



20 ANNUAL REPORT 19



ABN 12 124 960 523

20 ANNUAL REPORT 19



CORPORATE DIRECTORY

DIRECTORS

Dr David Carland (Non-Executive Chairman)
Mr Richard Laufmann (CEO and Managing Director)
Mr Alister Maitland (Non-Executive Director)
Mr Mitchell H Hooke AM (Non-Executive Director)
Mr Ian Smith (Non-Executive Director)
Mr Ronald Douglas (Non-Executive Director)

COMPANY SECRETARY

Ms Kay Donehue

PRINCIPAL and REGISTERED OFFICE

Level 6, 1 Collins Street
Melbourne, Victoria 3000

CONTACT DETAILS

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Email: rex@rexminerals.com.au
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Abbotsford, Victoria 3067
Telephone: +61 (0) 3 9415 4000 (investors)
1300 850 505 (investors within Australia)

AUDITORS

KPMG Australia
151 Pirie Street
Adelaide, South Australia 5000

BANKERS

ANZ Banking Group Limited
Level 21, 11 Waymouth Street
Adelaide, South Australia 5000

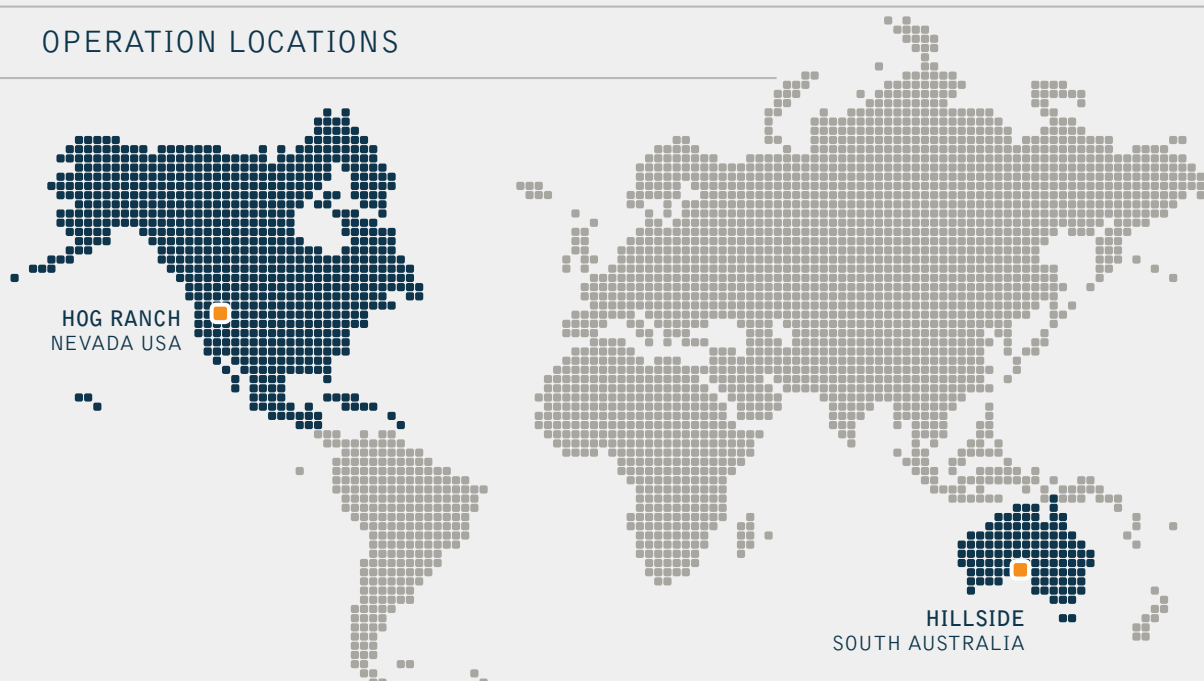
Ord Minnett Limited

Level 7, 161 Collins Street
Melbourne, Victoria 3000

LEGAL ADVISORS

Baker McKenzie
Level 19, 181 William Street
Melbourne, Victoria 3000

OPERATION LOCATIONS



20 ANNUAL REPORT 30 JUNE 19

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REX MINERALS LTD

LETTER FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



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Dear Fellow Shareholder,

This year has seen many fundamental developments that affect our Company. Unquestionably, those external forces, reflected in the macro-global economic and political framework, deeply affect the business environment in which we operate and influence our actions. Internally, we have been deliberate and have adjusted our Company's underlying structure to broaden our opportunities.

Importantly, we began the year by rebalancing and adding significant operational and development expertise to the Board, with the appointment of Ian Smith and Ron Douglas. As a smaller company, swift and informed decisions are crucial to navigating the path forward. Our ability to enter into and transact on the recent Hog Ranch acquisition is evidence of their already significant contribution.

To explain further our acquisition of Hog Ranch, let me reflect on the DNA of Rex Minerals as an explorer with development aspirations.

There can be no doubt that our portfolio, built on copper in South Australia, gives us significant "pounds in the ground" leverage within one of the commodities crucial to the electrification revolution which underpins efforts in some parts of the world to reduce carbon emissions.

It is evident that the pace of this revolution and the obvious emerging supply deficit has yet to materialise.

Viewed simplistically, the next few years could see a future where either:

- the world generally moves forward with confidence into this electrification revolution and the inherent supply constraints in the copper market see Rex shareholders rewarded; or
- the electrification revolution and/or global economic growth stalls and the copper supply squeeze continues to be delayed.

Currently, the latter scenario prevails, and in this reality, gold offers a unique hedge and industry investment opportunity.

Seizing on this thematic brings us to Hog Ranch. Given our exposure to Australia, scanning the world, no jurisdiction beckons more favourably for geological, geographical and sovereign opportunity than Nevada.

In one transaction, we have significantly reduced sovereign risk, and diversified commodity risk to add the perfect hedge investment.

In this regard, I would like to reflect on some hard numbers which speak to the shareholder benefits we see from this opportunity:

- In one year, the gold price has moved from an already-strong incentive price of US\$1,200 to US\$1,500/oz, an increase of 25%.
- In the same timeframe, the copper price has declined by approximately 16% and sits at two-year lows, well below the consensus incentive price to replace production.
- Nevada is recognised by the Fraser Institute (Investment Attractiveness Index) as the Number One destination globally – up from second spot last year. In the same period, and while still attractive, South Australia has slipped from Number 14 to Number 24.
- The gold district in Nevada ranks arguably as one of the most prolific and prospective geological opportunities globally.
- Whilst completing due diligence on what is an exploration investment, we have already completed and issued a maiden resource statement for the prospect.
- We negotiated the transaction, on a no cash basis at a share price circa A\$0.06 (roughly A\$600K for the first tranche) which equates to an entry price based on the maiden resource of A\$0.72/oz or US\$0.49/oz.

REX MINERALS LTD

**LETTER FROM THE CHAIRMAN AND
THE CHIEF EXECUTIVE OFFICER**



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So Rex shareholders now have access to an asset acquired for notionally less than US\$0.50/oz on day one.

I might draw your attention to just a fraction of the credentials of the small team that we have at Rex. Ian Smith ran Newcrest, Australia's largest gold miner, taking it from near obscurity to a behemoth, and acquiring its prize asset, Lihir along the way. Richard Laufmann, having operated the WMC Gold Operations, as a by-line constructed one of the most successful Heap Leach projects in the country during his tenure and has a long history with gold.

To summarise, this investment offers Rex shareholders immediate exposure to gold and provides camp-scale opportunities for small and large low-grade surface projects in addition to exciting high-grade underground epithermal targets.

This in no way changes the fact that Hillside is our flagship asset. The past year and immediate period ahead see us continue to ready the project for development. We have committed over \$15 million of our precious funds and five years to the Program for Environment Protection and Rehabilitation (PEPR) licensing process alone, including many hundreds of consultations with community and other stakeholders. We are very close to the 'next steps' here and we hope to report on this in the very near future.

In continuing this theme, with the PEPR resolution a key component in driving finalisation of the updated feasibility study, as well as next steps in our financing discussions, we will update the market as we make material progress on this front.

I look forward to an exciting road ahead, in which we can now leverage both opportunities to our best commercial benefit.

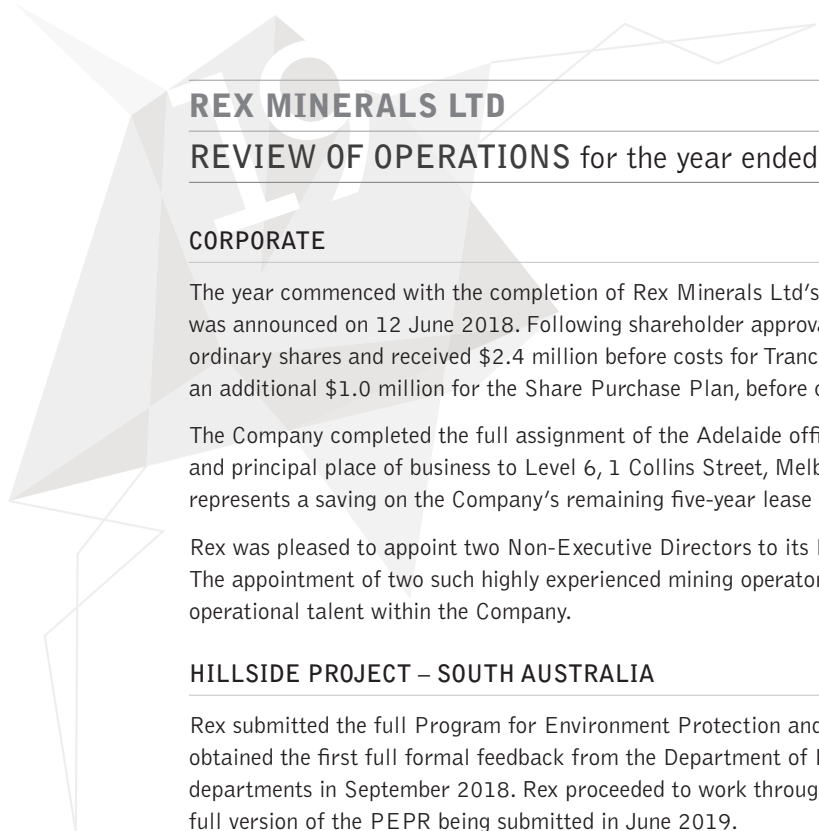
Yours sincerely,

A handwritten signature in black ink, appearing to read "David Carland".

Dr David Carland
Chairman

A handwritten signature in black ink, appearing to read "Richard Laufmann".

Mr Richard Laufmann
Chief Executive Officer



REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2019

CORPORATE

The year commenced with the completion of Rex Minerals Ltd's (Rex or the Company) successful capital raising which was announced on 12 June 2018. Following shareholder approval on 25 July 2018, the Company issued 21.4 million ordinary shares and received \$2.4 million before costs for Tranche 2 and issued a further 9.3 million ordinary shares for an additional \$1.0 million for the Share Purchase Plan, before costs.

The Company completed the full assignment of the Adelaide office lease to a new tenant and relocated its registered office and principal place of business to Level 6, 1 Collins Street, Melbourne during the financial year. The lease assignment represents a saving on the Company's remaining five-year lease commitment totalling approximately \$2.5 million.

Rex was pleased to appoint two Non-Executive Directors to its Board, Ian Smith and Ron Douglas, on 18 February 2019. The appointment of two such highly experienced mining operators significantly enhances the strategic, technical and operational talent within the Company.

