
MINREX RESOURCES LIMITED**ACN 151 185 867****NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

Notice is given that the Meeting will be held at:

TIME: 11.00 am (WST)
DATE: Friday, 29 November 2019
PLACE: The Vic Hotel
226 Hay Street
SUBIACO WA 6008

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 4.00pm (WST) on Wednesday, 27 November 2019.

BUSINESS OF THE ANNUAL GENERAL MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019, together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
 - (b) a Closely Related Party of such a member.
- However, a person (the **voter**) described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:
- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DR JAMES ELLINGFORD

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

"That, for the purposes of clause 3.6 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Dr James Ellingford, a Director, retires by rotation, and, being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ELECTION OF MR CONSTANTINE TSESMELIS

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

"That, for the purposes of clause 3.3 of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Constantine Tsesmelis, a Director who was appointed as an additional Director on 15 April 2019, retires and, being eligible, is elected as a Director of the Company."

5. RESOLUTION 4 – APPOINTMENT OF AUDITOR

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

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, PKF Perth, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company with effect from the close of the Meeting.”

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 29 October 2019

By order of the Board

**Simon Durack
Executive Director**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

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. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's 2019 Annual Report to Shareholders unless specifically requested to do so. The Company's 2019 Annual Report is available on its website at www.minrex.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a Resolution that the remuneration report be adopted must be put to the shareholders. However, such a Resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a Resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report Resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DR JAMES ELLINGFORD

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Clause 3.6 of the Constitution sets out the requirements to determine which Directors are to retire annually.

The Company currently has three Directors. Under clause 3.6 of the Constitution, one third (or if there number is not a whole number, the whole number nearest to one third) of Directors who are not otherwise subject to appointment at the meeting (in accordance with clause 3.3 of the Constitution) and not including any Managing Director, must retire from office and are eligible for re-election. Mr Tsesmelis will therefore be excluded from the rotation provisions given his election pursuant to Resolution 3.

Therefore, pursuant to Resolution 2, Dr James Ellingford, the non-executive chairman, who has served as a Director since 3 November 2017, is retiring by rotation under clause 3.6 of the Constitution and pursuant to ASX Listing Rule 14.5, and being eligible for re-election, offers himself for re-election at the Meeting.

Details regarding Dr Ellingford are set out in the 2019 Annual Report. The Board does not consider Dr Ellingford be an independent director.

3.1 Qualifications and other material directorships

Dr Ellingford previously served as an International Executive President of a multi-billion dollar NASDAQ business in Take-Two Interactive Software with its headquarters in Geneva and New York (TTWO). He has decades of international business experience and has close ties with financial institutions and governments throughout the world. Dr Ellingford holds a Post Graduate degree in Corporate Management, Masters in Business Administration and a Doctorate in Management. Dr Ellingford has lectured MBA students in a corporate governance, ethics and marketing at a leading Sydney University, which are all areas he maintains a keen interest in.

3.2 Directors' Recommendation

The Directors, other than Dr James Ellingford, recommend Shareholders vote in favour of the re-election of Dr James Ellingford pursuant to Resolution 2.

4. RESOLUTION 3 – ELECTION OF MR CONSTANTINE TSESMELIS

4.1 General

Clause 3.3 of the Constitution provides that the Directors may at any time appoint at a person to be a Director either to fill a casual vacancy or as an addition to the existing number of Directors and that a Director appointed to fill a casual vacancy:

- (a) automatically retires at the Company's next Annual General Meeting after the appointment and is then eligible for re-election; and
- (b) must not be taken into account in determining the Directors who are to retire by rotation at that Annual General Meeting.

Pursuant to Resolution 3, Mr Constantine Tsesmelis, who was appointed as an additional director on 15 April 2019 is retiring by rotation under Clause 3.3 of the Constitution and ASX Listing Rule 14.4 and being eligible for re-election, offers himself for re-election at the Meeting.

The Board considers Mr Constantine Tsesmelis to be an independent director.

4.2 Qualifications, other material directorships and independence

Mr Tsesmelis is a Chemical Engineering Consultant with over 40 years technical, managerial and commercial experience in gas processing, LNG, refining, petrochemicals and alternative fuels. He has held senior positions with major oil companies, independent refiners, engineering companies and consulting firms in Europe, the Middle-East and Australia. Mr Tsesmelis' consulting experience and business interests include techno-economic evaluation of new processes, CO2 emission abatement technologies, audit and due diligence services, and the environmental impact of conventional and alternative fuels. His experience includes expert knowledge of decision-support applications for production planning and scheduling, investment analysis, supply chain operations, distribution and logistics. In addition to oil & gas and energy projects, Costa's experience extends to Alumina processing and Nickel refining, and he has worked on important assignments for these industries in Western Australia.

Mr Tsesmelis established his consulting company, Protos Consulting International Pty Ltd in 1996 and from his base in Perth he has developed his consultancy practice and provided services to clients worldwide, including assignments for Australian federal and state government agencies and departments, international organisations and overseas governments. He has also provided expert testimony and presented evidence at arbitration and tribunal proceedings in both Australia and New Zealand.

