

The logo for Rex Minerals Ltd is a circular emblem with a blue border. Inside, the word "REX" is written in a large, white, serif font, with a small orange crown icon above the 'X'. Below "REX", the words "Minerals Ltd" are written in a smaller, white, sans-serif font.

REX
Minerals Ltd

2022

ANNUAL REPORT

COPPER SA | GOLD NEVADA

ABN 12 124 960 523

2022

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CORPORATE DIRECTORY

DIRECTORS

Mr Ian Smith (Non-Executive Chairman)
Mr Richard Laufmann (CEO and Managing Director)
Ms Amber Rivamonte (Executive Director)
Mr Greg Robinson (Non-Executive Director)
Mr Andrew Seaton (Non-Executive Director)

COMPANY SECRETARY

Ms Kay Donehue

PRINCIPAL and REGISTERED OFFICE

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AUDITORS

KPMG Australia
151 Pirie Street
Adelaide, South Australia 5000

BANKERS

ANZ Banking Group Limited
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Adelaide, South Australia 5000

Ord Minnett Limited

Level 22, 35 Collins Street
Melbourne, Victoria 3000

LEGAL ADVISORS

Baker McKenzie
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Melbourne, Victoria 3000

OPERATION LOCATIONS

HOG RANCH
NEVADA USA

HILLSIDE
SOUTH AUSTRALIA

2022

ANNUAL REPORT 30 JUNE

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ABN 12 124 960 523



LETTER FROM THE CHAIRMAN For the year ended 30 June 2022

Dear Fellow Shareholder,

Over the last year, we have significantly advanced our stated objectives of building the size and capacity of the team working on Hillside while optimising the Project's pre-development and finance profile. The understanding of the regional context and potential upside of Hog Ranch has also been significantly expanded.

The many positives that have been delivered are within a context of ongoing pandemic impacts and a challenging macro environment. Not only have we retained the impressive talent pool that is resident within Rex Minerals, but we have also attracted additional experienced personnel to help place the Company and its Projects in a position where we can call on a quite unique team of mine builders and operators.

Positive relations with local indigenous groups, surrounding land holders, regional communities and government agencies are at the forefront of how we go about our business and are ingrained in our core understanding of how we develop sustainable Projects that deliver positive outcomes for all stakeholders. The people we appoint are judged both on their professional experience and ability to further everyone's interests in an open and transparent manner, with ongoing inclusive dialogue. I am happy to state that our representatives portray all of the positive attributes a modern progressive mining company should portray.

Let us revisit some of the additional positives for Rex Minerals that complement our unique team and approach to doing business. The Hillside Copper-Gold Project in South Australia currently is Australia's third largest copper Ore Reserve that recent drilling and geophysical works suggest has further upside. The Hog Ranch Gold Property in Nevada USA, currently has a Mineral Resource of 2.3 million ounces of gold that recent drilling and geochemical work also suggest further upside. Also, we have over \$40 million cash at bank and zero debt.

We have the team, approach and resources for the next stage. Each of our Projects has the ability to be a "company maker" in its own right, with Hillside pursuing an updated execution plan that accommodates the current environment through optimised plans for development and production.

Our positive outlook would not be possible without the ongoing support of our Shareholders. We are extremely grateful for your sharing of our vision that our Projects present unique opportunities for the benefit of all stakeholders. Thank you.

Yours sincerely,



Mr Ian Smith

Chairman



Photo 1 : Hillside Project Location.

REX MINERALS LTD

REVIEW OF OPERATIONS For the year ended 30 June 2022

CORPORATE

Rex Minerals Ltd (Rex or the Company) is an investment in copper and gold in two world-class locations.

During the year in review, Rex raised a total of \$50 million, via a two-tranche Placement from professional and sophisticated investors in Australia and overseas at 30.0c per share, following approval by shareholders. Proceeds from the Placement are being used to fund and advance the Hillside Copper-Gold Project (Hillside) and the Hog Ranch Gold Property (Hog Ranch).

Hillside and Hog Ranch are each significant assets in their own right. They are underpinned by a strong demand outlook and healthy commodity price forecasts, especially for copper.

Taking a macro view, the recent transition to a global inflationary cycle with a possible trailing recessionary phase now dominates the global agenda. In addition, the COVID-19 disruption, both real and perceived, continues to impact almost every industry. Adding to this is an irreversible commitment to setting targets for energy transition. There can be no question that in a macro sense, we are at the dawn of a period of enormous structural adjustment.

For the Company, these challenges have driven our focus on future-proofing and implementing adjustments to deliver improved metrics at Hillside.

Our plans are being refined and updated whilst planning and building in the platform for the future we all envision.

The Rex Board is dynamic, active and fit for purpose, comprising three Non-Executive, and two Executive Directors.

A considerable number of changes have also taken place in the management team as we move towards a Hillside development decision. Key management, led by Jason Schell (EGM, SA), are being recruited in South Australia. Most of these people are local and they bring a depth of skills to our team. In addition, Peter Bird commenced in the role of EGM Investor Relations and Business Development on 1 March 2022.

Key strategic partnerships, covering the two key operational and technical facets of the business being mining and processing have also been entered into. The involvement of Thiess and Ausenco ensures that the very best our industry has to offer are working with Rex to achieve our key milestones and manage our key risks. Key milestones are outlined below.



Photo 2 : Non-Executive Directors, Greg Robinson (L) and Andrew Seaton (R) at Hillside.

KEY MILESTONES

| | |
|--|---------------|
| Doubled the Ore Reserves at Hillside to 1 million tonnes of copper | Jul 2021 |
| Discovered a new deposit at Hog Ranch | Jul 2021 |
| Exciting drilling results received from Hog Ranch | Jul 2021-2022 |
| Raised a total of \$50 million via a two-tranche Placement | Aug 2021 |
| Commenced trading on the US-based OTCQB Venture Market | Sep 2021 |
| Proven coarse particle flotation - a viable opportunity to increment Hillside production | Oct 2021 |
| Appointed key senior Executives and management team | Nov 2021-2022 |
| Andrew Seaton, a South Australian, joined the Board | Dec 2021 |
| Completed 3D seismic survey at Hillside | Jun 2022 |
| Established offices in both Adelaide and Ardrossan, South Australia | Feb 2022 |
| Partnered with Ausenco for engineering and design at Hillside | Mar 2022 |
| Section 49 approvals completed for the road and highway diversions at Hillside | Jun 2022 |
| Hog Ranch Plan of Operations for exploration submitted to regulator | Aug 2022 |
| Letter of Intent (LOI) signed with Thiess Mining Services | Aug 2022 |
| Completed a large-scale soil survey on the ground at Hog Ranch | Aug 2022 |

CORPORATE (CONTINUED)

In order to meet global decarbonisation commitments, professional and individual investors will need to recognise that a significant and sustained investment needs to be made. Part of this investment is required in those companies, within the mining industry, who have commodities that can contribute positively to the decarbonisation process. As illustrated in Figure 1, Wood Mackenzie estimates that approximately US\$400B is required to meet the 2030 targets “It all seems implausible at best, and impossible at worst”¹.

