 (within Australia)

+61 2 9698 5414 (outside Australia)

Facsimile: +61 2 8583 3040

Solicitors to the Company

GTP Legal

68 Aberdeen Street

NORTHBRIDGE WA 6003

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

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INDICATIVE TIMETABLE

Lodgement of Prospectus with ASIC and ASX	3 December 2020
Opening Date of Offers	3 December 2020
Closing Date of Offers*	11 December 2020
Anticipated date for the issue of Shares and Placement Options under this Prospectus and lodgement of Appendix 2A and Appendix 3G*	11 December 2020

*Indicative date only. The Directors reserve the right to extend the Closing Date for the Offers at their discretion, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares and Placement Options.

1. Details of the Offers

1.1 The Offers

The Company is offering pursuant to this Prospectus:

- (a) up to 1,000 Shares each at an issue price of \$0.02 (**Share Offer**); and
- (b) up to 72,500,000 Placement Options (each exercisable at \$0.04 on or before 8 April 2023) on the basis of one free attaching Placement Option for every two Shares subscribed for by Placement Participants under the Placement (**Option Offer**).

The Offers are not underwritten.

All Placement Participants will be sent a copy of this Prospectus, together with an Application Form. Only the Placement Participants can accept the Option Offer. Refer to Section 1.6 for details on how to apply for Placement Options. Refer to Section 4.1 for a summary of the rights attaching to the Shares. Refer to Section 4.2 for the terms and conditions of the Placement Options.

1.2 Background to the Offers

- (a) Director Placement

On 9 October 2020, following Shareholder approval, the Company completed a small placement to the Directors of 26,666,667 Shares each at an issue price of \$0.012 per Share (**Director Placement Shares**) together with 6,666,667 free attaching Placement Options (each exercisable at \$0.04 on or before 8 April 2023) on the basis of one free attaching Director Placement Option for every four Director Placement Shares subscribed for, to raise \$320,000 before costs (**Director Placement**).

- (b) Acquisitions and Placement

On 22 October 2020, the Company announced that it had entered into conditional binding agreements to acquire:

- (i) 100% of NSW mining authorities ELA5954, ELA5986, ELA6142 and EL8976 (**Sofala Projects**);

- (ii) an option to farm-in to NSW mining authorities EL7974 and EL7423 (**Sofala Farm-in Rights**) to earn up to an 80% interest in these projects; and
- (iii) an option to acquire the farm-in rights of Argent in NSW mining authority EL5964 (**Sunny Corner Tenements**) to earn up to a 90% interest in that project (**Sunny Corner Farm-In Rights**),

(collectively, the **Acquisitions**).

The consideration for the Acquisitions is set out in the Company's Notice of Meeting dated 28 October 2020 and comprises:

- (i) share consideration totalling 252,500,000 Shares to be issued at a deemed issue price of \$0.02 (**Consideration Shares**);
- (ii) cash components payable to the vendors at completion of the Acquisitions; and
- (iii) a 2% net smelter royalty in respect of all mineral production from the Sofala Projects, the projects the subject of the Sofala Farm-in Rights and the exploration area of the project the subject of the Sunny Corner Farm-in Rights.

Details of the consideration payable for the Acquisitions to individual vendors is set out in Schedule 1 of the Company's Notice of Meeting dated 28 October 2020.

At completion of the Acquisitions, a total of 92,500,000 of the Consideration Shares will be issued to the vendors. 80,000,000 of the Consideration Shares will be issued upon execution of formal farm-in agreements with the applicable vendors in relation to the Sofala Farm-in Rights. The portion of the Consideration Shares being issued to the vendor of the Sunny Corner Tenement will be issued subject to Shareholder approval in tranches upon the achievement of certain milestones on or before 14 October 2021.

To provide funding for the cash consideration due at completion of the Acquisitions, the initial obligations under the Sofala Farm-in Rights and the Sunny Corner Farm-in Rights and additional working capital, the Company has announced it is proposing to undertake a placement of up to 145,000,000 Shares each at an issue price of \$0.02 per Share (**Placement Shares**) together with up to 72,500,000 free attaching unlisted Placement Options (each exercisable at \$0.04 on or before 8 April 2023) on the basis of one free attaching Placement Option for every two Shares subscribed for, to raise a total of \$2,900,000 before costs (**Placement**). The Company has received firm commitments for the full subscription under the Placement.