HILLSIDE PROJECT – SOUTH AUSTRALIA

Rex submitted the full Program for Environment Protection and Rehabilitation (PEPR) document in February 2018 and obtained the first full formal feedback from the Department of Energy and Mining (DEM) and other regulatory departments in September 2018. Rex proceeded to work through the feedback with the regulators, resulting in the next full version of the PEPR being submitted in June 2019.

An independent peer review of the Hillside PEPR was commissioned in May 2019 by Rex confirming committed design/engineering and management controls, if implemented as described, are appropriate in the context of the agreed Environmental Outcomes for the Hillside Project; and the nominated monitoring program as described in the PEPR will be sufficient to demonstrate the performance of the Hillside Project in achieving the Environmental Outcomes.

All reviewing agencies have been through their respective sections of the PEPR with our team, noting that the PEPR had not technically changed since the February 2018 submission. It is anticipated any further comments will be minor and will provide for completion of the PEPR after which the remaining land access agreements can be finalised. Throughout the year Rex continued to meet with a variety of community members, businesses and other stakeholders around the Hillside Project and more broadly the Yorke Peninsula.

The technical team at Rex has been focused on the Extended Feasibility Study (2015 EFS) cost update into 2019 dollars, including a detailed review and refinement of certain decisions and assumptions contained in the original. While some cost inputs have escalated over the past four years (eg: power and exchange rate assumptions), the possibilities of significant operating cost savings have emerged in the areas of mining fleet operations and maintenance. The quantification of these savings has warranted the engagement of external parties, thus contributing to delaying our process. One key objective in beginning this EFS update was always to improve the economics of the Hillside Project, and this is fundamentally still important.

Completion of the Chinese Feasibility Study (CFS) has been delayed by Rex due to costing updates of the mining sections, however finalisation of the CFS report is progressing. The purpose of commissioning the CFS was to convert our EFS to Chinese feasibility standards, which are understood by Chinese banks. This should provide Rex with a clear opportunity to engage Chinese parties interested in financing the project. In addition, it allowed us to assess the issues should we choose to pursue Chinese Engineering, Procurement, Construction Management (EPCM) development in the future.

Rex completed its lease-wide strategic review of its exploration licenses to evolve further the exploration target portfolio, this has generated new regional Iron Oxide Copper Gold (IOCG) targets under minimal cover. The Company is now considering the timing and financing required to progress these, in what we consider a highly prospective IOCG land package.

The Hillside Project is situated 12 kilometres south of the township of Ardrossan on the Yorke Peninsula, South Australia (Figure 1). The Hillside Project is planned around an open pit mine, initially with a 13-year mine life, producing approximately 35,000 tonnes (t) of copper contained in concentrate and 24,000 ounces (oz) of gold per annum.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2019

HILLSIDE PROJECT – SOUTH AUSTRALIA (CONTINUED)

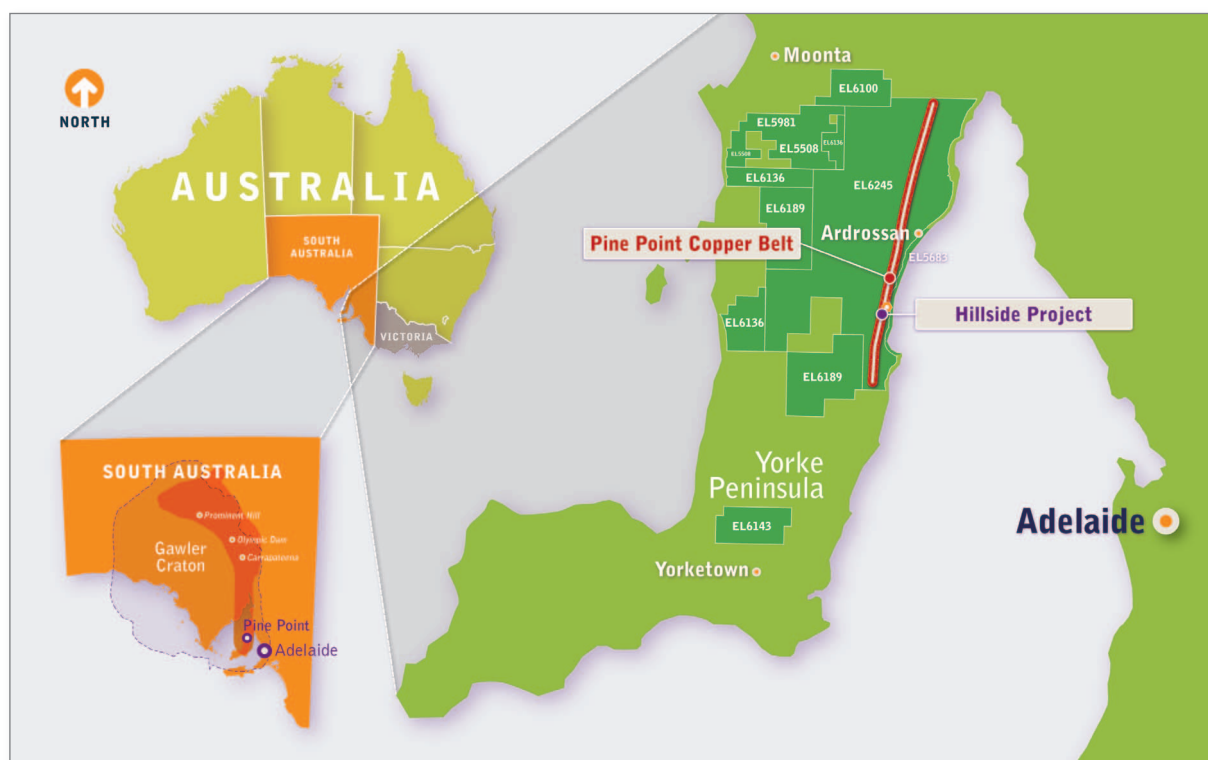


Figure 1: Location of the Hillside Project and Rex's exploration licences on the Yorke Peninsula.

SOUTH AUSTRALIAN TENEMENT SCHEDULE at 30 June 2019

Tenement	Location	Lease Status	Area Type	Current Area	Expiry Date
EL5508	Moonta South	Granted	km ²	74	04/11/2019
EL5683	Moonta South	Granted	km ²	21	09/06/2020
EL5981 ¹	Moonta South	Granted	km ²	122	22/06/2019
EL6100	Moonta South	Granted	km ²	94	16/01/2020
EL6136	Moonta South	Granted	km ²	185	19/03/2020
EL6143	Moonta South	Granted	km ²	104	15/04/2020
EL6189 ²	Moonta South	Granted	km ²	354	01/08/2019
EL6245 ³	Moonta South	Granted	km ²	1,168	01/08/2019
ML6438	Hillside	Granted	Ha	2,998	15/09/2035
EML6439	Hillside	Granted	Ha	225	15/09/2022
MPL146	Hillside	Granted	Ha	94	15/09/2035

¹ Licence renewal submitted 21/05/2019 to the DEM with a reduction to 108km². The renewal is currently being processed.

² Licence renewal submitted 11/06/2019 to the DEM. Renewal of licence term to 01/08/2022 granted to Rex on 15 July 2019.

³ Licence renewal submitted 11/06/2019 to the DEM and currently being processed.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2019

HOG RANCH – NEVADA, USA

Acquisition

Rex entered into a non-binding Heads of Agreement (HOA) with Hog Ranch Group Pty Ltd (HRG) on 17 July 2019. The non-binding HOA allowed Rex exclusivity to complete due diligence and finalise commercial terms required to prepare formal documentation. Rex completed six months due diligence (both before and after the signing of the HOA) and all decisions regarding this acquisition were made by the Board, subject to review by an independent subcommittee established for this purpose.

Rex announced on 20 August 2019 that it had completed the acquisition of HRG including the Hog Ranch Gold Property (Hog Ranch) in Nevada, USA. This investment offers Rex shareholders immediate exposure to the gold sector in one of the world's most well-endowed gold regions and immediately diversifies our commodity spread and geographical risk. Hog Ranch provides camp-scale opportunities for small and large low-grade surface projects, in addition to exciting high-grade underground epithermal deposits.

The consideration for the acquisition is based on the Rex share price at completion date (9 cents per share) and is deemed to be \$900,000 plus an additional 20 million shares (at an imputed value at this share price of \$1.8 million) if the milestone outcomes are achieved. The consideration is payable in the following form:

1. 10 million fully paid ordinary Rex shares;
2. 20 million Hog Ranch Consideration Rights which convert to Rex shares on the outcome of the following Milestones:
 - a. 5 million Hog Ranch Consideration Rights on announcement by Rex to ASX by no later than 31 October 2024 on completion of an Inferred Mineral Resource in addition to any Indicated and Measured Mineral Resource in total of 2 million ounces (Moz) or higher of contained gold as defined by the 2012 JORC Code with respect to the Hog Ranch Project and has a minimum grade of 0.4 grams per tonne (g/t) of gold in addition to a minimum tonnage of 100 million tonnes (Mt); and
 - b. 15 million Hog Ranch Consideration Rights on announcement by Rex to ASX by no later than 31 October 2024 of the Board approving a decision to mine the Hog Ranch Project.

Consistent with ASX requirements, the terms of the Hog Ranch Consideration Rights are subject to shareholder approval at the upcoming Annual General Meeting (AGM) to be held in November 2019. The AGM will also seek the approval of the shares to be issued to Rex's CEO as part of the HRG acquisition. The notice of meeting will outline further information and details of the terms subject to shareholder approval.



Figure 2: Location of the Hog Ranch Property situated in Nevada, USA.

Below: Hog Ranch during WMC operations.



REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2019

HOG RANCH – NEVADA, USA (CONTINUED)

Mineral Resource Summary

On 2 September 2019, Rex announced a maiden Inferred Mineral Resource estimate for Hog Ranch (the documentation and reporting of which has been independently peer reviewed by Peter Stoker of AMC Consultants Pty Ltd). The Inferred Mineral Resource consists of 44Mt @ 0.6g/t equating to 0.83Moz of gold.

Classification	Tonnes	Gold Grade	Gold Ounces
Inferred	44Mt	0.6g/t	0.83Moz

The maiden Mineral Resource is based on a large historical drilling database containing a total of 2,678 drill holes. A large percentage of this historical drilling was completed by Western Mining Corporation Ltd (WMC) which operated an open pit and heap leach operation there from 1988 through to 1991.

The Mineral Resource is based on the large shallow disseminated gold mineralisation that exists from surface at Hog Ranch and extends to 175m below surface.

Table 1: Summary results from the Hog Ranch block model at various cut-off grades within a US\$1,300/oz pit shell.

Cut-off Grade	Tonnes	Gold Grade	Gold Ounces
0.2g/t	64Mt	0.5g/t	0.99Moz
0.3g/t	44Mt	0.6g/t	0.83Moz
0.4g/t	30Mt	0.7g/t	0.67Moz
0.5g/t	20Mt	0.8g/t	0.53Moz

Exploration Target

There is considerable evidence for further extensive shallow gold mineralisation at Hog Ranch outside the Inferred Mineral Resource. Rex has defined an Exploration Target of approximately 0.6Moz to 1.6Moz based on drill hole data that lies outside of the Inferred Mineral Resource which includes a distance up to 100m from the drill data (lower range estimate), and a distance up to 400m from the drill data (upper range estimate). This Exploration Target takes into consideration the natural variation of the gold grade. Table 2 below is a summary of the Exploration Target ranges using a cut-off grade of 0.3g/t gold.