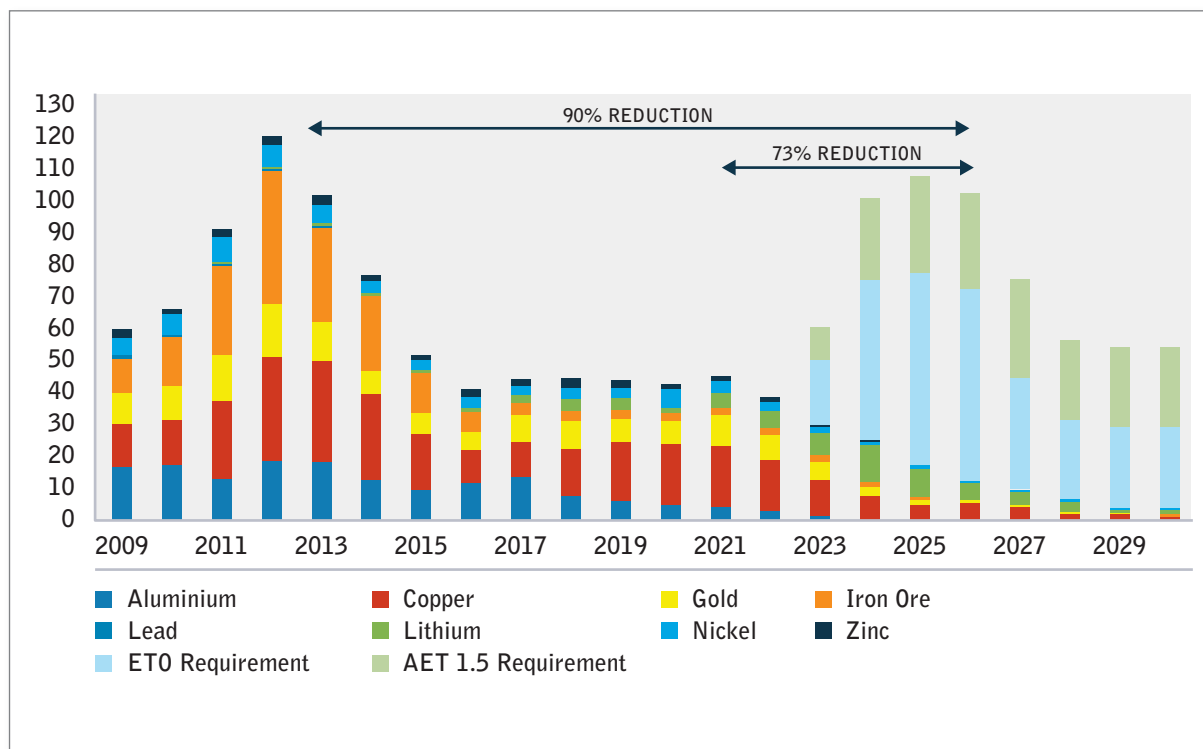


Figure 1 : Metals and mining committed investment capex and requirements (US\$bn).

Vision, purpose, values

The Company’s **vision** acknowledges the significant role of copper as a critical mineral in the global shift towards new technologies required for a low-carbon economy. Our vision is: “to produce the minerals needed for the world we all envision.” The Company’s **purpose** sets out how it aims to realise its vision: “to explore and mine responsibly to benefit our stakeholders and contribute to a more sustainable world.”

The vision and purpose are underpinned by the Company’s **values** of responsibility, teamwork, respect, integrity and growth. These values reflect the Company’s commitment to the people, communities and environment associated with its activities, the ethical and transparent way it does business and the sustainable and positive impact it strives for.

It is expected that the mission, purpose and values, will guide the Company’s progress, be the reference point for decision making and will inspire the Company’s people as it transitions to the next stage of development.

¹Source – Wood Mackenzie Corporate Service. “Have Miners missed the boat to invest and get ahead of the energy transition” – 11 July 2022.

CORPORATE (CONTINUED)

Sustainability

Rex has always worked to understand the issues of importance for local communities and regions more broadly, where we operate. We designed Hillside from the outset to protect and promote the environment, social and economic values of the region. The same approach is being taken at Hog Ranch.

This strategy recognises the strong and experienced leadership of the Board and management team in Environmental, Social and Governance (ESG) risk management. They are supported by a governance framework that was strengthened during the year with the addition of new policies and revision of existing policies to reflect the Company's ambition, progress and contribution to a greener, more inclusive and equitable global future.

As a Company, we will continue to evolve, as will our strategy and execution, as we set out our sustainability commitments, aligned with relevant industry requirements and frameworks, including the UN Sustainable Development Goals, and establishing more defined and rigorous targets for ESG performance.

Hillside's approved Mineral Lease and Program for Environment Protection and Rehabilitation (PEPR) set out the Project's license conditions and the Company plans to mitigate its environmental and social impacts. This process has taken into consideration the needs of local stakeholders and outlines in detail how the Company will manage the development and operations of Hillside to achieve the outcomes sought by the Company and its stakeholders.

In moving to development in South Australia, the Company is progressing its strategy for sustainable development which includes:

- health and safety as its top priority
- managing its material risks to, and impacts on, people and the environment
- valuing diversity and promoting inclusivity, and
- supporting communities, where it operates, to build resilience and thrive.

At Hog Ranch, a different regulatory environment has seen us spend three years on extensive flora, fauna and archaeological baseline studies to allow us to complete and submit an exploration Plan of Operations to the relevant regulatory body.

OUR COMMITMENT

Rex strongly believes in the contribution metals, hence mining, make to modern society, with the growth in renewable technologies further increasing the demand for metals such as copper.

While mining also contributes significantly to employment and State and National economics, responsible mining can provide sustainable benefits for the communities in which it occurs. Rex is committed to working in partnership with the local stakeholders and communities to identify and achieve sustained community benefits.

Rex commits to being a responsible member of the communities in which we operate while delivering value to all stakeholders through:

- maintaining an economically sustainable and responsible business
- open and inclusive stakeholder engagement
- contributing to the local, regional, state and national economy
- partnering with local stakeholders and communities to enhance community capacity, and
- contributing to local environmental sustainability.

CORPORATE (CONTINUED)

Gender, diversity and inclusion

The Board has established a stand-alone gender, diversity and inclusion policy. The Company achieved its measurable objectives for gender diversity of maintaining female representation of at least 25% of the total workforce including senior management. At 30 June 2022, female representation was 35% of the total workforce, with women comprising 20% of the Rex Board and 40% of senior Executives.

Climate change

The Company understands that climate change is a significant global challenge and that as a responsible corporate citizen it must identify, assess, action and report its response to climate change challenges. Rex's approach to climate change – how it manages mitigation and adaptation to climate change impacts, both physical and transitional, as well as the opportunities and risks associated with the transition to a low-carbon future – is evolving as our Projects progress. Our focus on copper as a critical mineral input to decarbonisation, electrification and green technologies sits at the core.

At 6Mtpa process plant throughput, Hillside will generate the equivalent of 1,813,366t of carbon dioxide throughout Stage 1. This is made up of 48% liquid fuels, 50% electrical power (grid) and 1-2% explosives. This equates to approximately 3.6t of CO₂ for every tonne of copper dispatched in concentrate.

Electricity will be supplied from the South Australian power grid which currently runs at around 60% sourced from renewable energy.

With an annualised copper production rate of at least 36ktpa, the positive impact of a project like Hillside can be illustrated in Figure 2. As each of these consumer staples, such as cars, become more energy efficient, decarbonisation metals like copper have a very positive role to play. There is currently no "substitute" metal for copper, so it remains critical in this process.

Hillside will, where possible, make extensive use of existing infrastructure. Included in this will be housing, highways and ports – hence minimising any significant additional carbon footprint associated with the construction of new infrastructure.

Rex is exploring the use of existing and potential renewable energy, to further reduce the Project's carbon footprint, as appropriate opportunities arise.

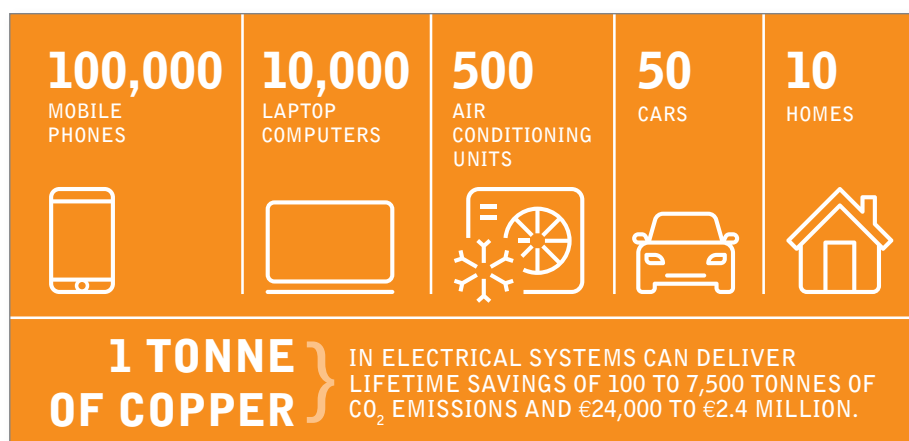


Figure 2 : Based on data from environdec, European Commission and Leonardo ENERGY.

HILLSIDE PROJECT – SOUTH AUSTRALIA

Rex is developing its 100% owned, flagship copper-gold Hillside Project, located 165km (two hours by road) from Adelaide and 12km south of the Ardrossan township on the Yorke Peninsula, South Australia. Hillside is an Iron Oxide Copper Gold (IOCG) deposit, under shallow cover, in the Gawler Craton.