The Placement is being managed by the Advisers who will receive:

- (i) a management fee of 3% of the funds raised under the Placement; and
- (ii) a capital raising fee of 3% of the funds raised under the Placement.

At the Company's Annual General Meeting held on 27 November 2020, Shareholders approved the issue of:

- (i) the Placement Shares and 72,500,000 Placement Options to the Placement Participants;
- (ii) 172,500,000 of the Consideration Shares to be issued on completion of the Acquisitions; and
- (iii) 25,000,000 of the Consideration Shares comprising the first tranche of the consideration Shares for the Sunny Corner Tenement.

The Placement Options will be issued pursuant to this Prospectus on or about 11 December 2020.

It is intended that, on or about the date of this Prospectus, the Company will complete the Acquisitions and the Placement and issue 145,000,000 Placement Shares and up to 92,500,000 of the Consideration Shares payable at completion of the Acquisition. 80,000,000 of the Consideration Shares will be issued upon execution of formal farm-in agreements with the applicable vendors in relation to the Sofala Farm-in Rights.

1.3 Purpose of the Offers

The issue of the Director Placement Shares have been, and the issue of the Consideration Shares and the Placement Shares will be, made without a Prospectus in reliance on section 708 of the Corporations Act. A prospectus is required under the Corporations Act to enable the Directors who have been issued Director Placement Shares and persons who will be issued Consideration Shares and Placement Shares to on-sell those securities within 12 months of their issue. The Company did not issue the Director Placement Shares and does not intend to issue the Consideration Shares and Placement Shares with the purpose of the persons to whom they were issued selling or transferring their securities, or granting, issuing or transferring interests in those securities within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

The Company is required to issue the Placement Options under a prospectus to enable persons issued the Placement Options to on-sell the Shares issued on exercise of the Placement Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Accordingly, the purpose of this Prospectus is to:

- (i) make the Offers;
- (ii) ensure that the on-sale of the Director Placement Shares, 92,500,000 of the Consideration Shares and the Placement Securities does not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act; and
- (iii) ensure that the on-sale of the underlying Shares to be issued on exercise of the Placement Options (that are issued pursuant to the Option Offer) is in accordance with *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

1.4 Opening and Closing Dates

The Offers will be open for acceptance from the date of this Prospectus, being Thursday, 3 December 2020 until 5.00pm AWST on the Closing Date, being Friday, 11 December 2020, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.5 Minimum subscription

(a) Share Offer

There is no minimum amount sought to be raised by the Share Offer. If the Share Offer is fully subscribed, the Share Offer will raise approximately \$20 (before costs of the Offers). The Company will proceed to issue the Shares if a lesser amount is raised and irrespective of the amount raised. The Company intends to issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date. There is no provision for oversubscriptions under the Shares Offer.

(b) Option Offer

There is no minimum subscription for Placement Options. The Company estimates that the maximum number of Placement Options subscribed for will be 72,500,000 Placement Options being one free

attaching Placement Option for every two Shares subscribed for by Placement Participants under the Placement. The Company intends to issue the Placement Options on or around 11 December 2020.

1.6 How to accept the Offers

Only the Placement Participants will be provided with a copy of this Prospectus and an Application Form in respect of the Option Offer. Applications for Placement Options must be made by the Placement Participants at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Placement Participants may only make an application for Placement Options in accordance with their subscriptions under the Placement.

If applying for Placement Options under the Option Offer, applicants are not required to pay any funds with the Application Form as Placement Options will be issued for nil consideration as free-attaching Options in connection with the Placement.

If you wish to subscribe for Shares pursuant to the Share Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. If applying for Shares under the Share Offer, Application Monies must accompany your completed Application Form and must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "MinRex Resources Ltd" and crossed "Not Negotiable". All cheques must be in Australian currency.

