

19th July 2021

ASX RELEASE

MINREX EXERCISES SUNNY CORNER OPTION

- **Option exercised to acquire farm-in rights to earn up to a 90% interest in the exploration area of EL 5964 (part of the Sunny Corner Project)**
- **Formal agreements with the project owners being negotiated**
- **Farm-in rights to add significant polymetallic mineralisation potential to MinRex's Sofala Project portfolio.**

MinRex Resources Limited (ASX: MRR) (“**MinRex**” or “**the Company**”) is pleased to announce that it exercised its option with Argent Minerals Ltd (ASX: ARD) to acquire farm-in rights to earn up to a 90% interest in the exploration area of EL 5964 (part of the Sunny Corner Project).

The Sunny Corner Project is hosted within the world class gold-copper mining province of the Lachlan Fold Belt which comprises projects such as Cadia (Newcrest Mining), Cowal (Evolution Mining) and North Parkes (CMOC). The Project is situated approximately 30km east from Bathurst NSW.

MinRex Resources Limited Chief Executive Officer Mr Kastellorizos commented:

“We are excited to announce that we have formally exercised our farm-in option over the Sunny Corner exploration area as part of our strategy to further expand the Company's project portfolio.

The initial data review has outlined outstanding ground IP geophysics and structural targets which remains untested and represents walk-up drill targets for MinRex moving forward once the farm-in formally commences.

We will continue our well progressed negotiations with the project owners and hope to enter into formal farm-in and joint venture agreements shortly. We look forward to providing further updates to Shareholders in due course.”

Sunny Corner Project

EL5964, with an area of 19 units (~54 km²), is part of MinRex's Sunny Corner Project. The Sunny Corner Project also comprises ELA 5986, with an area of 54 units (~154 km²), and ELA 6142, with an area of 12 units (~34 km²) (Figure 1 below).

The project area was identified as a major graben in a rift valley between two or more stable continental plates formed during the Silurian to Middle Devonian period, and includes the first direct shipping mine (DSO) in Australia (silver ore shipped to London in 1877) and historical production mines producing gold, silver and copper including the Nevada Copper Mine (produced Ag-Pb-Cu with 1,000t of ore producing 50t of Cu), Big Hill and Bobs Creek Gold Mines.

Golden Cross Resources Limited last explored within EL5964 in 2005 with exploration activities including 1,860m of drilling (36 RC drillholes an average of 60 meters in depth). There are various prospects of interest including Nevada, Bob's Creek and Big Hill. Within ELA 5986, the Mitchells Creek alluvial workings have produced about 12,000 oz Au with the surrounding areas considered to be prospective for gold and base metal mineralisation. The Paddy Lackey mine at Dark Corner recorded production of 11,740 oz of Au from 1885 to 1906.

Several prospects have been reported to have gold occurrences with quartz veins and shears in sediments (Big Hill) and as occurring in quartz along the contact of sediments with porphyritic intrusives (Bobs Creek). Other prospects were reported as being spatially associated with felsic-intermediate volcanics, as at the Paddy Lackey and St George prospects, exhibiting localised zones of hydrothermal alteration and quartz veining which are thought to be primarily structure controlled.