Hillside is now the third largest copper Reserve in Australia, with a Resource that currently contains 2Mt of copper (Cu) and 1.4Moz of gold (Au).

Hillside's Stage 1 Feasibility and Development Plan, as reported in July 2020, is being updated and finalised in readiness for financing and a Board approval for its Final Investment Decision (FID).



HILLSIDE PROJECT – SOUTH AUSTRALIA (CONTINUED)

Hillside's mining and processing is essentially low risk and conventional. Rex has partnered with Ausenco for the provision of engineering and design services in relation to Hillside. On the processing side, the basis for the updated 2022 Study is to maintain a start-up nominal plant feed rate of 6Mtpa, with primary crushing and stockpile reclaim capability for up to 8Mtpa. In the remainder of the processing plant, Ausenco has undertaken further equipment debottlenecking and updated design margins on mechanical equipment in order to achieve instantaneous volumetric flowrates equivalent to 8Mtpa, allowing for future increases in plant throughput.

Using this strategy, our plan for a Stage 1, beginning at 6Mtpa, can be significantly increased to closer to 8Mtpa once the pre-strip and early stages of mining are underway.

In addition, successful coarse particle flotation test work earlier this year, demonstrated that our ore is very amenable to HydroFloat technology and offers us the opportunity to further increase annual copper production. We are factoring into our plans and designs the possibility of subsequently increasing throughput into Stage 2. Hence, the production rate could then move from around 8Mtpa to closer to 10Mtpa, whilst maintaining similar copper recoveries.

All of these changes have potential to translate into numerous benefits for Rex and Hillside, including increased mill capacity/production rate, reduction in grind power and energy savings per tonne, significant improvement to the management of tailings and reduction in grind media.

Combined, these design considerations significantly contribute to future proofing, and improvements to environmental, power and carbon efficiency.

Aligned with Australia's desire to pivot to a more environmentally sensitive and energy efficient nation, the fact that we are in close proximity to sealed highways, ports, renewable power, as well as a population base, Hillside offers compelling national interest advantages compared with equivalent projects in far less attractive locations.

We have engaged a client team to assist with arranging bank finance and concentrate marketing options, and we have signed a number of banking groups and potential offtake partners under Confidentiality Agreements.

Building a first-class South Australian operational team is essential, and Rex has continued to build the owner's team and its capacity to deliver the next phase of development. These appointments are crucial and coincide with the opening of our offices in Adelaide and Ardrossan.

Key appointments include:

Jason Schell, our new Executive General Manager, South Australia. Jason is a senior executive with extensive operational expertise across a career spanning over 30 years in mining and mineral processing (copper-gold-silver-uranium).

Mike Roberts was appointed Chief Procurement Officer in November 2021. Mike has joined to lead Rex's pre-development program procurement requirements. Over the past 20 years, Mike has worked with large-scale complex organisations to maximise commercial outcomes and deliver sustainable business improvements.

On 21 April 2022, Ron Douglas stepped down as a Director of Rex to focus on his role to drive the engineering, procurement and construction services for the process plant and associated infrastructure at Hillside.

Graham Teale has also joined the Rex team. Graham has 45 years' experience in mineral exploration, mining and as a research geologist.



Photo 3 : Rex's community office located in Ardrossan, Yorke Peninsula.



Photo 4 : Graham Teale at Hillside.

Processing

Rex has partnered with Ausenco for the provision of 2022 Definition Phase Study (DPS) services for the Hillside processing plant and associated infrastructure. The purpose of Ausenco's 2022 DPS work is to update the capital and operating estimates with the current market costs for major equipment and materials.

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2022**HILLSIDE PROJECT – SOUTH AUSTRALIA (CONTINUED)****Mining**

Rex has concluded, following a tender evaluation, that a mining contractor model presents many benefits including opportunities to:

- alleviate the tight schedule of long lead capital items such as excavators and haul trucks, and
- leverage experienced management and workforce with well-developed operational procedures.

This is particularly important given the tight market for equipment and personnel that has been impacted by the COVID-19 pandemic.

Rex is pleased to have secured a strategic alliance with Thiess by entering into a non-binding Letter of Intent (LOI) which will see the companies work together to deliver an optimal mining solution for Hillside. Thiess is an outstanding Mining Services partner and brings to the table a global scale capacity to execute, whilst mitigating critical risks for a growing mining company with a large-scale greenfield development.

Infrastructure

Substantial progress has been made on the infrastructure work programs. Works commenced with the appointment of land valuers, specialist design engineers, surveyors, geotechnical engineers and the appointment of infrastructure project managers.

Roads – Tonkin Consulting was engaged to complete the road realignment designs to comply with the South Australian Department for Infrastructure and Transport's (DIT) current standards. This road design process has now been approved to the 100% design standard and has been signed off by DIT. The deposited plans of division were submitted to the Land Titles Office and approved in early June, which satisfied the Section 49 approval requirement deadline of 30 June 2022.

Electrical – Planning associated with Hillside's power infrastructure has been conducted with ElectraNet (132kV infrastructure) to renew the Connections Enquiry Response documentation as a pre-requisite to establishing a Transmission Connection Agreement (TCA). The formal Master Term Sheet has been agreed. ElectraNet has completed the Planning Assessment Study in order to develop a scope for the Power System Simulator for Engineering (PSSE) facilities model. Proposals have been sought from independent consultants (on the ElectraNet prequalified list) to develop the facility model.

Regular planning meetings are being held with SA PowerNetworks on infrastructure relocation and the provision of construction power and borefield power.

Water – SA Water has authorised Rex to apply for a connection for a maximum of 56kl per day to be drawn from the existing main. SA Water provided several options to make sufficient water available for the Hillside mine and the study and costing was produced in June 2022. Rex has also sought Reverse Osmosis plant solutions, using sea water, to provide sufficient water for the process whilst maintaining the SA Water 56kl per day for site potable water use.

Updated Hillside Ore Reserves estimate

On 20 July 2021, Rex announced an expanded Ore Reserve based on a larger Stage 2 open pit, which effectively increases the total Ore Reserves at Hillside from 509kt copper (Cu) to 988kt Cu for an increase of 94%.

The Ore Reserves estimate for the Hillside Project as at July 2021 is 181.6Mt @ 0.54% Cu and 0.14g/t gold (Au), containing 988kt of copper metal and 823kozs of gold. The new Ore Reserves summary is presented in Table 1.

| Category | Tonnes (Mt) | Copper (%) | Gold (g/t) | Contained Copper (kt) | Contained Gold (koz) |
|--------------|-------------|-------------|-------------|-----------------------|----------------------|
| Proved | 58 | 0.52 | 0.16 | 301 | 308 |
| Probable | 123 | 0.56 | 0.13 | 687 | 515 |
| Total | 182 | 0.54 | 0.14 | 988 | 823 |

Table 1: Hillside Ore Reserves – July 2021.

Calculations have been rounded to the nearest Mt of ore, 0.01% Cu grade, 0.01g/t Au grade, 1,000t of Cu metal and 1,000ozs of Au metal. Some apparent errors may occur due to rounding.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2022

HILLSIDE PROJECT – SOUTH AUSTRALIA (CONTINUED)

Updated Hillside Ore Reserves estimate (Continued)

The July 2021 Ore Reserves represent an update to the previous Ore Reserves announced to the ASX on 26 May 2015. A comparison of this Ore Reserves estimate to the 2015 estimate is presented in Table 2. There has been no mining or depletion of the 2015 Ore Reserves since their estimation.

| Category | Tonnes (Mt) | Copper (%) | Gold (g/t) | Contained Copper (kt) | Contained Gold (koz) |
|-----------------|-------------|------------|------------|-----------------------|----------------------|
| Total May 2015 | 82 | 0.62 | 0.16 | 509 | 432 |
| Total July 2021 | 182 | 0.54 | 0.14 | 988 | 823 |
| % Difference | 122% | (13%) | (13%) | 94% | 90% |

Table 2: Comparison between the July 2021 Ore Reserves and the previous May 2015 Ore Reserves.

Calculations have been rounded to the nearest Mt of ore, 0.01% Cu grade, 0.01g/t Au grade, 1,000t of Cu metal and 1,000ozs of Au metal.

Some apparent errors may occur due to rounding.