Application Forms must be received by the Company prior to 5.00pm (AWST) on the Closing Date. Application Forms should be mailed, delivered or emailed to:

MinRex Resources Ltd
Level 11, 216 St Georges Terrace, Perth WA 6000.
aida@miningcorporate.com.au

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the application as valid and how to construe, amend or complete the Application Form is final.

1.7 Issue and dispatch

The Company may issue the Shares progressively as Applications are received. The Company intends to issue the Placement Options on 11 December 2020.

Securityholder statements will be dispatched as soon as possible after the issue of the Shares and Placement Options.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares and Placement Options. Applicants who sell Shares and Placement Options before they receive their holding statements will do so at their own risk.

1.8 Application Monies held on trust

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.9 ASX quotation

The Company will not apply to the ASX for quotation of the Placement Options under the Option Offer.

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares under the Share Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.10 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operation Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares and/or Placement Options.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares and/or Placement Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of Shares and/or Placement Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.11 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside of Australia.

1.12 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 2.

1.13 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares or Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares or Options under this Prospectus.

1.14 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2020 is in the Annual Report which was lodged with ASX on 29 September 2020 available at www.asx.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since 29 September 2020 are listed in Section 4.4.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.15 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9481 0389.

1.16 Privacy

Persons who apply for Shares and Options under this Prospectus may be asked to provide personal information to the Company directly, and through the share registry, such as name, address, telephone and email addresses, tax file number and account details. The Company and the share registry collect, hold and use that personal information to provide facilities and services to Placement Participants and Applications and undertake administration of the Offers. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the Privacy Act 1988 (Cth).

Persons who apply for Shares and Options under this Prospectus have the right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors associated with an investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Acquisition risks

The Company is currently finalising the remaining conditions precedent for the acquisition of the Sofala Projects, the Sofala Farm-in Rights and the Sunny Corner Farm-in Rights. There is a risk that these transactions are not finalised and completed by the various parties and as such the Company does not acquire these assets or rights.

(b) Future capital requirements

The Company's activities will require substantial expenditure. The funds raised by the Placement will primarily be applied towards further exploration activities at the Company's current projects (Marble Bar North, Marble Bar South, Daltons, Bamboo Creek and Deflector Extended Projects), to provide funding for the Company's initial obligations under the Sofala Farm-in Rights and the Sunny Corner Farm-in Rights, for evaluating additional acquisition opportunities and to provide additional working capital.

There can be no guarantees that the funds raised through the Placement will be sufficient to successfully achieve these objectives of the Company or the Company's overall business strategy. Further, the funds raised are only intended to cover the Company's initial farm-in obligations for the applicable Sofala projects. Additional funds will be needed by the Company to fund subsequent farm-in obligations should the Company elect to pursue these.

Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy, if either are available to the Company at all. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(c) Joint venture risks

The acquisition of the Sofala Farm-in Rights and the Sunny Corner Farm-in Rights, should those transactions complete, exposes the Company to joint venture risks with the applicable counterparties, including the risk that changes in the status of any of the Company's joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

2.2 Mineral Industry Risks

(a) Exploration and Development Risks

Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

The quantities and grades included in the mineral resource statements are estimates and may not prove to be an accurate indication of the quantity or grade of precious and base metals that has been identified or that the Company will be able to extract. No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that an identified mineral resource will ever qualify as commercially viable which can be legally and economically exploited.

There is no assurance that exploration of the Company's mineral interests, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited. In addition, acquisition of the Sofala Projects, the Sofala Farm-in Rights and the Sunny Corner Farm-in Rights, should such transactions complete, will expose the Company to additional exploration and development risks associated conducting exploration activities in two jurisdictions (Western Australia and New South Wales).

(b) Operational Risks

The operations of the Company may be affected by various factors including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) Native title and Aboriginal heritage risks

The Company's tenements, including the Sofala Projects and the projects covered by the Sofala Farm-in Rights and the Sunny Corner Farm-in Rights, should those acquisitions complete, are subject to common law and native title rights of indigenous Australians. Legitimate native title rights are recognised and protected under the Native Title Act 1993 (Cth) (**Native Title Act**).

To the extent that native title and indigenous heritage rights exist in respect of the land covered by the tenements, and subject to the form of those rights as determined under the applicable

legislation, the consent of registered native title claimants may be required prior to carrying out certain activities on land to which their claim relates.