Similar additional parameters as defined for the Hog Ranch Inferred Mineral Resource, as announced by Rex on 2 September 2019, were also applied to the extrapolated block model which is the basis for the Exploration Target. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource in this area and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 2: Exploration Target expressed as a range of possible outcomes from further exploration activities.

Category	Cut-off Grade	Tonnes	Gold Grade	Gold Ounces
Exploration Target – Lower	0.3g/t	46Mt	0.4g/t	~0.6Moz
Exploration Target – Upper	0.3g/t	85Mt	0.6g/t	~1.6Moz

HOG RANCH – NEVADA, USA (CONTINUED)

Deeper High-Grade Vein Hosted Targets

There is an extensive body of research which has shown that underneath shallow gold deposits, similar to the dispersed gold mineralisation identified at Hog Ranch, there often exists vein hosted gold deposits which can contain very high-grade gold mineralisation. This mineralised zone is often at a specific depth range known as the “boiling zone”. This boiling zone typically exists a few hundred metres beneath the ancient surface from when the gold mineralisation was deposited, and at Hog Ranch, is interpreted to exist at least at 150m or further beneath almost all the historical drilling information (Figure 3).

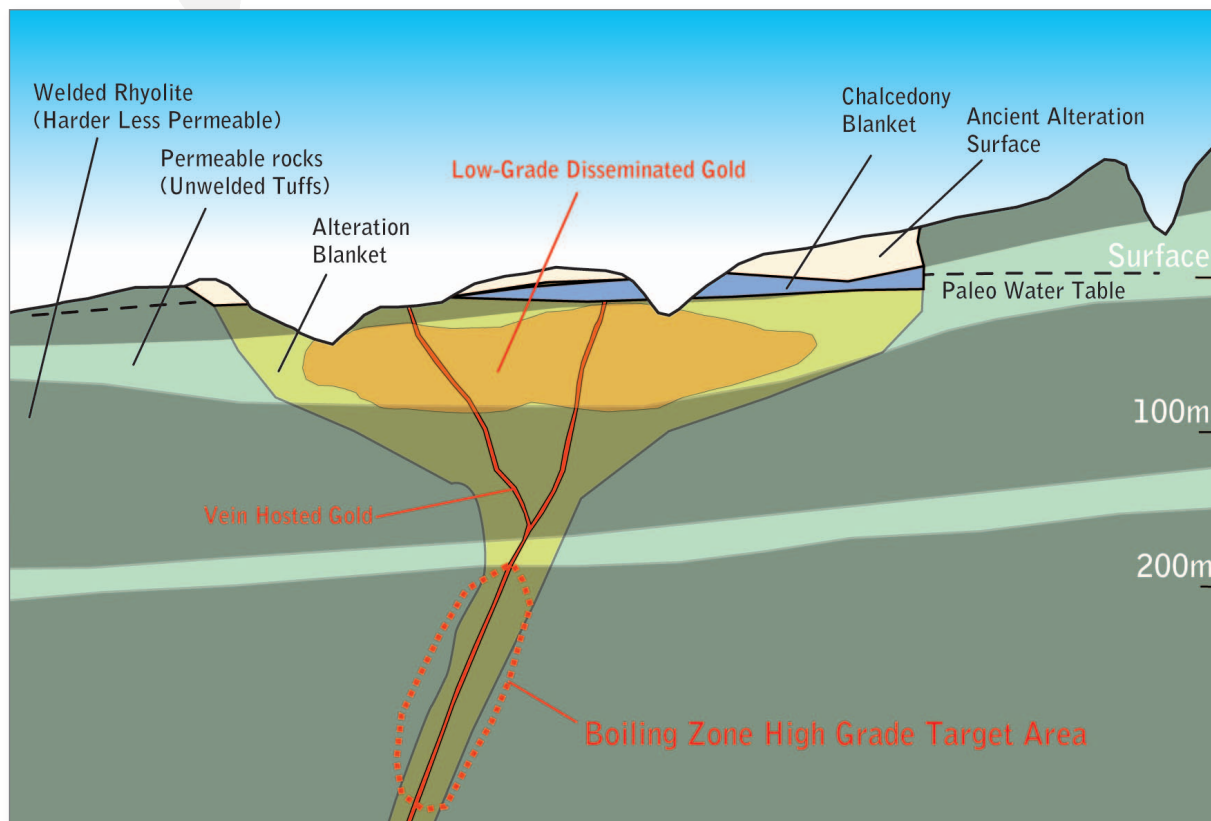


Figure 3: Schematic diagram representing the current day setting of the gold target types at Hog Ranch.



Hog Ranch during WMC operations.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2019

HOG RANCH – NEVADA, USA (CONTINUED)

Deeper High-Grade Vein Hosted Targets (Continued)

The high-grade vein hosted gold mineralisation at the Sleeper and Midas deposits are examples of this style of target, which are interpreted to have formed as part of the same geological event as Hog Ranch.

Evidence at Hog Ranch of this style of deposit includes:

- Numerous small but very high-grade quartz-adularia veins (Figure 4), particularly in the mined 139 and Geib open pits; and
- Multiple very high-grade assay results within the Hog Ranch drill hole database (Table 3).

Figure 4: Laminated quartz-adularia vein from the 139 pit at Hog Ranch. Significant amounts of fine visible gold can be identified along some specific laminations within this rock sample.



Table 3: Significant drilling results (over 20g/t gold) from the Hog Ranch drill hole database outside of the mined historical open pits. *All reported intersections are down hole lengths only and not true widths. The drill intersections are largely interpreted to be from near vertical quartz veins which implies that the true width may be much less than the reported down hole lengths.*

Hole Number	Pit/Area	From (feet)	To (feet)	Interval (feet)	Interval (m)	Gold Grade(g/t)
6-069	Geib	275	280	5	1.5	31.7
6-146	Krista	250	255	5	1.5	20.5
6-155	Geib	260	265	5	1.5	35.2
7-019	Geib	210	215	5	1.5	26.5
7-120	Geib	205	215	10	3.0	59.5
7-126	Geib	250	255	5	1.5	50.0
7-215	Geib	145	150	5	1.5	38.7
7-238	Geib	200	205	5	1.5	92.9
8-018	Krista	395	400	5	1.5	28.3
8-018	Krista	415	420	5	1.5	32.7
8-025	Geib	270	275	5	1.5	64.9
8-199	139	300	305	5	1.5	194.1
8-255	139	345	350	5	1.5	23.7
9-042	Geib	165	195	30	9.1	19.7
9-044	Geib	240	245	5	1.5	72.8
91-375	139	240	245	5	1.5	44.4
9-240	139	105	110	5	1.5	26.3
95-31	Cameco	165	185	20	6.1	61.8

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2019

COMPETENT PERSONS STATEMENT

Mineral Resources, Exploration Target and Exploration Results

The information in this Annual Report for the Hog Ranch Property that relates to Exploration Results, Exploration Target or Mineral Resources is based on, and fairly reflects, information compiled by Mr Steven Olsen who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. Mr Olsen is also a shareholder of Rex Minerals Ltd. Mr Olsen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Olsen consents to the inclusion in the Annual Report of the matters based on his information in the form and context in which it appears.

All information compiled in this Annual Report has been previously announced and this statement fairly represents a summary of the supporting information and documentation. Rex Minerals Ltd confirms that it is not aware of any new information or data that materially affects the information included in the market announcement and that all material assumptions and technical parameters underpinning the estimates included in referenced previous market announcements continue to apply and have not materially changed.

Forward-Looking Statements

This Annual Report contains "forward-looking statements". All statements other than those of historical facts included in this Annual Report are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement".



Above and Left: Hog Ranch Project, Nevada.



DIRECTORS' REPORT

For the year ended 30 June 2019



REX MINERALS LTD

DIRECTORS' REPORT For the year ended 30 June 2019

The Directors present their report together with the consolidated financial statements of the Group comprising of Rex Minerals Ltd (the Company) and its subsidiaries (the Group or Rex), for the financial year ended 30 June 2019 and the auditors' report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Dr David Carland Chairman Independent Non-Executive Director (PhD (Econometrics), MEc, BEc (Hons), MAICD)	Dr David Carland has been a Director since 12 December 2013 and was appointed Chairman of Rex Minerals on 1 January 2014. Dr Carland also serves as a member of the Company's Audit Committee and its Remuneration Committee. Dr Carland has over 35 years of investment banking and commercial experience in both the private sector and government. He is the Executive Director of Australian Resources Development Limited, a company focused on the provision of specialised advice and assistance on the structuring, financing and developing of energy and resource projects. Dr Carland was the co-founder and part-owner of BurnVoor Corporate Finance Limited (BurnVoor), an independent specialist investment banking firm focusing on the energy, resource and infrastructure sectors. Prior to establishing BurnVoor, Dr Carland was executive vice president and head of energy and power at Bankers Trust, and before that, he was deputy managing director and head of corporate finance at UBS Australia. He was previously a non-executive director of Indophil Resources NL. Dr Carland has held senior executive roles with the CRA Group (now Rio Tinto), including management of the commercial arrangements for the purchase of the Gladstone Power Station. His roles have seen him based in the US and London.
Mr Richard Laufmann Chief Executive Officer and Managing Director (B.Eng (Mining), MAusIMM, MAICD)	Mr Richard Laufmann is a founding Director of Rex Minerals and was formerly a non-executive director (since 2007). He was appointed Chief Executive Officer and Managing Director (CEO) of the Company on 23 April 2015. Mr Laufmann is a mining engineer with broad experience in the resources sector, both corporate and operational. Mr Laufmann's previous roles include chief executive officer of Indophil Resources NL (until January 2015, an ASX listed company with a large copper-gold Joint Venture in the Philippines) and prior to that, five years as chief executive officer of Ballarat Goldfields NL. Mr Laufmann also previously led WMC Resources Limited's gold business as general manager-operations.
Mr Alister Maitland Independent Non-Executive Director (B.Com, FAICD, FAIM, SF Fin)	Mr Alister Maitland was appointed a Director of Rex Minerals on 16 September 2011. He is Chairman of the Audit Committee and a member of the Remuneration Committee. Mr Maitland is a former executive director of ANZ Banking Group with a background in international finance whose banking experience extended beyond Australasia to cover Asia, the Sub Continent, the Middle East, Europe and America. His professional experience has included global business expansion, internal and external consulting, treasury projects and international political agendas. As chief executive of ANZ Bank for New Zealand, he was responsible to the local board for that country's operations. He has been a non-executive director of a number of publicly-listed ASX companies and Government bodies covering a wide range of activities including property services, mining, banking, asset management and health. He is a former chairman of Ballarat Goldfields NL, director of Lihir Gold Ltd and Malayan Banking Berhad (Maybank).