The Mineral Resources used as the basis for the Ore Reserves estimate were announced to the ASX on 25 May 2015. Measured and Indicated Resources have been converted to Proved and Probable Ore Reserves respectively, subject to mine design physicals and an economic evaluation. Ore Reserves were estimated by Rex from an updated mine design and mining schedule completed by AMC Consultants and mineral processing work completed by Wood.

The Stage 2 mine plan extends from near-surface to a depth of 560m, which is shallow for IOCG deposits on the Gawler Craton. Rex believes that there is potential to increase the Mineral Resources and Ore Reserves down dip and along strike from the existing Mineral Resources as there has been limited drilling below 600m from surface and along strike from the Hillside orebody (see Figure 3).

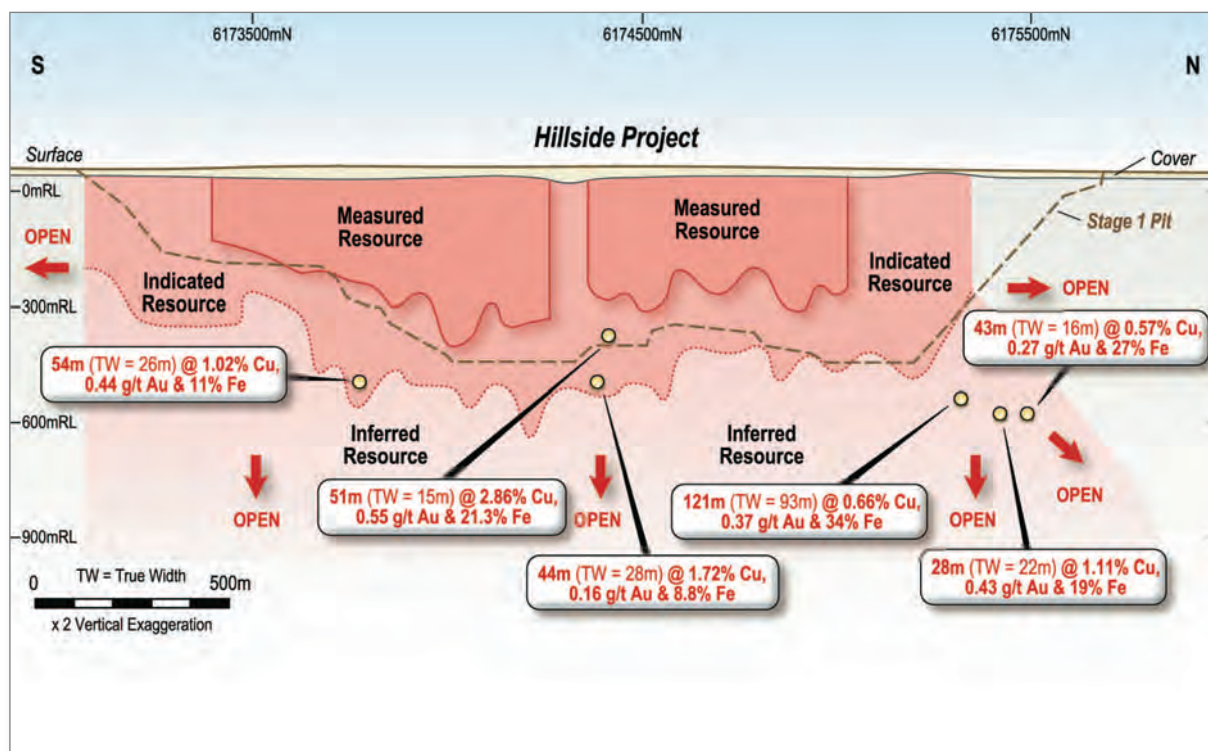


Figure 3 : Long section of Hillside orebody upside – open at depth.

HILLSIDE PROJECT – SOUTH AUSTRALIA (CONTINUED)

Expanded Geological Potential of Hillside

Rex commenced in January 2022, a 3D seismic survey over the broader Hillside Project area which was designed to identify key geological features, particularly structures and some important host rocks, both surrounding and at greater depths to the current Mineral Resource and Open Pit designs.

A range of features have been identified based on the results of the 3D seismic survey, many of which could imply expanded potential to the existing 2Mt copper Mineral Resource. The Resource drilling information has yet to close out the copper mineralisation and extensions to the important host rocks and structures at Hillside are considered likely to continue at depth (Figure 3).

At shallow levels, down to 500m below the surface, the 3D seismic data match the existing geological interpretation and Mineral Resource which is also where the majority of the drilling information exists.

Beyond 500m down to substantial depths of possibly over 1,300m, the 3D seismic data suggests that the host rock geological sequence and repeats to the controlling structures appear to exist. There is also some indication that important controlling structures are increasing in strength at deeper levels, beyond the existing drilling information (Figure 4).

Further to the interpretation that ongoing extensions to the copper mineralisation appear to be likely at Hillside, there is also some evidence of a large body at depth which is potentially an important source for the metals that exist at Hillside (refer ASX Release 7 June 2022).

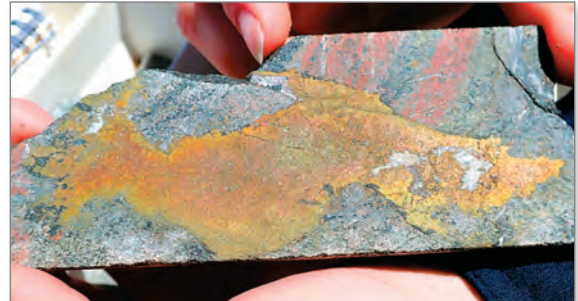


Photo 5 : Winner AusIMM Adelaide Branch photo competition of iridescent chalcopyrite from Hillside, Dr Richard Lilly.



Photo 6 : HiSeis team—Danni Denton, Maegs St Lawrence and Jude Watson—performing 3D seismic survey at Hillside.

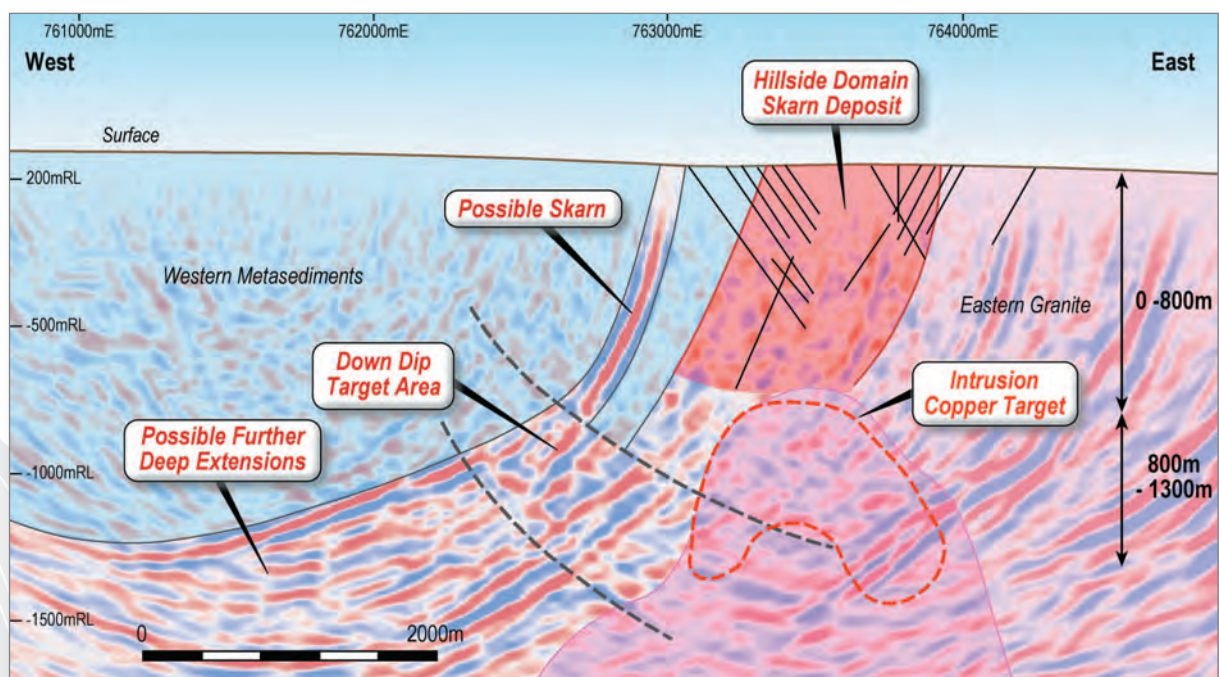


Figure 4 : Cross section at Hillside with interpreted information from the recent 3D seismic survey.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2022

HILLSIDE PROJECT – SOUTH AUSTRALIA (CONTINUED)

Health, Safety, Environment (HSE)

There were no incidents at Hillside involving people, property, or the environment during the reporting period. There were no complaints or grievances raised by the local community or other stakeholders during the reporting period.