If native title rights exist on the tenements, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation which (amongst other things) makes it an offence for a person to damage or in any way alter an Aboriginal site.

There are currently two registered Aboriginal sites on the Company's tenements. The absence of other registered Aboriginal sites does not preclude the existence of Aboriginal sites located within the boundaries of the Company's projects and the Company has reporting obligations in relation to any potential Aboriginal heritage sites that it discovers. Aboriginal sites may exist in the area of the Company's projects that have not been recorded in the registers but remain fully protected under the relevant State and/or Commonwealth legislation. There is a risk that unregistered Aboriginal sites and objects may exist on the land the subject of the Company's projects, the existence of which may preclude or limit mining activities in certain areas of the tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

While the Company acknowledges that the registers of Aboriginal sites do not purport to be comprehensive, the Directors consider the above risks low due to the previous exploration activities in the areas and the low impact on the proposed exploration works.

(d) Third party risks

Under State and Commonwealth Federal legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third party interests which overlay areas within the Company's projects or future tenements granted to the Company, including native title claims, Aboriginal heritage sites, pastoral leases and Crown land, prior to accessing or commencing any exploration or mining activities on the affected areas within the tenements. Any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities or mining within the affected areas or future tenements granted to the Company.

Exploration success may result in extended work programs on the tenements that may require further third party consents with respect to the native title and Aboriginal heritage processes and, pastoralist activities and other third party interests such as Crown land or other areas of planning significance. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other various third parties may need to be notified and/or provide their consent to such activities. Delays to the receipt of any consent or approvals required for such activities is likely to delay the commencement of the Company's exploration programs on the affected tenements. The Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to commencement of exploration programs.

(e) Licences, permits and approvals

Interests in all tenements in Australia are governed by the respective state legislation and are evidenced by the granting and renewal of licenses or leases. The Company's mining exploration activities are dependent on the grant and maintenance of its tenements. Each license or lease, once granted, is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. The maintaining of tenements, obtaining renewals, or getting tenements granted, may depend on the Company being

successful in obtaining the required statutory approvals for its proposed activities and having the licences, concessions, leases, permits or consents that it holds renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection with them. Consequently, the Company could lose title to or its interest in its tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company's mineral rights and interests are also subject to the need for ongoing or new government approvals, licences, permits and consents. These requirements, including work permits, environmental approvals and consents required for new exploration activities, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations, consents, permits or approvals may significantly impact on the Company's operations.

(f) Commodity Price Volatility and Foreign Exchange Risk

In the event that the Company achieves exploration success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for precious and base metals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(g) Dependence on key personnel

The Company is reliant on a number of key personnel employed by the Company. Loss of such personnel may have a materially adverse impact on the performance of the Company. While there can be no assurance given as to the continued availability of such key personnel, the Company has put in place employment contracts and equity participation programmes with senior executives to incentivise them.

(h) New projects and acquisitions

The Company may continue to actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(i) Environmental Risks

Exploration and mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. Future legislation and regulations governing precious and base metals production may impose significant environmental obligations on the Company in relation to precious and base metals mining. The operations and proposed activities of the Company are subject to regulations concerning the environment. The Government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

2.3 General Risks

(a) Economic Risk

Changes in the general economic climate in which the Company will operate following completion of the Acquisitions may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption and the rate of growth of gross domestic product in Australia and other jurisdictions in which the Company may acquire mineral assets.

(b) Market conditions

The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Further, share market conditions may affect the value of the Company's

quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Liquidity Risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(d) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) COVID-19

The outbreak of the novel coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(f) Changes in Government Policies and Legislation

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

(g) Litigation risk

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(h) Insurance risk

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration

2.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Financial Information

3.1 Capital Structure on completion of the Offers and the Acquisitions

	Shares	Options	Performance Rights
Current as at date of this Prospectus	233,637,055	42,023,170	15,000,000
Consideration Shares	252,500,000 ³	-	-
Placement Shares	145,000,000	-	-
To be issued under the Share Offer	1,000		
To be issued under the Option Offer		72,500,000 ²	0
Maximum number of Adviser Options to be issued	-	25,000,000 ¹	-
Total after the Offers if fully subscribed (Post Completion of Acquisitions and Placement)	631,138,055	139,523,170	15,000,000
Notes:			
1. Unlisted Options exercisable at \$0.045 on or before 8 April 2023.			
2. All Placement Options (unlisted Options exercisable at \$0.04 on or before 8 April 2023).			
3. Assumes all of the deferred consideration Shares are issued in respect of the acquisition of the Sunny Corner Tenement.			