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

DIRECTORS (CONTINUED)

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Mr Mitchell H Hooke AM Independent Non-Executive Director (B.Rur.Sc. (UNE), MAIA, MAICD)	Mr Mitchell H Hooke AM was appointed a Director of Rex Minerals on 4 August 2015. He is Chairman of the Remuneration Committee and a member of the Audit Committee. Mr Hooke is globally-recognised for his in-depth knowledge and strategic leadership in Australian and global public policy advocacy, as well as delivering on practical operational issues in the development of economic, social and environmental policy and practice across the minerals, agriculture, and food and grocery industries in Australia and internationally. Mr Hooke was the chief executive officer of Grains, Food and Grocery, and the Minerals Councils of Australia spanning over 25 years until his retirement from the MCA at the end of 2013. He is the Chairman of Partners in Performance International, a Director of The Menzies Research Centre Ltd and with a long and strong rural background, he is an Independent Director of Grain Producers Australia Limited. He is a Non-Executive Director of coal-based technology company GTL Energy Ltd, and was formerly a non-executive director of USA private equity Elgin National Industries. Mr Hooke is also a member of the Advisory Boards of Micromine Ltd and The University of New England (UNE) Advisory Group.
Mr Ian Smith Independent Non-Executive Director (B.E (Hons, Mining), BF in Admin, FIEAust, FAusIMM, MAICD)	Mr Ian Smith was appointed a Director of Rex Minerals on 18 February 2019. Mr Smith is a mining engineer with more than 40 years' experience in the mining and services sector. He has held some of the most senior positions in the Australian resources industry, most recently managing director and chief executive officer of Orica. Prior to that, he was managing director and chief executive officer of Newcrest, growing the business to what has become Australia's biggest, and globally one of the largest, gold mining companies. Mr Smith is a Fellow of both the Australasian Institute of Mining and Metallurgy and the Institute of Engineers. In prior roles Mr Smith was global head of operational and technical excellence with Rio Tinto, London and managing director – Comalco Aluminium Smelting with Rio Tinto in Brisbane. He has technical, operational, financial and strategic expertise, having also held senior and executive positions with WMC Resources, Pasminco and CRA. Mr Smith is a past president of the Australian Mines & Metals Association and is a past chairman of the Minerals Council of Australia. Mr Smith was formerly a non-executive director of White Rock Minerals Ltd.
Mr Ronald Douglas Independent Non-Executive Director (B.Eng, FAIM, MAusIMM, MAICD)	Mr Ronald Douglas was appointed a Director of Rex Minerals on 18 February 2019. Mr Douglas is an engineer by qualification and has extensive experience leading owners' teams for major projects located around the world. Mr Douglas is the Executive Vice President, Project Delivery for Ausenco and he has over 35 years' global experience in project delivery and resources sector management. His previous roles have included global head of projects and technology for Orica; executive general manager projects and studies for Newcrest; chief executive officer of Australian Solomons Gold; managing director for Anglesey Aluminium Metal (part of Rio Tinto); and general manager for Rio Tinto's aluminium and coal projects. Mr Douglas is a Fellow of the Australian Institute of Management, a Member of the Australasian Institute of Mining and Metallurgy and a Member of Australian Institute of Company Directors. He has extensive and well-recognised expertise in industrials, minerals and metals, as well as oil and gas. Mr Douglas was formerly a non-executive chairman of Highlands Pacific Limited.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

COMPANY SECRETARY

Ms Kay Donehue

(GradDipACG, GIA(Cert), AGIA, ICSA, AAICD, Chartered Secretary)

Ms Donehue has over 25 years' experience in the mining and banking industries, and most recently has focused extensively on company secretarial and governance roles in the mining sector. Ms Donehue was previously Company Secretary of Indophil Resources NL which was delisted from the ASX in 2015 following completion of a Scheme of Arrangement with its major shareholder.

Ms Donehue is an Associate of the Governance Institute of Australia and holds a Graduate Diploma in Applied Corporate Governance.

DIRECTORS' MEETINGS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the financial year and the numbers of meetings attended by each Director were:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings ⁴	
	A	B	A	B	A	B
Dr David Carland	6	6	2	2	—	—
Mr Richard Laufmann ¹	6	6	2	2	—	—
Mr Alister Maitland	6	6	2	2	—	—
Mr Mitchell Hooke	5	6	2	2	—	—
Mr Ian Smith ²	3	3	1	1	—	—
Mr Ronald Douglas ³	2	3	1	1	—	—

A – Number of meetings attended.

B – Number of meetings held during the year whilst the Director held office.

¹ Mr Laufmann is not a member of the Committees but attends meetings as appropriate by invitation.

² Mr Smith is not a member of the Committees but attends meetings as appropriate by invitation.

³ Mr Douglas is not a member of the Committees but attends meetings as appropriate by invitation.

⁴ Any matters for consideration by the Remuneration Committee were managed directly by the Board and accordingly, no separate meetings were held by the Remuneration Committee during the year.

CORPORATE GOVERNANCE STATEMENT

Rex has adopted comprehensive systems of control and accountability as the basis for the administration and compliance of effective and practical corporate governance. These systems are reviewed regularly and revised if appropriate.

The Board is committed to administering the Company's policies and procedures with transparency and integrity, pursuing the genuine spirit of good corporate governance practice. To the extent they are applicable, Rex has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations, 3rd Edition*. As the Company's activities transform in size, nature and scope, additional corporate governance structures will be considered by the Board and assessed as to their relevance.

In accordance with the ASX Principles and Recommendations and the ASX Listing Rules, the Corporate Governance Statement and a more detailed discussion of the Company's approach can be found on its website: www.rexminerals.com.au/company-profile.

This Corporate Governance Statement is dated 30 June 2019 and was approved by the Board on 12 September 2019.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was minerals exploration, evaluation and development. Rex intends to make the best use of, and fully exploit, the Hillside Mineral Resource, and remains committed to the development of the Hillside Project. There were no significant changes in the nature of the Group's principal activities during the year. The Group's principal objective is to create value through the discovery and development of mineral resources. Our strategy to deliver on this objective is to:

- finalise our PEPR to ensure all approvals are in place so that the Hillside Project is positioned to start up coincident with the copper supply deficit currently emerging;
- optimise the Hillside Project through:
 - > capital cost reductions by competitive re-tender of plant and equipment;
 - > an operating effectiveness review;
- complete the acquisition of Hog Ranch Group Pty Ltd including the Hog Ranch Gold property (Hog Ranch) located in Nevada, USA;
- announce a maiden Inferred Mineral Resource for Hog Ranch;
- further the Hog Ranch Resource validation and commence broader economic studies;
- further develop the exploration target portfolio, for our highly prospective gold mining claims in Nevada and our Iron Oxide Copper Gold (IOCG) tenements in South Australia; and
- evolve the pool of corporate and financing options available.

OPERATING AND FINANCIAL REVIEW

The income statement shows a loss after tax of \$5.1 million (2018: \$5.2 million) for the year. The Group has no bank debt. As at 30 June 2019, the Group had a cash position of \$2.7 million (2018: \$4.0 million). Operating activities resulted in a net cash outflow for the year of \$4.6 million (2018: \$4.8 million).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Rex announced on 20 August 2019 completion of the acquisition of Hog Ranch Group Pty Ltd and has issued 9,353,849 fully paid ordinary shares as consideration to the vendors other than the CEO. The consideration to be issued to the CEO, together with the Hog Ranch Consideration Rights, are subject to shareholder approval at the upcoming AGM to be held in November 2019.

Other than mentioned above, no matters or circumstances have arisen since 30 June 2019 that have significantly affected the Group's operations, results or state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group is working towards the development of the Hillside Project and continued minerals exploration on the tenements and mineral claims owned or controlled by the Group.

Other than that which is disclosed throughout the Annual Report, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulation in respect of mineral tenements relating to exploration activities on those tenements. No breaches of any environmental requirements were recorded during the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company provides insurance to cover legal liability and expenses for the Directors and Executive Officers of the Company. The Directors and Officers Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the Officers in their capacity as Officers. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with Directors and Executive Officers to indemnify these individuals against any claims and related expenses, which arise as a result of their work in their respective capacities.

The Company has not provided any insurance or indemnity for the auditor of the Company.

NON-AUDIT SERVICES

During the year, KPMG Australia (KPMG), the Group's auditor, did not perform any services other than the audit and review of the financial statements.

Details of amounts paid to the auditor of the Group, KPMG and its related practices for audit services during the year, are set out below.

	2019 \$	2018 \$
Audit and review of financial statements	48,128	48,175

REMUNERATION REPORT – AUDITED

The Directors present the Remuneration Report for the year ended 30 June 2019, outlining key aspects of the remuneration policy and framework and the remuneration awarded during the year.

Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key Management Personnel (KMP) comprise the Directors of the Company and Senior Executives for the Group. KMP have authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Compensation packages may include a mix of fixed and variable compensation, and short-term and long-term performance-based incentives.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits including motor vehicles), as well as leave entitlements and employer contributions to superannuation funds.

Compensation levels are reviewed annually through a process that considers individual, segment and overall performance of the Group. Market research provides analysis and guidance for compensation.

Performance linked compensation

Performance linked compensation may include both short-term and long-term incentives, and is designed to reward senior executives for meeting or exceeding their financial and personal objectives. The short-term incentive is an 'at risk' bonus provided in the form of cash, while the long-term incentive is provided as options over ordinary shares of the Company pursuant to the terms and conditions of the options.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

REMUNERATION REPORT – AUDITED (CONTINUED)

Short-term incentive

The short-term incentive (STI) is a discretionary bonus provided in the form of cash. At the end of the financial year, the Board assesses the performance of the Group and individuals.

The Board determines and approves the cash incentive to be paid to individuals. During the year, no STI cash bonuses were paid or payable.

Long-term incentive

The long-term incentive (LTI) is provided as options over ordinary shares of the Group. The Board believes the LTI is an important component of a comprehensive remuneration strategy. It aligns participants' interests with those of shareholders by linking their overall total rewards to the long-term success of the Company and helps retain cash funds within the Company.

The Board received shareholder approval for an Option Incentive Plan at the Annual General Meeting on 22 November 2018. The plan is administered by the Board which has the discretion to determine eligibility to participate in the plan.

Consequences of performance on shareholder wealth

The variable components of the Group's Executives' remuneration (the STI and LTI) seek to encourage alignment of management performance and shareholders' interests by linking remuneration to the performance of the Group. Whilst the Remuneration Committee takes into consideration the indices detailed below, the Board acknowledges that as an exploration and development company, the use of such indices does not fully reflect the Group's performance.

	2019 \$	2018 \$	2017 \$	2016 \$	2015 \$
Net loss attributable to equity holders of the parent (million)	5.1	5.2	0.8	5.1	8.7
Closing share price at financial year's end (\$)	0.053	0.105	0.056	0.051	0.105

Service agreements

In line with Group policy, the Group has entered into contracts with each of its Executive Officers, and they are capable of termination on up to two months' notice. The Group retains the right to terminate a contract immediately by making payment in lieu of notice. Executive Officers are also entitled to receive (on termination of employment) their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. The employment contract provides for no additional entitlement on termination in the event of removal for misconduct or gross negligence.

The employment contract outlines the components of compensation paid to the Executive Officers, but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to meet the principles of the compensation policy. There is currently no STI plan offered to Executive Officers. The Company has established an Option Incentive Plan, and the Board may invite Executive Officers to participate under the terms and conditions of the plan as an LTI.

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2011 AGM, is not to exceed \$500,000 per annum and is set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies.