The Company has undertaken a number of activities which will ensure compliance with both our Mineral Lease and PEPR conditions including selection of environmental monitoring equipment to log air quality, noise, vibration and air overpressure data; working with local residents to establish a rainwater tank water monitoring system; and development of HSE requirements for our contractors.

Rex is engaging with our local community. For example, the Company has recently placed a work experience student from the Ardrossan High School, who provided valuable assistance to a soil survey being undertaken at that time. We have also identified sustainable community partnerships to assist with native seed harvesting and plant propagation.

Through our involvement with the Playford Trust in SA, we are working with our Scholarship student (Chemical Engineering) to complete kinetic test work using oxygen cells. We are also conducting a field trial to establish a classification system for subsoil that will maximise our rehabilitation outcomes.

Key to all our activities is our continued work on promoting internal discussions and checks regarding the integration of sustainability principles and ESG in our design, and establishing methodologies to provide Project HSE updates to all relevant stakeholders.

Community

As we establish our development and operational presence in South Australia, both in Adelaide and Ardrossan, Rex remains the only ASX company to have its registered office located on the Yorke Peninsula. This is a small but significant outcome that speaks to the very essence of what nation building development is all about.

This forward-facing presence will ramp up as development proceeds. Locally, Hillside will contribute significantly to the SA Government's plans in establishing the State as a world-leading copper precinct, via its Copper Strategy.

One of our important engagement platforms is the ongoing community consultative group, "Hillside Mine Community Voice" (HMCV). This independently chaired group has been instrumental in working with Rex to consult and navigate our approvals through to the development phase. After many years of cooperation, an independent review of the group was conducted by South Australian-based strategic advisory group, Consentium.

Following this review, in November 2021, HMCV members voted to adopt the recommendations and establish an interim committee to oversee the formation of a new community consultative group, to work with Rex as it enters the construction and development stage of the Hillside Mine.

The HMCV Chair, Mr Phil Tyler, expressed his appreciation to the members – all volunteers – who spent many hours representing their local community organisations. He said: "Yorke Peninsula should be very proud of its dynamic community, and I am privileged to have been involved in leading the HMCV during this stage."

The interim committee has now been established with updated terms of reference. It has commenced the recruitment of new members for the Hillside Mine Community Consultative Committee (HMCCC).

SOUTH AUSTRALIAN TENEMENT SCHEDULE at 30 June 2022

| South Australia | | | | | |
|----------------------|--------------|--------------|-----------------|--------------|------------|
| Tenement | Location | Lease Status | Area Type | Current Area | Date |
| EL6531 ¹ | Moonta South | Granted | km ² | 21 | 09/06/2022 |
| EL6497 ¹ | Moonta South | Granted | km ² | 509 | 27/07/2022 |
| EL6515 | Moonta South | Granted | km ² | 257 | 20/09/2022 |
| EL5981 ¹ | Moonta South | Granted | km ² | 68 | 22/06/2022 |
| EL6136 ¹ | Moonta South | Granted | km ² | 91 | 19/03/2022 |
| EL6143 ¹ | Moonta South | Granted | km ² | 51 | 15/04/2022 |
| EL6189 | Moonta South | Granted | km ² | 328 | 01/08/2022 |
| EL6245 | Moonta South | Granted | km ² | 1,091 | 01/08/2022 |
| EL6455 | Moonta South | Granted | km ² | 74 | 04/11/2021 |
| ML6438 | Hillside | Granted | Ha | 2,998 | 15/09/2035 |
| EML6439 ¹ | Hillside | Granted | Ha | 225 | 15/09/2022 |
| MPL146 | Hillside | Granted | Ha | 94 | 15/09/2035 |

¹Renewal documentation submitted to the South Australian Government and currently being processed.

HOG RANCH – NEVADA, USA

Drilling

A number of drilling campaigns were completed during the financial year at Hog Ranch at all three of the main project locations of Krista, Bells and Airport/Cameco. New discoveries were made at Airport in addition to further extensions to the gold mineralisation confirmed at Bells and Krista.

Drilling activities were delayed in 2021 due to a lack of drilling contractor availability. The long turnaround times at the Nevada laboratories have also had an impact on the drilling program over the course of the year, these have started to improve towards the end of the financial year.

Further work at Hog Ranch included several soil sampling test programs which were very successful in highlighting the potential for regional gold in soils, when combined with some key pathfinder elements, to show the likely position for further gold mineralisation. This has prompted Rex to commence a large regional soil sampling campaign over the entire 79km² area of Mining Claims held by Rex at Hog Ranch (refer ASX Release 30 March 2022).

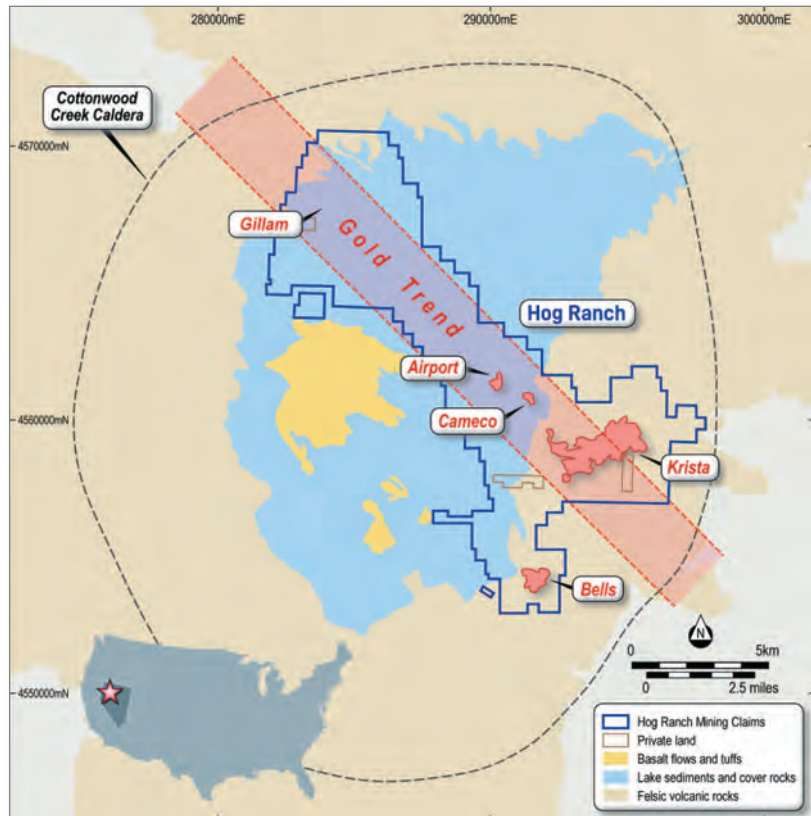


Figure 5 : Local geology of the Cottonwood Creek Caldera.

Drilling Results Summary

Results from an earlier 3D Induced Polarisation (IP) survey over the Airport area identified the potential for some structures that were interpreted away from the previously known gold mineralisation. Testing of a number of these potential structures resulted in the discovery of significant gold mineralisation at two new locations from drill holes HR21-010 and HR21-012 (Figure 7 and Figure 8). Refer ASX Releases 26 July 2021 and 27 August 2021.