For details of the Company's substantial holders and interests of directors see Sections 4.8 and 4.7 respectively.

3.2 Effect on control of the Company

The Offers will not have any material effect on control of the Company. The maximum number of Options proposed to be issued under the Option Offer is 72,500,000. If all of these Options are exercised, the Shares issued on exercise will represent approximately 11.5% of the Shares on issue following completion of the Acquisitions and Offers.

3.3 Pro forma statement of financial position

Basis of Preparation

The below pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing Pro-Forma Financial Information.

The statement of financial position as at 30 November 2020 has been prepared using audited accounts as at 30 June 2020, adjusted for significant changes from 30 June 2020 to 30 November 2020, to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Audited Balance Sheet as at 30/06/20 (\$'000)	Significant changes since 30/06/20 ¹ (\$'000)	Effects of Placement (\$'000)	Effect of Acquisitions (\$'000)	Unaudited Pro Forma Balance Sheet (\$'000)
Current Assets					
Cash & cash equivalents	504	176	2,726	(1,670)	1,728
Other assets	51	-	-	-	51
Non-Current Assets					
Plant & equipment	4	-	-	-	4
Exploration & evaluation expenditure	5,656	-	-	4,370	10,026
Right-of-use asset	50	-	-	-	50
TOTAL ASSETS	6,265	176	2,726	2,700	11,859
Current Liabilities					
Trade & other payables	77	-	-	-	77
Lease liability	28	-	-	-	28
Non-Current Liabilities					
Lease liability	20	-	-	-	20
TOTAL LIABILITIES	125	-	-	-	125
NET ASSETS	6,140	176	2,726	2,700	11,734
EQUITY					
Issued capital (net of costs)	9,807	320	2,726	3,950	16,803
Reserves	-	-	-	-	-
Accumulated Losses	(3,667)	(144)	-	(1,250)	(5,061)
TOTAL EQUITY	6,140	176	2,726	2,700	11,734

Notes:

The pro forma statement of financial position is based on the audited financial position as at 30 June 2020 and is adjusted to reflect the following significant changes and assumptions:

- (a) Significant changes since 30 June 2020 30 November 2020 are attributable to Directors' Placement raising \$320,000 (before costs) and ongoing expenditure relating to the administration and corporate costs and exploration expenditure on Company's current projects in Western Australia.
- (b) Effects of the Placement assumes that \$2,726,000 (net of capital raising fees) is raised under the Placement by the issue of 145,000,000 Placement Shares at \$0.02 per Share per Shareholder approval received at the Company's Annual General Meeting held on 27 November 2020.
- (c) Effects of the Acquisitions assumes the cash consideration and Shares consideration payable for Company's acquisition of the Sofala Projects, the Sofala Farm-In Rights and the Sunny Corner Farm-In Rights per Company's (see Schedule 1 of the Company's Notice of Meeting dated 28 October 2020 for further details) is issued per Shareholder approval received at Company's Annual General Meeting held on 27 November 2020 and the Company completes the Acquisitions.
- (d) Costs of the Offers estimated at \$8,206 are deducted.

Further funds of approximately \$2,900,000 (before costs) will be raised if all the Placement Options are exercised (based on the maximum subscription of 72,500,000 Placement Options being issued under this Prospectus).

Other than in the ordinary course of business or as described above, there have been no other material changes to the Company's financial position between 30 June 2020 and the date of this Prospectus.

3.4 Market price of Shares

The highest and lowest market sale prices of the Company's Shares during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.036 per Share on 22 October 2020.

Lowest: \$0.022 per Share on 1 December 2020.