The Chairman and Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board activities and membership of Board committees.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

REMUNERATION REPORT – AUDITED (CONTINUED)

Directors' and Executive Officers' remuneration

Details of the nature and amount of each major element of remuneration of Directors and Executive Officers for 2019 are as follows:

	Fixed remuneration				Variable remuneration		Total \$	Remuneration mix		Bonus proportion of remuneration performance related %
	Short-term		Post employment	Long-term	Share based payments	Fair value options ^(d)		Fixed	Variable at risk LTI	
	Salary & fees ^(a) \$	STI cash bonus ^(b) \$	Super-annuation \$	Long service leave ^(c) \$						
Non-Executive Directors										
Dr David Carland, Chairman	100,000	–	9,500	–	–	1,336	110,836	99%	1%	–
Mr Alistair Maitland	60,000	–	5,700	–	–	1,336	67,036	98%	2%	–
Mr Mitchell Hooke	60,000	–	5,700	–	–	1,336	67,036	98%	2%	–
Mr Ian Smith ¹	21,615	–	2,053	–	–	3,620	27,288	87%	13%	–
Mr Ronald Douglas ²	21,615	–	2,053	–	–	3,620	27,288	87%	13%	–
Managing Director										
Mr Richard Laufmann, CEO	269,230	–	23,750	9,901	–	4,008	306,889	99%	1%	–
Executives										
Mr Greg Hall, Project Director ³	147,905	–	–	–	–	2,004	149,909	99%	1%	–
Ms Amber Rivamonte, CFO ⁴	273,000	–	–	–	–	2,004	275,004	99%	1%	–
Total compensation KMP:	953,365	–	48,756	9,901	–	19,264	1,031,286			

Notes in relation to the table of Directors' and Executive Officers' remuneration

- ^(a) Salary and fees include amounts received by KMP measured in accordance with Australian Accounting Standards. For Executive Officers, it includes cash salary and accrued annual leave entitlements.
- ^(b) No STI cash bonuses were accrued or payable in relation to the 2019 financial year.
- ^(c) Represents the net accrual for long service leave which will only be paid in cash if the employee meets the required service conditions in accordance with state-based legislation.
- ^(d) The fair value of the options is calculated at the date of grant using the Black-Scholes option pricing model and allocated to each reporting period evenly over the period from grant to vesting date. The value disclosed is the portion of fair value of the options recognised as an expense in each reporting period.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

REMUNERATION REPORT – AUDITED (CONTINUED)

Directors' and Executive Officers' remuneration

Details of the nature and amount of each major element of remuneration of Directors and Executive Officers for 2018 are as follows:

	Fixed remuneration				Variable remuneration		Total \$	Remuneration mix		Bonus proportion of remuneration performance related %
	Short-term		Post employment	Long-term	Share based payments			Fixed	Variable at risk LTI	
	Salary & fees ^(a) \$	STI cash bonus ^(b) \$	Super-annuation \$	Long service leave ^(c) \$	Fair value options ^(d) \$					
Non-Executive Directors										
Dr David Carland, Chairman	100,000	–	9,500	–	4,789		114,289	96%	4%	–
Mr Alister Maitland	60,000	–	5,700	–	4,789		70,489	93%	7%	–
Mr Mitchell Hooke	60,000	–	5,700	–	4,789		70,489	93%	7%	–
Managing Director										
Mr Richard Laufmann, CEO	269,230	–	23,750	1,708	14,368		309,056	95%	5%	–
Executives										
Mr Greg Hall, Project Director ¹	245,729	–	17,812	(1,838)	7,184		268,887	97%	3%	–
Ms Amber Rivamonte, CFO ²	293,000	–	–	–	7,184		300,184	98%	2%	–
Total compensation KMP:	1,027,959	–	62,462	(130)	43,103		1,133,394			

Notes in relation to the table of Directors' and Executive Officers' remuneration

- (a) Salary and fees include amounts received by KMP measured in accordance with Australian Accounting Standards. For Executive Officers it includes cash salary and accrued annual leave entitlements.
 - (b) No STI cash bonuses were accrued or payable in relation to the 2018 financial year.
 - (c) Represents the net accrual for long service leave which will only be paid in cash if the employee meets the required service conditions in accordance with state-based legislation.
 - (d) The fair value of the options is calculated at the date of grant using the Black-Scholes option pricing model and allocated to each reporting period evenly over the period from grant to vesting date. The value disclosed is the portion of fair value of the options recognised as an expense in each reporting period.
1. Mr Hall ceased employment with the Company on 31 March 2018 and is now engaged through a consultancy agreement. The amounts paid under this agreement are included above.
 2. Ms Rivamonte is engaged through a consultancy agreement and the above represents the amount paid to the KMP related company.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

REMUNERATION REPORT – AUDITED (CONTINUED)

Shares under option

All options refer to unquoted options over ordinary shares of Rex Minerals Ltd, which are exercisable on a one-for-one basis under the terms and conditions of the Option Incentive Plan. The options do not entitle the holder to participate in any share issue of the Company. All options expire on the earlier of their expiry date or in the case of termination, as defined in the terms and conditions of the plan.

During the year, the Company issued 2.0 million options and issued 3.0 million ordinary shares as a result of the exercise of options. At 30 June 2019, there were 15.8 million unquoted options over ordinary shares of the Company, 13.8 million at an exercise price of 6.3 cents expiring 30 November 2019 and 2.0 million at an exercise price of 8.4 cents, expiring 31 January 2023. Since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options.

Reconciliation of options and ordinary shares held by Key Management Personnel (KMP)

Options

The table below shows a reconciliation of unquoted options over ordinary shares in the Company held directly, indirectly or beneficially by each KMP including their related parties, during the financial year.

The fair value of the options is calculated at the date of grant, using the Black-Scholes option pricing model and allocated to each reporting period evenly over the period from grant to vesting date.

Name	Held at 1 July 2018	Number of options granted	Number of options exercised	Number of options vested	% of options vested	Held at 30 June 2019	Fair value of options granted in 2019	Fair value of options expensed in 2019	Maximum fair value of options yet to vest or be expensed
Dr David Carland	1,000,000	–	1,000,000	1,000,000	100	–	–	\$1,336	–
Mr Alister Maitland	1,000,000	–	–	1,000,000	100	1,000,000	–	\$1,336	–
Mr Mitchell Hooke	1,000,000	–	666,000	1,000,000	100	334,000	–	\$1,336	–
Mr Ian Smith	–	1,000,000	–	–	–	1,000,000	\$28,800	\$3,620	\$25,180
Mr Ronald Douglas	–	1,000,000	–	–	–	1,000,000	\$28,800	\$3,620	\$25,180
Mr Richard Laufmann	3,000,000	–	–	3,000,000	100	3,000,000	–	\$4,008	–
Mr Greg Hall	1,500,000	–	100,000	1,500,000	100	1,400,000	–	\$2,004	–
Ms Amber Rivamonte	1,500,000	–	–	1,500,000	100	1,500,000	–	\$2,004	–

The table below shows a reconciliation of unquoted options over ordinary shares in the Company held directly, indirectly or beneficially by each KMP including their related parties, during the 2018 financial year. No options lapsed or were forfeited during the 2018 financial year.

Name	Held at 1 July 2017	Number of options granted	Number of options vested	% of options vested	Held at 30 June 2018	Fair value of options granted	Fair value of options expensed in 2018	Maximum fair value of options yet to vest or be expensed
Dr David Carland	1,000,000	–	666,666	66	1,000,000	–	\$4,789	\$1,336
Mr Alister Maitland	1,000,000	–	666,666	66	1,000,000	–	\$4,789	\$1,336
Mr Mitchell Hooke	1,000,000	–	666,666	66	1,000,000	–	\$4,789	\$1,336
Mr Richard Laufmann	3,000,000	–	2,000,000	66	3,000,000	–	\$14,368	\$4,008
Mr Greg Hall	1,500,000	–	1,000,000	66	1,500,000	–	\$7,184	\$2,004
Ms Amber Rivamonte	1,500,000	–	1,000,000	66	1,500,000	–	\$7,184	\$2,004

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

REMUNERATION REPORT – AUDITED (CONTINUED)

Reconciliation of options and ordinary shares held by Key Management Personnel (KMP) (Continued)

The fair value of the unlisted options granted during 2019 has been measured independently at the date of the grant based upon the Black-Scholes option pricing model. The inputs used in the measurement of the fair value at grant date are as follows.

Grant date	14 February 2019
Fair value per option at grant date	2.88 cents
Exercise price per option	8.4 cents
Premium to closing share price prior to grant date	10.5%
Expiry date	31 January 2023

Options vest in three equal tranches as follows:

- Tranche 1 – one third vest on 31 January 2020;
- Tranche 2 – one third vest on 31 January 2021;
- Tranche 3 – one third vest on 31 January 2022.

All options expire on the earlier of their expiry date or in the case of termination, as defined in the Option Incentive Plan. On termination, in the event that a KMP is deemed to be a good leaver, then all unvested options will immediately vest. In the event that a KMP is deemed to be a bad leaver, the options (whether vested or unvested) expire shortly thereafter.

The terms and conditions of each grant of options affecting remuneration in the current and future reporting periods are set out below.

Grant date	Vesting dates	Expiry date	Exercise price (cents)	Value per option at grant date (cents)	% vested
22 December 2015	One third 30 November 2016 One third 30 November 2017 One third 30 November 2018	30 November 2019	6.3	2.51	100
14 February 2019	One third 31 January 2020 One third 31 January 2021 One third 31 January 2022	31 January 2023	8.4	2.88	–

Shareholdings

The table below shows a reconciliation of ordinary shares in the Company held, directly, indirectly or beneficially by each KMP including their related parties, during the financial year. The table below also includes any movement in ordinary shares since the end of the financial year and the totals held at the date of this report by each KMP including their related parties.

Name	Held at 30 June 2018 or start date	Received on exercise of option	Purchased or sold during the year	Held at 30 June 2019	Received on exercise of option	Purchased or sold since the end of year	Held at date of this report
Dr David Carland	886,524	1,000,000	136,364	2,022,888	–	–	2,022,888
Mr Alister Maitland	202,000	–	136,364	338,364	–	–	338,364
Mr Mitchell Hooke	305,143	666,000	136,364	1,107,507	–	–	1,107,507
Mr Ian Smith	–	–	–	–	–	–	–
Mr Ronald Douglas	–	–	–	–	–	–	–
Mr Richard Laufmann	3,541,666	–	909,000	4,450,666	–	–	4,450,666
Mr Greg Hall	–	100,000	–	100,000	–	–	100,000
Ms Amber Rivamonte	850,000	–	100,000	950,000	–	2,584,606	3,534,606

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2019

REMUNERATION REPORT – AUDITED (CONTINUED)

Reconciliation of options and ordinary shares held by Key Management Personnel (KMP) (Continued)

Other transactions with Key Management Personnel (KMP)

KMP hold positions in other companies that result in them having control or significant influence over those companies.

During the year, KMP related companies transacted with the Group. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related companies on an arm's length basis.

Rounding

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016 and in accordance with that Financial Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated. All currencies are in Australian dollars unless stated otherwise.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 45 and forms part of the Directors' Report for the year ended 30 June 2019.

Dated at Melbourne this 12th day of September 2019.

Signed in accordance with a resolution of the Directors:



Mr Richard Laufmann
Chief Executive Officer

REX MINERALS LTD**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June

	Note	2019 \$000	2018 \$000
Current assets			
Cash and cash equivalents	7	2,723	3,984
Trade and other receivables		38	247
Prepayments		35	35
Total current assets		2,796	4,266
Non-current assets			
Exploration and evaluation expenditure		1,645	1,645
Property, plant and equipment	9	14,401	14,930
Water infrastructure		4,076	4,076
Total non-current assets		20,122	20,651
Total assets		22,918	24,917
Current liabilities			
Trade and other payables	10	257	314
Employee benefits	11	633	512
Provisions		36	36
Total current liabilities		926	862
Non-current liabilities			
Trade and other payables	10	—	348
Employee benefits	11	30	29
Total non-current liabilities		30	377
Total liabilities		956	1,239
Net assets		21,962	23,678
Equity			
Issued capital	12(a)	196,269	192,910
Reserves	12(c)	360	399
Accumulated losses		(174,667)	(169,631)
Total equity		21,962	23,678

The notes on pages 27 to 43 are an integral part of these financial statements.