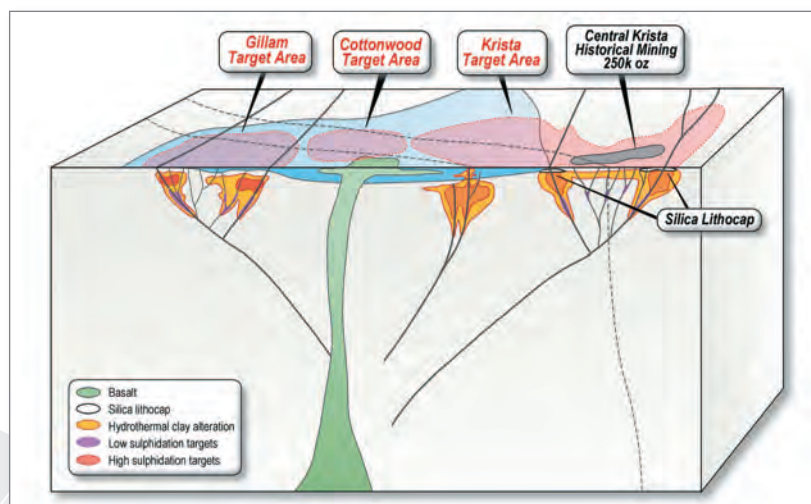


Figure 6 : New datasets show overlapping evidence for large-scale epithermal alteration.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2022

HOG RANCH – NEVADA, USA (CONTINUED)

Drilling Results Summary (Continued)

At both Bells and Krista, drill holes were completed which continue to identify extensions to the previously defined gold mineralisation and, in some cases, show better gold grades than were otherwise indicated by the historical drill hole data (refer ASX Releases 2 March 2022 and 19 July 2021).

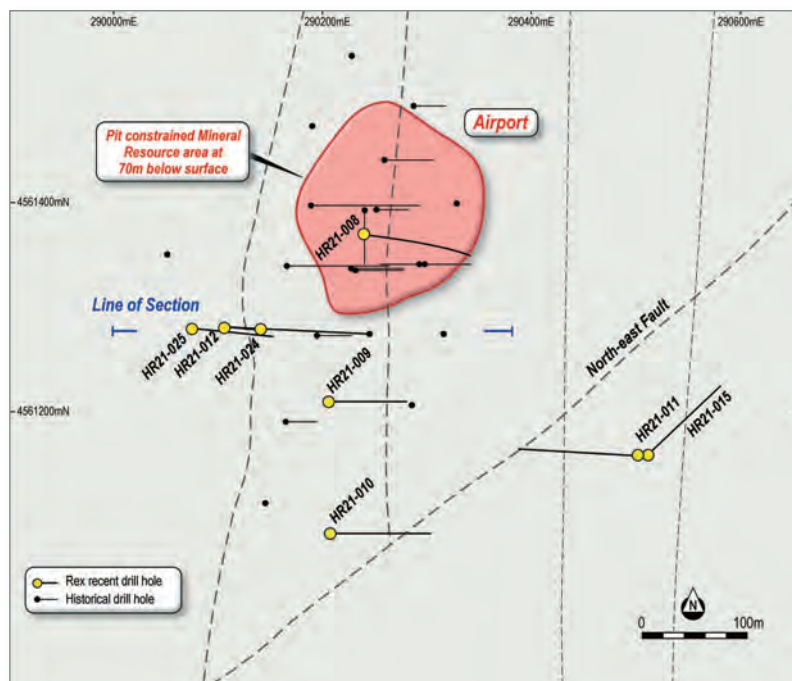


Figure 7 : Plan view of the drilling completed at the Airport target area.



Photo 7 : Simon Meldrum on site at Hog Ranch.

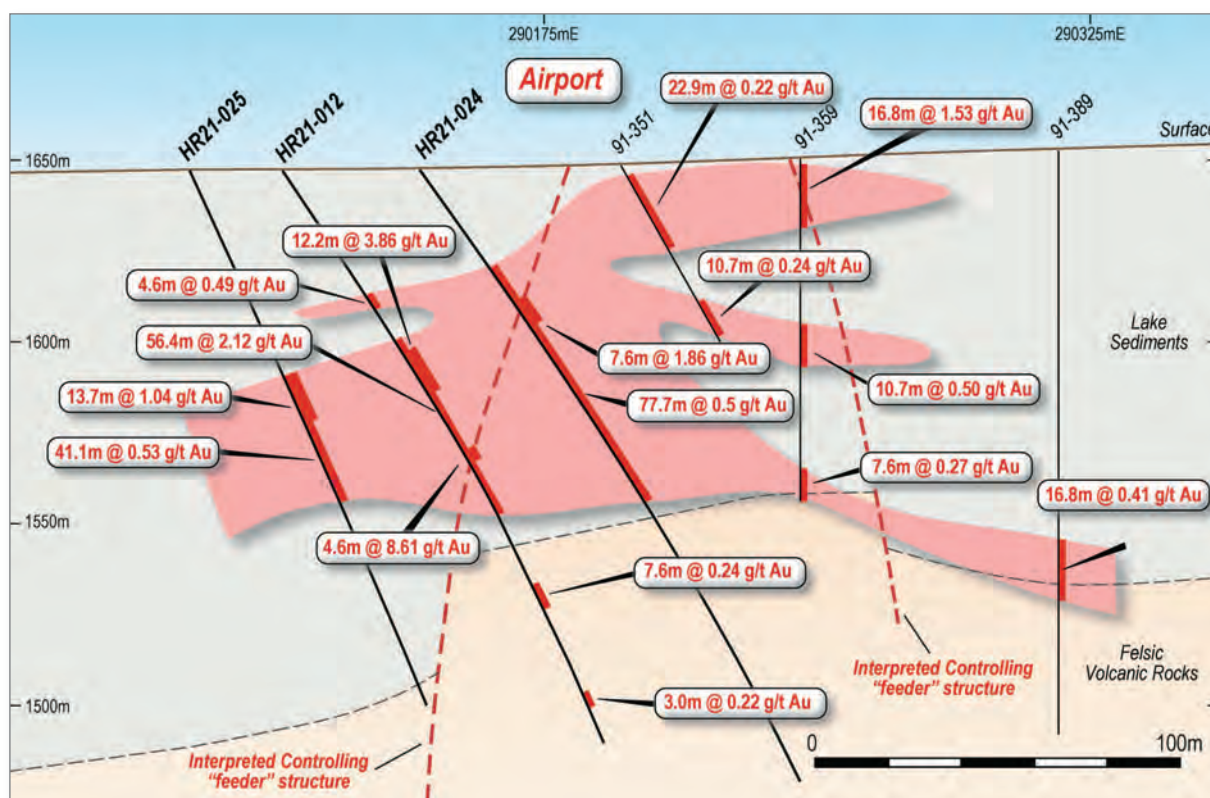


Figure 8 : Airport Project cross section (see Figure 7 for relative location) highlighting the drilling results from a new discovery initially intersected in drill hole HR21-012.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2022

HOG RANCH – NEVADA, USA (CONTINUED)

Drilling Results Summary (Continued)

A summary of the more noteworthy Hog Ranch drill intersections returned over the year is shown in Table 3.

| Location | Drill Hole Number | From (m) | To (m) | Down-hole Length (m) | True Width (m) | Average Gold Assay (g/t) |
|----------|-------------------|----------|--------|----------------------|----------------|--------------------------|
| Krista | HR22-018 | 0 | 147.8 | 147.8 | ~104 | 0.62 |
| | including | 44.2 | 89.9 | 45.7 | ~32 | 1.06 |
| | including | 137.2 | 141.7 | 4.5 | ~3.2 | 2.42 |
| Bells | HR21-023 | 12.2 | 141.7 | 129.5 | ~116 | 0.55 |
| | including | 74.6 | 103.6 | 29 | ~26 | 0.98 |
| Airport | HR21-008 | 7.6 | 118.9 | 111.3 | ~96 | 0.83 |
| | including | 18.3 | 32.0 | 13.7 | ~12 | 2.27 |
| | including | 89.9 | 100.6 | 10.7 | ~9 | 1.44 |
| Airport | HR21-010 | 94.5 | 208.8 | 114.3 | | 0.64 |
| | including | 143.3 | 179.8 | 36.6 | | 1.4 |
| Airport | HR21-012 | 54.9 | 111.3 | 56.4 | ~51 | 2.12 |
| | including | 57.9 | 70.1 | 12.2 | ~11 | 3.86 |
| | including | 88.4 | 93.0 | 4.6 | ~4.1 | 8.61 |

Table 3: Composited gold intersections from recent RC drilling at Hog Ranch.

Estimated true widths are based on interpreted dip of gold mineralisation where surrounding drill hole information is available.

In keeping with our strategy of building capability in the management team James (Jim) Carver has joined the Company as Vice President of Exploration at Hog Ranch. Jim has over 35 years' experience conducting successful exploration, discovery and development of gold deposits internationally and in the US. Jim left Marigold and SSR Mining as their Resource Manager (US) "for an opportunity to work with the Hog Ranch and Rex teams on this outstanding property."