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.022 per Share on Tuesday, 1 December 2020.

3.5 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number of, and the amount paid on (no credited), the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Operating Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the shareholders of the shares of that class, or with the written consent of the holders of at least three-quarters of the issued shares of that class.

(f) Directors

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director, must retire on a rotational basis so that one-third of Directors must

retire at each annual general meeting. No Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(j) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

4.2 Terms and Conditions of Placement Options

(a) Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Option.

(b) Exercise price

The amount payable upon exercise of each Option is \$0.04 (**Exercise Price**).

(c) Issue Price

Each Placement Option will be granted for no consideration.

(d) Expiry Date

The Options will expire at 5.00pm (WST) on 8 April 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise period

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

(f) Notice of exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company (**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.

(g) 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**).

(h) Timing of issue of Shares on exercise

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

- (i) 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;
- (ii) 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
- (iii) 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 (i) 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.

(i) Shares issued on exercise

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

(j) 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.

(k) 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.

- (l) 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.

- (m) Options are not quoted

The Options will not be quoted on the ASX.

- (n) Transferability

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

4.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below).

4.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2020, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus which are as follows.

Date Lodged	Subject of Announcement
02.12.20	MRR Completes Ground Magnetic Survey at Deflector Extended
27.11.20	Results of Meeting
25.11.20	Investor Presentation Cover
20.11.20	Becoming a substantial holder
28.10.20	Notice of Annual General Meeting/Proxy Form
28.10.20	Annual General Meeting Letter to Shareholders
27.10.20	Quarterly Activities & Cashflow Reports
23.10.20	Change in substantial holding
23.10.20	Proposed issue of Securities - MRR

Date Lodged	Subject of Announcement
22.10.20	MRR to acquire Projects in Lachlan Fold Belt,
22.10.20	AYM: Joint Venture Proposal
22.10.20	ARD: Sunny Corner JV Option with MinRex
20.10.20	Trading Halt
19.10.20	MRR to commence Geophysical work at Deflector Extended
12.10.20	Change of Director's Interest Notice
12.10.20	Appendix 2A
05.10.20	Date of AGM & Closing Date for Director Nominations
29.09.20	Appendix 4G

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 11, 216 St Georges Terrace, Perth WA 6000.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

4.5 Information excluded from continuous disclosure notices

Other than as disclosed in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.7 Directors' interests

- (a) Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the

Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	Shares	Options ⁽¹⁾	Performance Rights ⁽²⁾
Glenn Whiddon ⁽³⁾	2,413,262		5,000,000
James Pearse	1,666,667	416,667	5,000,000
James Bahen	12,500,000	3,125,000	5,000,000

(1) Each exercisable at \$0.04 on or before 8 April 2023.

(2) Performance Rights expiring 16 September 2025 which will convert into Shares on a one for one basis on the 20-day VWAP for Shares reaching \$0.04.

(3) Lagral Strategies Pty Ltd <Lagral Family A/C> and Nautical Holdings WA Pty Ltd <Abandon Ship Super Fund A/C> hold a total of 14,426,412 Shares and 3,125,000 Options (each exercisable at \$0.04 on or before 8 April 2023). These securities are held by entities controlled by Jane Whiddon. Glenn Whiddon has no relevant interest in these securities and they are only noted for good corporate governance purposes.

(c) Remuneration of Directors

The Company's Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by Shareholders at a general meeting. Total directors' fees to be paid to all non-executive Directors are not to exceed \$350,000 per annum which was approved by Shareholders at a general meeting held on 11 March 2020.

Each Director is currently paid directors fees of \$24,000 per annum. As there are no full-time executives engaged by the Company and all Directors' fees charged have been historically very low, the Board has resolved to pay each and any Director the sum of up to \$350 per hour (exclusive of GST) in consulting fees for any work performed in the pursuit of other corporate opportunities, as fair compensation for the professional work undertaken.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the opinion of Directors are outside the scope of ordinary duties of a Director.

The following table sets out the remuneration provided to the Directors and their associated entities during the previous two financial years which comprises directors fees including superannuation benefits. During this period, Directors did not receive any consultancy fees, cash bonuses, non-monetary bonuses, post-employment benefits, long term benefits or share based payments.