In recent years, Mr Tsesmelis has completed feasibility studies for a number of Coal, Gas and Biomass-to-Liquids project development opportunities. In 2015 he founded Collie Synfuels Pty Ltd, where he is Project Director and Managing Director leading a consortium of companies and partnerships for the design and development of two Greenfield Coal-to-Hydrogen projects, one at Collie in Western Australia and one in the Latrobe Valley, Victoria. In January 2019, Protos Consulting and Collie Synfuels joined the Australian Hydrogen Export Consortium (AHEC) consisting of industry members from the Republic of Korea and Australia. AHEC aims to develop the key technologies required to safely and efficiently export Liquid Hydrogen from Australia to growing markets in the Asia-Pacific region.

Mr Tsesmelis was awarded a BScTech (Honours) degree in Chemical Engineering and Fuel Technology, and a Postgraduate Diploma in Business Studies, at Sheffield University in the UK. He is a Fellow of the Institute of Chemical Engineers (FIChemE), a Member of the Institution of Engineers Australia (MIEAust) and a registered Chartered Professional Engineer (CPEng).

4.3 Board Recommendation

The Directors, other than Mr Constantine Tsesmelis, recommend Shareholders vote in favour of the re-election of Mr Constantine Tsesmelis pursuant to Resolution 3.

5. RESOLUTION 4 – APPOINTMENT OF AUDITOR

Under the Corporations Act, the Directors of the Company were required to appoint an auditor following the resignation of the Company's previous auditors Ernst & Young on 14 December 2018.

Pursuant to the Corporations Act, the auditor so appointed holds office only until the next annual general meeting of the Company, where they must be re-appointed so that they may continue to act as auditor of the Company.

The Directors have considered this matter and now recommend that PKF Perth be appointed as auditor of the Company (pursuant to section 328B(1 - refer to nomination of auditor in Annexure 1) of the Corporations Act) and that Shareholders consider this Resolution at this Meeting, being the Company's next Annual General Meeting following the resignation of the previous auditors. The Company acknowledges that PKF Perth have consented in writing to being appointed as the Company's auditor.

In accordance with the Corporations Act, David Hannon, of Chifley Portfolios Pty Ltd, has nominated PKF Perth to be appointed auditor of the Company. A copy of that nomination is attached to the Notice of Annual General Meeting (Annexure "A").

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued ordinary share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the eligible entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$958,777 (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: MRR).

This Resolution is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

If Shareholders approve this Resolution, the exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement

Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the number of Equity Securities on issue and the issue price of \$0.01 which is the market closing price as at 18 October 2019 .

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.005 50% decrease in issue price	\$0.01 issue price	\$0.02 100% increase in issue price
Current Variable "A" 95,877,727 shares	10% voting dilution	9,587,773 shares	9,587,773 shares	9,587,773 shares
	Funds raised	\$47,939	\$95,877	\$191,755
50% Increase in current Variable "A" 143,816,590 shares	10% voting dilution	14,381,659 shares	14,381,659 shares	14,381,659 shares
	Funds raised	\$71,908	\$143,817	\$287,633
100% Increase in current Variable "A" 191,755,454 Shares	10% voting dilution	19,175,545 shares	19,175,545 shares	19,175,545 shares
	Funds raised	\$95,878	\$191,755	\$383,511

The table has been prepared on the following assumptions:

1. There are currently 95,877,727 Shares on issue.
2. The issue price set out above is \$0.01 being the closing market price of the Shares on ASX on 18 October 2019.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and/or general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2018 the Company did not issue any Securities.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 6.1.

2019 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2019, which can be downloaded from the Company's website at www.minrex.com.au.

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company convened by this Notice of Meeting.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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.

Notice or **Notice of Meeting** means this Notice of the Annual General Meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2019 Annual Report.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

SCHEDULE 1 - TERMS AND CONDITIONS OF OPTIONS

1. Entitlement

Each 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 (h)(ii) 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 ASX 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.

23 October 2019

The Directors
MinRex Resources Limited
Suite 159, Level 2, Equus
580 Hay Street
PERTH WA 6000

Dear Sirs,

NOMINATION OF AUDITOR

In accordance with the provisions of section 328B(1) of the Corporations Act, I, David Hannon of Chifley Portfolios Pty Ltd, hereby nominate PKF Perth for appointment as auditor of MinRex Resources Limited.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D Hannon', with a long, wavy horizontal line extending to the right.

David Hannon
On behalf of Chifley Portfolios Pty Ltd
Shareholder

PROXY FORM

**MINREX RESOURCES LIMITED
ACN 151 185 867**

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Annual General Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.00am, on Friday, 29 November 2018 at The Vic Hotel, 226 Hay Street, Subiaco WA 6008, and at any adjournment thereof.

Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting direction below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Dr James Ellingford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr. Constantine Tsesmelis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:** YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(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 provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West, Victoria 8007 or
 - (b) facsimile to Company's Share Registrar on facsimile number +61 8 9315 2233; or
 - (c) email to Company' Share Registrar at registrar@securitytransfer.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.