NEVADA, USA TENEMENT SCHEDULE at 30 June 2022

As at 30 June 2022, the Hog Ranch Property is made up of 1,035 unpatented mining claims located in Washoe County, Nevada. Hog Ranch Minerals Inc directly owns 788 Mining Claims (see table below) and controls the remaining 247 Mining Claims through a mining lease with purchase option with Nevada Select Royalty Inc.

| Nevada, USA | | | | | |
|--------------------|---------------|--------------|-----------------|-------------------------|----------------|
| Lode Mining Claims | Location | Lease Status | Area Type | Total Area ¹ | Date Certified |
| NHR 1-30 | Washoe County | Claimed | Ft ² | 27,000,000 | 10/08/2019 |
| NHR 31-100 | Washoe County | Claimed | Ft ² | 63,000,000 | 28/01/2020 |
| NHR 101-232 | Washoe County | Claimed | Ft ² | 118,800,000 | 10/07/2020 |
| NHR 233-417 | Washoe County | Claimed | Ft ² | 166,500,000 | 19/11/2020 |
| NHR 418-434 | Washoe County | Claimed | Ft ² | 15,300,000 | 30/04/2021 |
| GL 1-104 | Washoe County | Claimed | Ft ² | 93,600,000 | 10/07/2020 |
| GL 105-177 | Washoe County | Claimed | Ft ² | 65,700,000 | 19/11/2020 |
| GL 178-354 | Washoe County | Claimed | Ft ² | 159,300,000 | 30/04/2021 |

¹Total Area comprises the area of each Lode Mining Claim, i.e. 1,500' x 600'.

REX MINERALS LTD

REVIEW OF OPERATIONS (Continued) for the year ended 30 June 2022

SUPPLEMENTARY INFORMATION

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.

Compliance Statement

With reference to previously reported Mineral Resources, Ore Reserves, Feasibility Studies and Scoping Studies the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements as referenced.

In the case of estimates of Mineral Resources and Ore Reserves that reference material assumptions and technical parameters underpinning the information, contained within this Annual Report, continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement. The estimated Ore Reserves and Mineral Resources underpinning any production target have been prepared by a competent person in accordance with the requirements in Appendix 5A (JORC code).

Competent Persons’ Statement

The information in this report that relates to Exploration Results 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 is an employee 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 report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mining and/or Ore Reserves is based on, and fairly reflects, information compiled by Mr Charles McHugh who is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. Mr McHugh 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 McHugh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to metallurgy is based on, and fairly reflects, information compiled by Mr John Burgess who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Rex Minerals Ltd. Mr Burgess 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 Burgess consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Base Case Assumptions – Bells Project

The Bells Scoping Study (2020) price assumptions are quoted in US dollars and gold US\$1,550/oz.

Base Case Assumptions – Hillside Project

The Hillside Feasibility Study (2020) price assumptions for the Stage 1 life of the operation are copper US\$3.00/lb; gold US\$1,550/oz and exchange rate of AUD:USD \$0.70.

REX MINERALS LTD

DIRECTORS' REPORT For the year ended 30 June 2022

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 2022 and the auditors' report thereon.

DIRECTORS

The following persons were Directors of the Company at the date of this report:

| Name, qualifications and independence status | Experience, special responsibilities and other directorships |
|---|---|
| Mr Ian Smith Chairman Independent Non-Executive Director (B.E (Hons, Mining); B Fin Admin; FIEAust; FAusIMM) | <p>Mr Ian Smith has been a Director since 18 February 2019 and was appointed Chairman on 1 June 2021. He also serves as a member of the Audit Committee and the Remuneration Committee.</p> <p>Ian 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. Ian is a Fellow of both the Australasian Institute of Mining and Metallurgy and the Institute of Engineers.</p> <p>In prior roles, Ian 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. Ian is a past president of the Australian Mines & Metals Association and is a past chairman of the Minerals Council of Australia.</p> |
| Mr Richard Laufmann Chief Executive Officer and Managing Director (B.Eng (Mining); MAusIMM; MAICD) | <p>Mr Richard Laufmann is a founding director and was appointed Chief Executive Officer and Managing Director in April 2015. Richard, a graduate of the WA School of Mines, is a mining engineer with broad experience in the resources sector – specifically in copper, gold and nickel – both corporately and operationally.</p> <p>Before becoming CEO of Rex, Richard was the CEO of ASX-listed Indophil Resources which had ownership in and management of one of the world's largest undeveloped copper projects (Tampakan). This company operated in an extremely challenging commodity price and geo-political environment.</p> <p>Prior to Indophil, Richard was CEO of ASX-listed Ballarat Goldfields. On joining, he recapitalised and led the company, through feasibility, financing, construction and commissioning of the Ballarat Gold Mine. In early 2007, Ballarat Goldfields was taken over by Lihir Gold.</p> <p>Previously, Richard was the general manager of Gold for WMC Resources, with some of the largest and most diverse surface and underground operations in the country.</p> <p>Richard is a past chairman of the State Council of the Minerals Council of Australia (Victorian division) at the time the State Council merged into the national MCA.</p> |

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

| Name, qualifications and independence status | Experience, special responsibilities and other directorships |
|--|---|
| Ms Amber Rivamonte Chief Financial Officer and Executive Director of Finance (CPA; B.Bus(Acc); MAICD) | <p>Ms Amber Rivamonte was appointed as an Executive Director on 1 June 2021.</p> <p>Amber has over 25 years' experience in the resources industry covering the fields of commercial, strategic and risk management, corporate governance and financial management experience. Amber has a background in accounting and is a certified practicing accountant (CPA). Ms Rivamonte has previously held the dual role of chief financial officer and company secretary at Rex Minerals and Ballarat Goldfields, as well as the role of company secretary at Indophil Resources and White Rock Minerals. She has also been a director of a number of companies in Australia and internationally.</p> <p>Amber's experience covers all aspects of managing resources companies, from project acquisition, mergers, demergers, takeovers, schemes and various forms of fund raisings.</p> |
| Mr Greg Robinson Independent Non-Executive Director (B.Sc(Hons); MBA; MAICD) | <p>Mr Greg Robinson was appointed as a Director on 1 June 2021. He is Chairman of the Audit Committee and a member of the Remuneration Committee.</p> <p>Greg has extensive executive experience in the finance and resources industries. He is a Non-Executive Director of Incitec Pivot Limited, and is Deputy Chairman and Non-Executive Director of the Royal Automobile Club of Victoria (RACV) (Chairman of the Audit Committee).</p> <p>He is the former managing director & chief executive officer of Newcrest Mining Limited (including six years as CFO & Finance Director) and former chief executive officer of Lattice Energy Limited. Prior to joining Newcrest, Greg was on the executive committee of and held senior executive roles in the Petroleum and Energy Division of BHP (including five years as CFO) and was a Director of Investment Banking at Merrill Lynch & Co and headed the Australia/Asia Pacific resources team.</p> <p>Greg was previously a non-executive Director of the World Gold Council, and a non-executive director of St Vincent's Institute of Medical Research.</p> |
| Mr Andrew Seaton Independent Non-Executive Director (BE (Chem) Hons; Grad Dip Bus Admin; GAICD) | <p>Mr Andrew Seaton was appointed as a Director on 1 December 2021. He is Chairman of the Remuneration Committee and a member of the Audit Committee.</p> <p>Andrew has over 30 years' business experience across a range of finance, engineering, project management, investment banking and senior executive roles. Andrew is currently the Managing Director and Chief Executive Officer of Australian Naval Infrastructure, and a Non-Executive Director of Strike Energy Ltd, Homestart Finance Ltd and Hydrocarbon Dynamics Ltd.</p> <p>Andrew was previously CFO of Santos Limited, Australia's largest producer of domestic natural gas and a key supplier of LNG into Asia. During his time with Santos, the company expanded its LNG portfolio to include interests in Darwin LNG, PNG LNG and Gladstone LNG. Prior to this he worked in investment banking with Merrill Lynch in Melbourne and New York across a broad range of advisory, M&A, equity and debt capital markets transactions, and with NAB in corporate and institutional banking. His early career included process engineering and project management roles across upstream oil and gas and petrochemicals.</p> |

The following persons were Directors of the Company at any time during the financial year. There have been no new Directors appointed since the end of the financial year to the date of this report.