REX MINERALS LTD**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 30 June

	Note	2019 \$000	2018 \$000
Finance income		98	60
Administrative expenses		(1,247)	(1,248)
Depreciation expense	9	(101)	(163)
Employee benefits expense	13	(1,921)	(2,178)
Marketing expenses		(86)	(76)
Exploration and evaluation		(1,414)	(1,551)
Loss on disposal of fixed assets		(440)	(1)
Loss before tax		(5,111)	(5,157)
Income tax benefit	14	–	–
Total loss for the period after tax		(5,111)	(5,157)
Other comprehensive income		–	–
Total comprehensive loss attributable to members of Rex Minerals Ltd		(5,111)	(5,157)
Loss per share attributable to members of Rex Minerals Ltd			
Basic loss per share (cents)	15	(1.80)	(2.33)
Diluted loss per share (cents)	15	(1.80)	(2.33)

The notes on pages 27 to 43 are an integral part of these financial statements.

REX MINERALS LTD**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June

Attributable to equity holders of the Group					
		Share capital	Share based payments reserve	Accumulated losses	Total equity
	Note	\$000	\$000	\$000	\$000
Balance at 1 July 2018		192,910	399	(169,631)	23,678
Issue of ordinary shares	12(a)	3,560	–	–	3,560
Transaction costs of share issue		(201)	–	–	(201)
Share based payments	12(c)	–	36	–	36
Transfer from share based payments reserve		–	(75)	75	–
Total comprehensive loss for the period		–	–	(5,111)	(5,111)
Balance at 30 June 2019		196,269	360	(174,667)	21,962
Balance at 1 July 2017		189,566	319	(164,474)	25,411
Issue of ordinary shares	12(a)	3,639	–	–	3,639
Transaction costs of share issue		(295)	–	–	(295)
Share based payments	12(c)	–	80	–	80
Total comprehensive loss for the period		–	–	(5,157)	(5,157)
Balance at 30 June 2018		192,910	399	(169,631)	23,678

The notes on pages 27 to 43 are an integral part of these financial statements.

REX MINERALS LTD**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 June

	Note	2019 \$000	2018 \$000
Cash flows from operating activities			
Cash paid to suppliers and employees		(3,302)	(3,313)
Exploration and evaluation payments		(1,386)	(1,562)
Interest received		94	68
Net cash used in operating activities	16	(4,594)	(4,807)
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(12)	(9)
Net cash used in investing activities		(12)	(9)
Cash flows from financing activities			
Proceeds from issue of share capital	12	3,560	3,639
Payment of transaction costs		(215)	(279)
Net cash from financing activities	16	3,345	3,360
Net decrease in cash and cash equivalents		(1,261)	(1,456)
Cash and cash equivalents at beginning of the period		3,984	5,440
Cash and cash equivalents at period end	7	2,723	3,984

The notes on pages 27 to 43 are an integral part of these financial statements.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Rex Minerals Ltd (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 6, 1 Collins Street, Melbourne, Victoria 3000. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for profit entity primarily involved in minerals exploration and evaluation in Australia.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

These consolidated financial statements were approved by the Board of Directors on 12 September 2019.

(b) Basis of measurement

The Group financial statements have been prepared on the historical cost basis.

The Group financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business.

The Group has no debt obligations. The Group recorded a loss of \$5.111 million, and net cash outflows from operating and investing activities of \$4.594 million for the year ended 30 June 2019. The Group's position as at 30 June 2019 included available cash reserves of \$2.723 million; and current assets of \$2.796 million which exceed current liabilities of \$0.926 million by \$1.870 million.

The Group's principal objective is to create value through the discovery and development of mineral resources and as such, it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

To support its planned activities, the Group will be required to raise additional funds over the next 12 months and in the future. The Group has a history of successfully raising cash through equity raisings, including \$7.012 million in June/July 2018. The Directors reasonably expect that the Group will be able to raise funds as required, the Group also has unencumbered land with a book value \$14.110 million which could be made available for sale or used as security for additional funds, if necessary.

The Directors are therefore of the opinion that the going concern basis is appropriate in the circumstances.

(c) Functional and presentation currency

These Group financial statements are presented in Australian dollars, which is the functional currency of all entities in the Group.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Rounding Instrument, all financial information is presented in Australian dollars and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes and their related accounting policies:

- Note 9 Recoverable value of non-current assets
- Note 17 Share based payments
- Note 21 Contingencies

2. BASIS OF PREPARATION (CONTINUED)

(e) Changes in significant accounting policies

The Group adopted AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments on 1 July 2018. Application of AASB 15 did not have a significant impact on the financial statements.

AASB 9 Financial Instruments

As at 1 July 2018, the Group reassessed the classification and measurement of financial assets and liabilities based on the business model by which they are managed and their cash flow characteristics.

The following table explains the original categories under AASB 139 and the new categories under AASB 9 for each class of the Group's financial assets and liabilities as at 1 July 2018. There was no impact on the measurement of the Group's financial assets and liabilities on transition to AASB 9.

Financial assets and liabilities	Classification under AASB 9	Original classification under AASB 139
Cash and cash equivalents	Amortised cost loans and receivables	Loans and receivables
Trade and other receivables	Amortised cost loans and receivables	Loans and receivables
Trade and other payables	Amortised cost loans and receivables	Loans and receivables

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and in the Group's case this includes other receivables and cash and cash equivalents. Application of the ECL model did not have a significant impact on the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements, except if mentioned otherwise (see Note 2(e)) and have been applied consistently by Group entities. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Group financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments**Policy applicable from 1 July 2018**

All financial assets and liabilities are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Receivables – other debtors

Other debtors are measured at amortised cost less impairment losses. Other debtors are reviewed on an ongoing basis for any indicators of impairment. An impairment loss is recognised for debts which are known to be uncollectible. An impairment allowance is raised for any doubtful accounts.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(iii) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Group prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Policy applicable before 1 July 2018**(iv) Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Sales of financial assets are accounted for at trade date, ie. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(v) Share capital**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(c) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment (PP&E) are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing part of an item of PP&E is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of PP&E are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Property, plant and equipment (Continued)****(iii) Depreciation**

Depreciation is recognised in the profit or loss for items of PP&E on a straight-line basis over the estimated useful lives of each part of an item of PP&E.

The estimated useful lives for the current and comparative periods are as follows:

- Plant and equipment 3 – 10 years
- Buildings 10 – 20 years

Land is not depreciated.

Water infrastructure will be depreciated over the life of the Hillside Project, upon commencement of production.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Exploration and evaluation expenditure

Exploration and evaluation expenditure, excluding the costs of acquisition, is expensed within the profit and loss as incurred.

Costs incurred in acquiring rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects are capitalised as incurred and assessed for impairment triggers annually.

(e) Impairment**(i) Financial assets****Policy applicable from 1 July 2018**

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. Loss allowances for other receivables are always measured at an amount equal to lifetime ECLs.

Policy applicable before 1 July 2018

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Non-financial assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Employee benefits**(i) Wages, salaries and annual leave**

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent obligations resulting from employee services provided to the reporting date, and are calculated at undiscounted amounts based on remuneration, wage and salary rates that the Company expects to pay as at reporting date including related on-costs such as workers compensation insurance and payroll tax.

(ii) Long-term benefits

The Group's obligation in respect of long service leave is measured as the present value of the future benefit expected to be paid to employees that has been earned in return for their service in the current and prior periods. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Australian corporate bond rates.

(iii) Share based payments

Equity-based compensation is recognised as an expense in respect of the services received.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the participants become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(h) Tax**(i) Income taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities, will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Research and development benefits are recognised in the year the benefit is received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Tax (Continued)****(ii) Tax consolidation**

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Rex Minerals Ltd. The tax consolidated group has entered into tax funding and tax sharing agreements.

(iii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(j) Earnings/loss per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(k) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the consolidated entity's chief operating decision-maker.

An operating segment is a component of the Group that engages in exploration activities which incurs expenses. An operating segment's expenditures are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and to assess its performance.

Segment expenditure that is reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire PP&E.

(l) Restoration and rehabilitation provision

Obligations to restore and rehabilitate certain areas of property may arise from time to time as a result of the Group's activities. A provision for rehabilitation and restoration is recognised in respect of the estimated cost of rehabilitation, decommissioning and restoration of areas of disturbance existing at reporting date, but not yet rehabilitated. Rehabilitation activities include dismantling infrastructure, removal and treatment of waste material, and land rehabilitation, including recontouring, top-soiling and revegetation of the disturbed area. Provisions for the cost of the rehabilitation program are recognised at the time that environmental disturbance occurs (or is acquired).

A corresponding asset is recognised in PP&E or exploration and evaluation assets only to the extent that it is probable that future economic benefits associated with the rehabilitation, will flow to the entity. Determining the cost of rehabilitation and restoration of the area of disturbance requires the use of significant estimates and assumptions, including: the timing of the cash flows and expected life of the relevant area of interest, the application of relevant environmental legislation, and the future expected costs of rehabilitation, decommissioning and restoration. Changes in the estimates and assumptions used to determine the cost of rehabilitation, decommissioning and restoration could have a material impact on the carrying value of the site restoration provision and related asset. The provision is updated based on the facts and circumstances at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these consolidated financial statements:

- AASB 16 Leases removes the classification of leases as either operating or finance leases for the lessee, effectively treating all leases on balance sheet. Short-term leases and leases of low value assets are exempt from the lease accounting requirements. These amendments will be effective for the Group's 2020 financial statements with early adoption permitted. The new standard is not expected to have significant impact on the financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair values for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(c) Share based payments

The fair value of options granted to participants as compensation is independently measured using a Black-Scholes option pricing model. Measurement inputs include the exercise price of the options, the term of the options, the vesting and performance criteria, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share (based on an evaluation of the Company's historical volatility), expected term of the instruments (based on historical experience and general option holder behaviour), the expected dividend yield and the risk-free interest rate (based on government bonds) for the term of the option.

5. FINANCIAL RISK MANAGEMENT**(a) Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain an adequate capital base sufficient to maintain future exploration and progress of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities, and currently has no external borrowings.

The Group encourages employees and contractors to be shareholders through the Option Incentive Plan.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash balances.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To this end, actual cash flows and forecast future cash flows are reported to and monitored by the Board on a periodic basis.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates), interest rates and equity prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

6. SEGMENT REPORTING

The consolidated entity operated in one geographical segment at 30 June 2019, being South Australia and one industry, minerals mining and exploration.

7. CASH AND CASH EQUIVALENTS

	2019 \$000	2018 \$000
Bank balances and short-term deposits	2,723	3,984
Cash and cash equivalents	2,723	3,984

The Group's total cash and funds on deposit of \$2.723 million (2018: \$3.984 million) is exposed to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 18.