Director	2018/2019 financial year \$	2019/2020 financial year \$
Glenn Whiddon ⁽¹⁾	-	2,817
James Bahen ⁽²⁾	-	8,300
James Pearse ⁽³⁾	-	-
Simon Durack ⁽⁴⁾	91,980	122,640
James Ellingford ⁽⁵⁾	91,980	103,980
Constantine Tsesmelis ⁽⁶⁾	7,500	39,000
Tim Wilson ⁽⁷⁾	45,550	-

(1) Mr Whiddon was appointed Non-Executive Director on 5 June 2020.

(2) Mr Bahen was appointed Non-Executive Director on 8 April 2020.

(3) Mr Pearse was appointed Non-Executive Director on 30 June 2020.

(4) Mr Durack resigned as an Executive Director on 17 June 2020.

(5) Dr Ellingford resigned as Non-Executive Chairman on 30 June 2020.

(6) Mr Tsesmelis was appointed Non-Executive Director on 15 April 2019 and resigned on 30 June 2020.

(7) Mr Wilson resigned as Non-Executive Director on 20 May 2019.

4.8 Substantial Holders

At the date of this Prospectus, the following Shareholders are substantial shareholders of the Company.

Substantial Shareholder	Relevant Interest in No. of Shares	% Voting power
Chifley Portfolios Pty Ltd as trustee for David Hannon Retirement A/C	28,462,346	12.18%
Atlantic Capital Holdings Pty Ltd as trustee for Atlantic Capital A/C	15,789,538	6.76%
Lagral Strategies Pty Ltd	14,426,412	6.17%

4.12 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offers or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

(b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offers.

GTP Legal will be paid fees of approximately \$5,000 (plus GST) in relation to the preparation of this Prospectus.

4.13 ASIC Instruments

The Offers are made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Securities in the seven-day period after the date of lodgement of the Prospectus with ASIC.

4.14 Expenses of issue

The estimated expenses of the Offers are as follows:

	Offers
	\$
ASIC lodgement fee	3,206
Legal expenses	<u>5,000</u>
Total	<u>8,206</u>

4.15 Consents

GTP Legal has given, and has not withdrawn, its written consent to being named in this Prospectus as solicitors to the Company. GTP Legal has not authorised or caused the issue of this Prospectus or the making of the Offers under this Prospectus. GTP Legal makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name.

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to be 'JP', written in a cursive style.

James Pearse
Director

Dated: 3 December 2020

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Adviser Option means an Option each exercisable at \$0.045 on or before 8 April 2023 and otherwise granted on the terms and conditions set out in Schedule 2 of the Company's Notice of Meeting dated 28 October 2020.

Advisers means various advisers to the Company in relation to the Acquisitions and the Placement, including the primary brokers to the Placement, Merchant Capital Partners Pty Ltd.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2020 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2020, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2020.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date set out in Section 1.4 or such later date as the Directors may determine.

Company means MinRex Resources Ltd ACN 151 185 867.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Director Placement has the meaning in Section 1.2.

Director Placement Options means the Options each exercisable at \$0.04 on or before 8 April 2023 and otherwise granted on the terms and conditions set out in Section 4.2.

Director Placement Securities means the Director Placement Shares and the Director Placement Options.

Director Placement Shares has the meaning in Section 1.2.

Directors mean the directors of the Company as at the date of this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Offers means the Share Offer and the Option Offer.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Opt-out Date means the date set out in Section 1.6 or such later date as the Directors may determine.

Option means an option exercisable into a Share.

Option Offer has the meaning in Section 1.1.

Placement has the meaning in Section 1.2.

Placement Options means the Options each exercisable at \$0.04 on or before 8 April 2023 and otherwise granted on the terms and conditions set out in Section 4.2.

Placement Participants means the participants in the Placement, who are various professional and sophisticated investors introduced by the Advisers, and their nominees.

Placement Securities means the Placement Shares and the Placement Options.

Placement Shares has the meaning in Section 1.2.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares and Options.

Share Offer has the meaning in Section 1.1.

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

Shareholder means a holder of Shares.