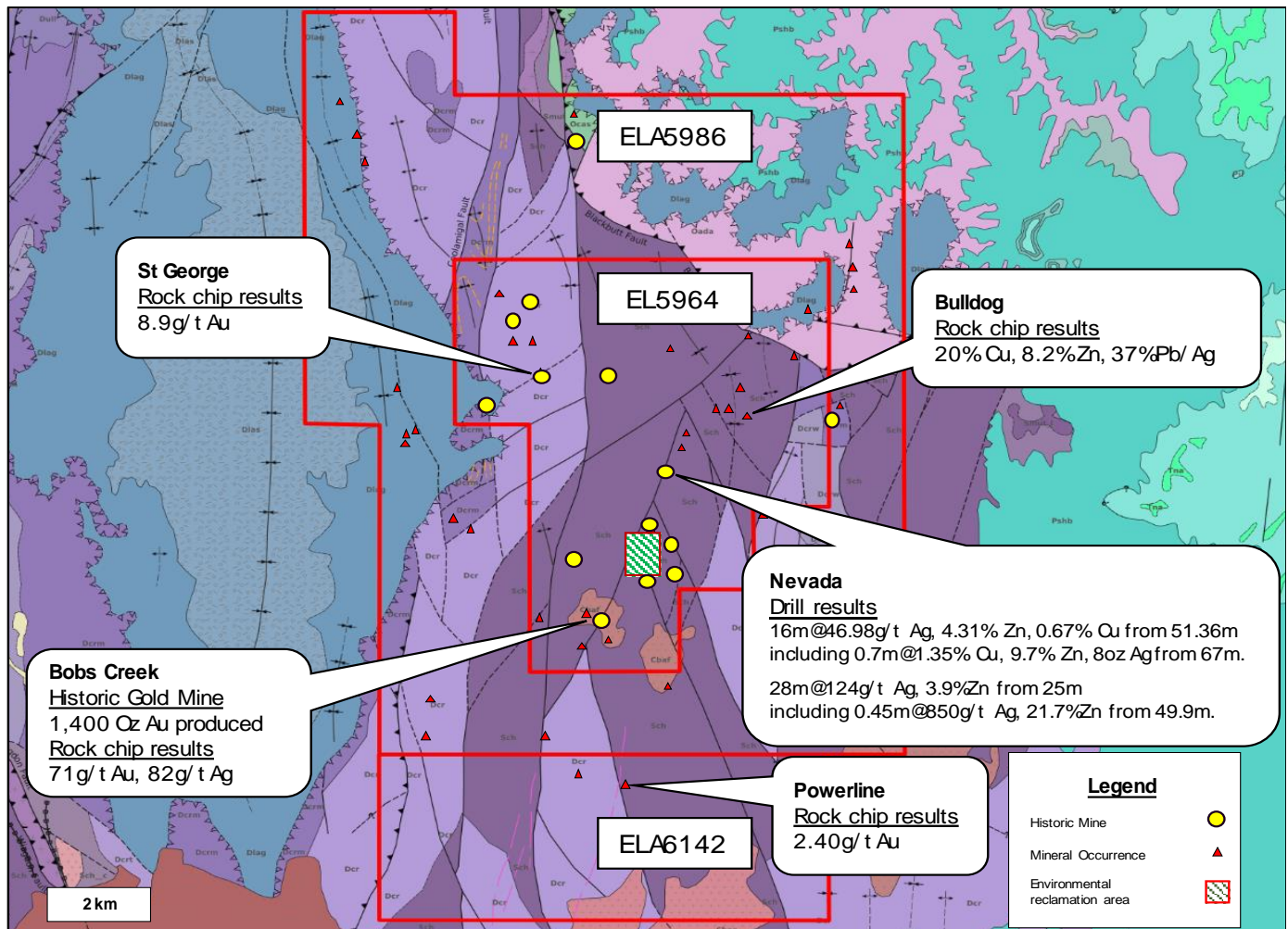


Figure 1 – Sunny Corner Project (EL5964, ELA5986 & ELA6142) and location of prospects¹

Sunny Corner Option

Argent Minerals Ltd originally secured the farm-in rights from the registered owner of EL 5964 (Sunny Silver Pty Ltd) and its parent, Sunshine Reclamation Pty Ltd. On 19 October 2020, MinRex then secured a 9 month option to acquire Argent’s farm-in rights in consideration for the payment of a \$10,000 non-refundable option fee (refer to MinRex’s Announcement 22 October 2020).

During the option period, MinRex conducted technical and commercial evaluations on EL 5964 and progressed negotiations with the project owner on formal farm-in and joint venture agreements. MinRex has elected to exercise its option based on the significant exploration potential offered by known and undiscovered polymetallic mineralisation (including gold, silver, copper, lead, zinc, and molybdenum).

MinRex is required to pay an option exercise fee of \$100,000 to Argent on exercise of the option. MinRex and Argent have agreed to settle this payment via the issue of 5,000,000 MinRex shares at a deemed issue price of \$0.02 (being the same issue price of MinRex’s last capital raising and the deemed issue price of shares under MinRex’s other Sofala acquisitions).

¹ Refer to MRR Announcements of 25 November 2020 for further details.

Further payments are due by MinRex to Argent and the project owners on execution of formal agreements and upon satisfaction of future milestones. Refer to MinRex announcement dated 22 October 2020 for details on the further consideration payments due to Argent in addition to the above.

Should formal farm-in and joint venture agreements be signed with the project owners, MinRex will have the right to earn a 90% interest in the exploration area of EL 5964 by spending \$1.5 million on exploration expenditure within 3 years. MinRex will now proceed to finalise and sign the formal farm-in and joint venture agreements with the project owners.

This ASX announcement has been authorised for release by the Board of MinRex Resources Limited.

-ENDS-

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About MinRex Resources Ltd

MinRex Resources (ASX: MRR) is an Australian based ASX listed resources company with projects in the Lachlan Fold Belt (LFB) of NSW, a world-class gold-copper province and over the Marble Bar and Murchison Regions of WA. Currently the Company's tenements package cover 619km² of highly prospective ground targeting multi-commodities type deposits. Currently the company has JORC compliant resource totalling 323,913 oz gold.

The Directors believe that the Company is well positioned to grow its current resource and advance prospects base around systematic targeted regional exploration.

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Pedro Kastellorizos. Mr. Kastellorizos is the Chief Executive Officer of MinRex Resources Limited and is a Member of the AusIMM who has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Kastellorizos has verified the data disclosed in this release and consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.

References

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