8. DEFERRED TAX ASSETS (DTA) AND DEFERRED TAX LIABILITIES (DTL)

	2019 \$000	2018 \$000
Exploration and evaluation assets	(494)	(494)
Property, plant and equipment	(83)	(101)
Provisions	208	161
Equity costs	101	71
Net DTA/(DTL)	(268)	(363)
Tax losses recognised to the extent of the DTL	268	363
	—	—

Tax losses do not expire under current tax legislation. A DTA has not been recognised in respect of these items because it is not probable within the immediate future, that taxable profits will be available, against which the Company can utilise the benefits. The DTA not recognised is \$54.715 million (2018: \$53.144 million).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. PROPERTY, PLANT AND EQUIPMENT

2019	Land and buildings \$000	Plant and equipment \$000	Total \$000
Cost			
Balance at 1 July 2018	15,074	2,127	17,201
Additions	–	12	12
Disposals	(765)	(181)	(946)
Balance at 30 June 2019	14,309	1,958	16,267
Depreciation and impairment losses			
Balance at 1 July 2018	404	1,867	2,271
Depreciation	36	65	101
Disposals	(368)	(138)	(506)
Balance at 30 June 2019	72	1,794	1,866
Carrying amounts			
At 1 July 2018	14,670	260	14,930
At 30 June 2019	14,237	164	14,401

2018	Land and buildings \$000	Plant and equipment \$000	Total \$000
Cost			
Balance at 1 July 2017	15,074	2,121	17,195
Additions	–	9	9
Disposals	–	(3)	(3)
Balance at 30 June 2018	15,074	2,127	17,201
Depreciation and impairment losses			
Balance at 1 July 2017	317	1,793	2,110
Depreciation	87	76	163
Disposals	–	(2)	(2)
Balance at 30 June 2018	404	1,867	2,271
Carrying amounts			
At 1 July 2017	14,757	328	15,085
At 30 June 2018	14,670	260	14,930

10. TRADE AND OTHER PAYABLES

	2019 \$000	2018 \$000
Current		
Trade payables	9	15
Accrued expenses	248	299
Total current trade and other payables	257	314
Non-current		
Accrued expenses – lease incentive	–	348
Total non-current trade and other payables	–	348
Total trade and other payables	257	662

11. EMPLOYEE BENEFITS PROVISIONS

	2019 \$000	2018 \$000
Current		
Annual leave	462	369
Long service leave	171	143
Total current employee benefits provisions	633	512
Non-current		
Long service leave	30	29
Total non-current employee benefits provisions	30	29
Total employee benefits provisions	663	541

12. EQUITY
(a) Movements in shares on issue:

	Date of issue	Number of shares	Issue price \$	\$000
Opening balance at 1 July 2018		253,597,684		192,910
Capital raising – Placement	25/07/2018	30,660,548	0.110	3,373
Less costs of placement				(201)
Exercise of options	22/08/2018	1,975,983	0.063	124
Exercise of options	07/12/2018	1,000,000	0.063	63
Closing balance at 30 June 2019		287,234,215		196,269
Opening balance at 1 July 2017		220,519,784		189,566
Capital raising – Placement	18/06/2018	33,077,900	0.110	3,639
Less costs of placement				(295)
Closing balance at 30 June 2018		253,597,684		192,910

(b) Movements in options on issue:

	Date of issue	Number of options	Exercise price \$	Expiry date
Opening balance as at 1 July 2018		16,800,000		
Exercise of options	22/12/2015	(1,975,983)	0.063	30/11/2019
Exercise of options	22/12/2015	(1,000,000)	0.063	30/11/2019
Issue of options	14/02/2019	2,000,000	0.084	31/01/2023
Closing balance as at 30 June 2019		15,824,017		
Opening balance as at 1 July 2017		16,800,000		
Closing balance as at 30 June 2018		16,800,000		

REX MINERALS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****12. EQUITY**

(c) Movements in share based payment reserve:

	\$000
Opening balance at 1 July 2018	399
Share based payments	36
Transfer from share based payments	(75)
Closing balance at 30 June 2019	360
Opening balance at 1 July 2017	319
Share based payments	80
Closing balance at 30 June 2018	399

This share based payment reserve is used to recognise the fair value of options issued to participants for options granted which have not been exercised.

13. EMPLOYEE BENEFITS EXPENSE

	2019 \$000	2018 \$000
Wages and salaries	1,770	2,027
Share based payments	29	56
Increase/(decrease) in liability for annual leave	93	71
Increase/(decrease) in liability for long service leave	29	24
Total employee benefits expense	1,921	2,178

14. INCOME TAX BENEFIT**NUMERICAL RECONCILIATION BETWEEN TAX BENEFIT AND PRE-TAX ACCOUNTING LOSS**

	2019 \$000	2018 \$000
Loss before tax for the period	(5,111)	(5,157)
Income tax benefit using the corporation tax rate of 30% (2018: 30%)	(1,533)	(1,547)
Non-deductible expenses	(6)	26
Other non-temporary differences	44	(89)
Net effect of tax losses not recognised	1,495	1,610
Total income tax expense/(benefit) on pre-tax net loss	—	—

15. LOSS PER SHARE

	2019 cents	2018 cents
Loss per share		
Basic loss per share	(1.80)	(2.33)
Diluted loss per share	(1.80)	(2.33)

(a) Basic loss per share

The calculation of basic loss per share at 30 June 2019 was based on the loss attributable to ordinary equity holders of \$5.111 million (2018: \$5.157 million) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 284,493,544 (2018: 221,610,264).

(b) Diluted loss per share

The calculation of diluted loss per share at 30 June 2019 is the same as basic loss per share. In accordance with AASB 133 Earnings per share, as potential ordinary shares may result in a situation where their conversion results in a decrease in the loss per share, no dilutive effect has been taken into account. Potential ordinary shares relating to the Option Incentive Plan totalled 15,824,017 at 30 June 2019.

16. RECONCILIATION OF CASH FLOWS FROM OPERATING AND FINANCING ACTIVITIES

	Note	2019 \$000	2018 \$000
Cash flows from operating activities			
Loss before tax for the period		(5,111)	(5,157)
Adjustments for non-cash items:			
Depreciation	9	101	163
Share based payments	12(c)	36	80
Adjustments for other items:			
Loss on disposal of property plant and equipment		440	1
Operating loss before changes in working capital and provisions		(4,534)	(4,913)
(Increase)/decrease in trade and other receivables		208	49
(Decrease)/increase in trade and other payables		(390)	(37)
(Decrease)/increase in employee benefits		122	94
Net cash used in operating activities		(4,594)	(4,807)
Cash flows from financing activities			
Issue of share capital			
Proceeds from share issue	12(a)	3,560	3,639
Transactions costs of share issue		(201)	(295)
Share capital before changes in working capital		3,359	3,344
(Decrease)/increase in trade and other payables		(14)	16
Net cash used in financing activities		3,345	3,360

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. SHARE BASED PAYMENTS

(a) Description of share based payment arrangements

During the financial year ending 30 June 2019, two million options were granted to Directors on 14 February 2019, expiring 31 January 2023. Options are exercisable at a price of 8.4 cents each and options will vest in three equal tranches as follows:

- Tranche 1 – one third vest on 31 January 2020
- Tranche 2 – one third vest on 31 January 2021
- Tranche 3 – one third vest on 31 January 2022

All options refer to unquoted options over ordinary shares of Rex Minerals Ltd, which are exercisable on a one-for-one basis under the terms and conditions of the Option Incentive Plan. The options do not entitle the holder to participate in any share issue of the Company. All options expire on the earlier of their expiry date or in the case of termination, as defined in the Option Incentive Plan.

(b) Option expense

	2019 \$000	2018 \$000
Option expense	36	80
Total recognised as share based payments	36	80

(c) Outstanding options

At 30 June 2019, there were 15,824,017 unlisted options outstanding, 13,824,017 at an exercise price of 6.3 cents expiring 30 November 2019 and 2,000,000 at an exercise price of 8.4 cents, expiring 31 January 2023.

18. FINANCIAL INSTRUMENTS

Exposure to credit risk and interest rate risks arise in the normal course of the Group's business.

(a) Credit risk

Management monitors the exposure to credit risk on an ongoing basis through monitoring the Group's counterparties. The Group does not require collateral in respect of financial assets.

At reporting date, cash is held with a number of reputable financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Fair value

The financial assets and financial liabilities included in assets and liabilities approximate their net fair values.

(c) Liquidity risk

The following are the contractual maturities of financial liabilities.

Financial liabilities Group	Carrying amount \$000	Contractual cash flows \$000	1 year or less \$000	1-2 years \$000
2019				
Trade and other payables	257	(257)	(257)	—
	257	(257)	(257)	—
2018				
Trade and other payables	662	(314)	(314)	(348)
	662	(314)	(314)	(348)

18. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's short-term deposits.

At balance date, the Group had the following financial assets exposed to interest rate risk:

	2019 \$000	2018 \$000
Cash and cash equivalents	2,723	3,984
Total cash and cash equivalents	2,723	3,984

At balance date, the Group has no financial liabilities exposed to variable interest rate risks. The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date.

At 30 June 2019, if interest rates had moved, as illustrated in the table below, with all other variables constant, profit or loss and equity would have been affected as follows:

	Profit or loss higher/(lower)		Equity higher/(lower)	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Group				
+1% (100 basis points)	27	40	—	—
–1% (100 basis points)	(27)	(40)	—	—

The movements in profit or loss are due to higher/lower interest earnings on cash balances. The movements in equity are directly linked to movements in the Consolidated statement of profit or loss and other comprehensive income.

(e) Impairment losses

None of the Group's receivables are past due (2018: nil).

19. OPERATING LEASES

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows:

	2019 \$000	2018 \$000
Not later than one year	—	415
Later than one year but not later than five years	—	1,749
Greater than five years	—	268

In 2019, the Group fully assigned its Adelaide leased office space and as a result no longer has any operating lease commitments.

During the year, an amount of \$0.096 million was recognised as an expense in profit and loss in respect of the office lease (2018: \$0.432 million).

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements under the various exploration licences which are held. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The State Government has the authority to defer, waive or amend the minimum expenditure requirements.

	2019 \$000	2018 \$000
Not later than one year	3,066	1,956
Later than one year but not later than five years	130	1,681

21. CONTINGENCIES

The Directors are of the opinion that there are no matters for which provision is required in relation to any contingencies, as it is not probable that a future sacrifice of economic benefit will be required or the amount is not capable of reliable measurement.

The Group's bankers have provided guarantees amounting to \$0.020 million to certain government bodies as security over the Group's performance of rehabilitation obligations on certain tenements. Under the agreement, the Group has indemnified the bank in relation to these guarantees. The guarantees are backed by deposits amounting to \$0.020 million as at 30 June 2019 (2018: \$0.020 million).

The Group's bankers are no longer required to provide a guarantee regarding office operating leases as security over the Group's obligations regarding the leases held. The Group has been fully released from its obligations and as such the guarantee has been cancelled and is no longer supported by a cash deposit (2018: \$0.199 million).

22. RELATED PARTIES

(a) Parent and ultimate controlling party

	Country of Incorporation	Ownership Interest 2019	2018
Parent entity			
Rex Minerals Ltd	Australia		
Subsidiaries			
Rex Minerals (SA) Pty Ltd	Australia	100%	100%
Rex Minerals (Iron Ore) Pty Ltd	Australia	100%	100%
Rex Hillside (Property) Pty Ltd	Australia	100%	100%

22. RELATED PARTIES (CONTINUED)

(b) Transactions with Key Management Personnel (KMP)

(i) Loans to Directors

There were no loans advanced to Directors for the year ending 30 June 2019.

(ii) KMP compensation

KMP compensation comprised the following:

	2019 \$	2018 \$
Short-term benefits	953,365	1,027,959
Post-employment benefits	48,756	62,462
Share based payments	19,264	43,103
Other long-term benefits	9,901	(130)
	1,031,286	1,133,394

Information regarding individual Directors' and Executive Officers' compensation and some equity instrument disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report on pages 16 to 22.

There have been no changes to KMP between 1 July 2019 and the date of this report.

(iii) Other KMP transactions

A number of KMP hold positions in other companies that result in them having control or significant influence over those companies.

During the year, KMP related companies transacted with the Group. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related companies on an arm's length basis.

Information regarding individual Directors' and Executive Officers' compensation are provided in the Remuneration Report section of the Directors' Report on pages 16 to 22.

The aggregate value of transactions and outstanding balances related to KMP companies were as follows:

	Transaction values year ended 30 June		Balance payable as at 30 June	
Transaction	2019 \$	2018 \$	2019 \$	2018 \$
Geological and IT Services ¹	134,283	140,000	5,550	10,000

¹ During the year, geological and IT consulting services were independently provided by a company jointly controlled by the Chief Financial Officer. The contract terms are based on normal market rates for this type of service and amounts are payable under normal market terms.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. PARENT ENTITY DISCLOSURES

As at, and throughout, the period ending 30 June 2019, the parent company of the Group was Rex Minerals Ltd.

	2019 \$000	2018 \$000
Result of the parent entity		
Loss for the period	(4,968)	(5,082)
Other comprehensive income	—	—
Total comprehensive loss for the period	(4,968)	(5,082)
Financial position of the parent entity at year end		
Current assets	2,796	4,266
Total assets	16,922	18,854
Current liabilities	782	651
Total liabilities	812	1,171
Total equity of the parent entity comprising of		
Share capital	196,269	192,910
Share based payments reserve	360	399
Accumulated losses	(180,519)	(175,626)
Total equity	16,110	17,683

Parent entity contingencies

The Parent entity's contingencies are the same as the Group's contingencies as detailed in Note 21.

24. SUBSEQUENT EVENTS

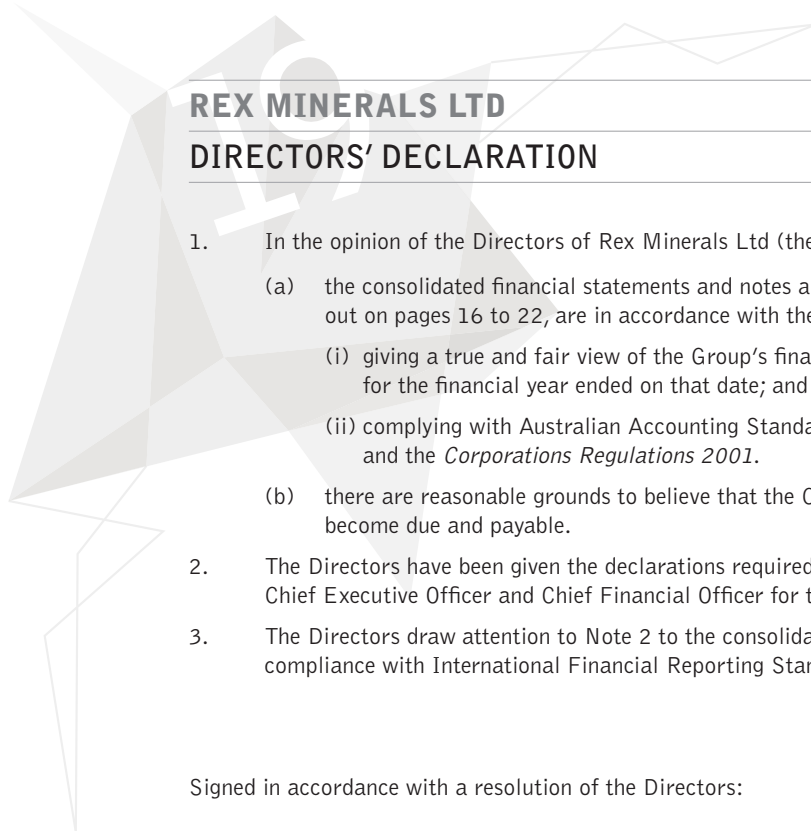
Rex announced on 20 August 2019 completion of the acquisition of Hog Ranch Group Pty Ltd and has issued 9,353,849 fully paid ordinary shares as consideration to the vendors other than the CEO. The consideration to be issued to the CEO, together with the Hog Ranch Consideration Rights, are subject to shareholder approval at the upcoming AGM to be held in November 2019.

Other than mentioned above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

25. AUDITORS' REMUNERATION

	2019 \$	2018 \$
KPMG Australia		
Audit services	48,128	48,175
Other services	—	—

No non-audit services were provided in the current year.



REX MINERALS LTD

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Rex Minerals Ltd (the Company):
 - (a) the consolidated financial statements and notes and the Remuneration Report in the Directors' Report, set out on pages 16 to 22, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.
3. The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Mr Richard Laufmann
Chief Executive Officer

Dated this 12th day of September 2019.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Rex Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Rex Minerals Limited for the financial year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The KPMG logo, featuring the letters 'KPMG' in a bold, sans-serif font, with a stylized graphic of four squares above the letters.

KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko
Partner

Adelaide

12 September 2019



Independent Auditor's Report

To the shareholders of Rex Minerals Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Rex Minerals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The Financial Report comprises:

- *Consolidated statement of financial position* as at 30 June 2019;
- *Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows* for the year then ended;
- Notes including a summary of significant accounting policies; and
- *Directors' Declaration*.

The **Group** consists of the Rex Minerals Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Going concern basis of accounting; and
- Recoverable value of non-current assets.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern basis of accounting	
Refer to Note 2(b) to the Financial Report	
The key audit matter	How the matter was addressed in our audit
The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to the high level of judgement required by us in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern. These are outlined in Note 2(b). The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and significant judgements, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern. We critically assessed the levels of uncertainty, as it related to the Group's ability to continue as a going concern, within these assumptions and judgements, focusing on the following: - the Group's planned levels of operational and capital expenditure, and the ability of the Group to manage cash outflows. - the Group's ability to raise additional funds from shareholders or other parties and the projected timing thereof. This included source of funds and feasibility of securing those funds; and - the Group's ability to divest land or utilise the land as security to raise additional funds if necessary. This included the feasibility, projected timing and quantum of potential proceeds. In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.	Our procedures included: - We analysed the cash flow projections by: - Evaluating the underlying data used to generate the projections. We specifically looked for their consistency with the Group's intentions, as outlined in Directors minutes and their comparability to past practices; - Assessing the planned levels of operating and capital expenditures for consistency of relationships and trends to the Group's historical results and our understanding of the business, industry and economic conditions of the Group; - We assessed the Group's ability to raise additional funds from shareholders or other parties for feasibility, quantum and timing, and their impact to going concern. We read Directors minutes to understand and assess the Group's ability to raise additional shareholder funds. We used our knowledge of the client, its historical ability to raise funds, its industry and status to assess the level of associated uncertainty. - We assessed the Group's ability to divest land or utilise the land as security to raise additional funds, if necessary. - We evaluated the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements.

Recoverable value of non-current assets	
Property, plant and equipment \$14.401m – Note 9 Water infrastructure \$4.076m Exploration and evaluation expenditure \$1.645m Collectively referred to as 'non-current assets'.	
The key audit matter	How the matter was addressed in our audit
The Group's recoverable value of non-current assets is based on either the successful development of the Hillside project or sale of the non-current assets. The recoverable value of non-current assets is a key audit matter due to: - Significance of the balances to the financial statements, being 88% of total assets; and - The need for management to determine the appropriate basis of assessing recoverable value which can be either: - A 'value in use' assessment which requires significant judgement in determining the recoverable value of the Hillside project due to the use of a feasibility model which is highly sensitive to changes in assumptions; or - A 'fair value' assessment which is based on data sourced from third parties in relation to comparable transactions which are limited in number and frequency. For the year ended 30 June 2019, a fair value basis has been adopted to determine the recoverable value of the non-current assets.	Our procedures included: - Assessing the appropriateness of the methodology used to determine the value of assets with reference to Australian Accounting standards. - Checking the Group's assessment of the fair value of property, plant and equipment to data sourced by the Group from an external valuer. - Assessing the scope, competence and objectivity of the Group's external valuers by gaining an understanding of their experience and qualifications. - Checking the Group's assessment of fair value of the undeveloped ore resources as performed by the Directors. - Evaluating the scope, competence and objectivity of the Group's internal experts who produced the Resource Statement utilised within the valuation of undeveloped resources. - Obtaining details of comparable transactions involving the sale of undeveloped ore resources from our valuation specialists to inform our assessment of the Group's valuation of undeveloped ore resources. - Assessing the Group's disclosure against the requirements of Australian Accounting Standards.

Other Information

Other Information is financial and non-financial information in Rex Minerals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Rex Minerals Limited for the year ended 30 June 2019, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 16 to 22 of the Directors' report for the year ended 30 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Paul Cenko
Partner

Adelaide

12 September 2019

REX MINERALS LTD

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange (ASX) Listing Rules and not shown elsewhere in this report is set out below and the information was applicable as at 31 July 2019.

Distribution of ordinary shares

The number of shareholders, by size of holding:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	634	274,591	0.10
1,001 – 5,000	1,125	3,193,320	1.11
5,001 – 10,000	649	5,167,901	1.80
10,001 – 100,000	1,334	50,098,853	17.44
100,001 – 999,999,999	423	228,499,550	79.55
Total	4,165	287,234,215	100.00

The number of shareholders holding less than a marketable parcel:

2,060

Twenty largest shareholders

The names of the twenty largest shareholdings of quoted ordinary shares are:

	Name	Number of Shares Held	% of Issued Capital
1.	Grand South Development Limited	14,653,777	5.10
2.	BNP Paribas Noms Pty Ltd (DRP)	8,628,815	3.00
3.	United Overseas Service Management Ltd	8,606,571	3.00
4.	S & S Olsen Pty Ltd	5,752,000	2.00
5.	Greenstone Property Pty Ltd (Titeline Property A/C)	5,345,531	1.86
6.	Stone Poneys Nominees Pty Ltd (Chapman Super Fund A/C)	4,007,833	1.40
7.	Panjeta Investment Group Pty Ltd	4,000,000	1.39
8.	Mrs Vickie Jane Jones	3,750,157	1.31
9.	Mrs Natalie Laufmann	3,500,000	1.22
10.	Dr Susan Jane Winspear & Mr Timothy Charles Winspear (James S/F A/C)	3,500,000	1.22
11.	HSBC Custody Nominees (Australia)	2,904,532	1.01
12.	Dr Steven G Rodwell	2,664,240	0.93
13.	Mr Elliott Grant Wylie	2,600,000	0.91
14.	Mr Paul Christopher Walker	2,188,976	0.76
15.	ZW 2 Pty Ltd	2,150,000	0.75
16.	Ms Fei Chen	2,106,200	0.73
17.	Program Images Pty Ltd (The Carland Super fund A/C)	2,022,888	0.70
18.	BNP Paribas Noms Pty Ltd (UOB KH P/L AC UOB KH DRP)	1,916,979	0.67
19.	HSBC Custody Nominees (Australia)	1,906,071	0.66
20.	BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	1,863,785	0.65
Total		84,068,355	29.27

Substantial shareholders

There is one substantial shareholder lodged with the Company:

Name	Number of Shares Held	% of Issued Capital
Grand South Development Limited	14,653,777	5.10

Voting rights

On a show of hands, every shareholder of fully-paid ordinary shares present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Stock exchange listing

Rex Minerals Ltd is listed on the ASX. The Company's ASX code is **RXM**.



REX MINERALS LTD

NOTES for the year ended 30 June 2019



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