Mr Ian Smith

Mr Richard Laufmann

Ms Amber Rivamonte

Mr Greg Robinson

Mr Andrew Seaton – appointed 1 December 2021

Mr Ron Douglas – retired 21 April 2022

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

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. Kay 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.

Kay 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 | |
|----------------------------------|----------------|---|--------------------------|---|---------------------------------|---|
| | A | B | A | B | A | B |
| Mr Ian Smith | 6 | 6 | 2 | 2 | 1 | 1 |
| Mr Richard Laufmann ¹ | 6 | 6 | 2 | 2 | 1 | 1 |
| Ms Amber Rivamonte ¹ | 6 | 6 | 2 | 2 | 1 | 1 |
| Mr Greg Robinson | 6 | 6 | 2 | 2 | 1 | 1 |
| Mr Andrew Seaton | 3 | 3 | 2 | 2 | 1 | 1 |
| Former | | | | | | |
| Mr Ron Douglas | 5 | 5 | 2 | 2 | — | — |

A – Number of meetings attended.

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

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

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, 4th Edition*. In addition, 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.

This Corporate Governance Statement is dated 30 June 2022 and was approved by the Board on 9 September 2022.

PRINCIPAL ACTIVITIES

The Company's vision is "to produce the minerals needed for the world we all envision" and our stated purpose to achieve this is "to explore and mine responsibly to benefit our stakeholders and contribute to a more sustainable world"

During the year the principal activities of the Group consisted of exploration, evaluation and development. In pursuing these activities, we delivered on the work programs below:

- At Hillside:
 - > Continued with infrastructure development work programs
 - > Tendered and appointed Ausenco and Thiess to partner in the development
 - > Began the updated and final feasibility costing for financing
 - > Engaged marketing and finance specialists, and
 - > Opened new offices in Adelaide and Ardrossan to facilitate the growing team of new appointments.
- At Hog Ranch:
 - > Completed three years of baseline studies
 - > Submitted an exploration Plan of Operations to the regulatory body
 - > Continued exploration activities on site, and
 - > Added depth to the exploration team.
- Continued to explore options for our highly prospective Iron Oxide Copper Gold (IOCG) tenements in South Australia.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

OPERATING AND FINANCIAL REVIEW

The income statement shows a loss after tax of \$12.8 million (2021: \$8.8 million) for the year. The Group has no debt. As at 30 June 2022, the Group had a cash position of \$44.1 million (2021: \$9.7 million). Operating activities resulted in a net cash outflow for the year of \$12.4 million (2021: \$7.3 million). Further information on operating and financial performance is set out in the Operations Review.

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

No matters or circumstances have arisen since 30 June 2022 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 development of the Hillside Project and continued minerals exploration on the tenements and mining 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.

ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulation in respect of mineral tenements and mining claims relating to exploration activities on those areas. 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 Executives 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 Executives 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.

| | 2022 \$ | 2021 \$ |
|--|------------|------------|
| Audit and review of financial statements | 51,000 | 47,000 |

LETTER FROM THE REMUNERATION COMMITTEE CHAIRMAN

For the year ended 30 June 2022

Dear Fellow Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for FY22, which outlines the remuneration for the Key Management Personnel (KMP), which includes the CEO, Executive Director, senior Executives and Non-Executive Directors of the Company.

Commencing during FY22 and continuing in FY23, we are undertaking a process of maturing our remuneration policies and processes, whilst maintaining a “fit for purpose” overlay in line with the current stage of Rex’s evolution. In the past, the Company has relied on a relatively simple remuneration structure, using an Option Incentive Plan in order to both conserve cash and minimise dilution.

The Remuneration Committee’s objective is to ensure that our remuneration framework delivers outcomes which have a clear link to Company and individual performance, and which are consistent with our long-term strategy and values.

We were pleased to again receive strong support and endorsement of our Remuneration Report at the 2021 Annual General Meeting, with 98% of votes in favour.

Financial Year 2022 in review

For a company operating in two countries – involved in exploration, permitting and pre-development, with limited cash – defining, and setting financial and performance targets is a complex challenge. Rex, is navigating this space amidst the volatility of international commodity and capital markets, coupled with COVID-19 restrictions and now the global inflationary pressures and supply disruptions.

In this environment, our Hillside Project in South Australia, (which has the third largest copper Reserve in Australia) joins the modest list of future-facing metals identified as fundamentally crucial to development contributing to achieving progress in reaching global decarbonisation objectives and targets.

Health, Safety and Environment (HSE) outcomes for the year were excellent. We can proudly report no lost time, medically treated nor significant injuries or incidents, whilst operating remotely, running exploration drilling operations and numerous technical, geophysical and geotechnical programs. Environmentally, we have moved the bar on energy efficiency in Hillside’s plan and we continue to introduce carbon lowering and renewable synergies not previously envisioned. We will now begin to introduce measures to include HSE objectives more meaningfully into our remuneration objectives.

Corporately, we raised equity funds to progress our pre-development works at Hillside and to continue our exploration for gold at Hog Ranch in Nevada. We have begun to employ key Executives at both Projects in line with their status and, in particular, to deliver the next phase of the Hillside Project.

KMP changes for 2022

As Hillside moves closer to its Final Investment Decision (FID), we remain focused on delivery of the construction phase. As a result, there have been a number of changes and additions to the structure of the executive team during 2022.

In light of the successful completion of the \$50 million capital raising in September 2021, the remuneration structures for the CEO, the CFO and key new KMP have been reviewed by the Remuneration Committee. The changes are as follows:

The CEO, Mr Richard Laufmann, had been employed on a 60% Full Time Equivalent (FTE) employment arrangement since his commencement as CEO in 2015. During this seven year period, he did not receive any increase in fixed pay or any STI awards. Effective 1 September 2021, Mr Laufmann is now employed on a full-time basis, at the same 2015 FTE rate.

To recognise his significant time commitment above and beyond the 60% FTE arrangement over this period, and delivery of the milestone PEPR approval in July 2020, a one-off cash payment of \$125k was paid to Mr Laufmann in June 2022.

The CFO, Ms Amber Rivamonte, had been previously engaged on a part-time basis through a consulting company. For FY22 she was engaged as a full-time employee following her appointment to the Board in June 2021.

Ms Rivamonte has also not received any salary review or STI awards in the preceding seven years, nor has she received any salary review following her appointment as an Executive Director.

Mr Jason Schell, EGM, South Australia was appointed on 9 May 2022 to lead the South Australian business.

Mr Peter Bird, EGM Investor Relations and Business Development commenced on 1 March 2022.

Mr Andrew Seaton, Non-Executive Director and Chair of the Remuneration Committee, commenced on 1 December 2021.

Mr Ron Douglas retired as Non-Executive Director effective 21 April 2022 to assume a leadership role in delivering the engineering and construction solution for the Hillside plant.

LETTER FROM THE REMUNERATION COMMITTEE CHAIRMAN
(Continued) for the year ended 30 June 2022

Fixed Remuneration

There were no changes to the structure of existing fixed remuneration contracts during the year. New KMP were employed on market competitive contracts.

Short Term Incentive

No STI payments have been made to any KMP in the last seven years. In line with our objective to mature the Company's remuneration framework, and with reference to external remuneration benchmarking analysis, we intend to adopt an evolved STI framework during FY23.

Long Term Incentive

There were no LTI awards under the Option Incentive Plan to existing executive KMP (including the CEO, CFO and Director Hog Ranch) during FY22.

The EGM, South Australia and EGM IR and Business Development each received an LTI award under the Option Incentive Plan upon their commencement.

2022/2023 Evolution of Remuneration framework

As we prepare to manage the transition from exploration to construction and subsequently production, we have given consideration to the overall remuneration framework required to both retain the current Executive team as well as attracting new Executives.

The goal is to set the Company up for success whilst conserving cash ahead of the start of production. This balance is vitally important and nuanced.

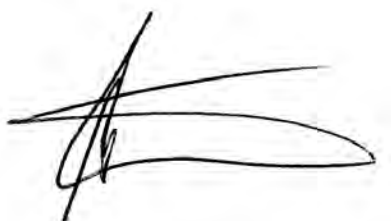
The Remuneration Committee has commenced work on establishing a reward framework that ensures Executive rewards reflect achievement, with the aim of delivering long-term shareholder value, through the following remuneration principles:

- Creating a strong link between performance and reward over the short and long-term
- Maintaining fair, consistent and equitable remuneration practices which align with the Company's values and vision whilst remaining competitive with the market to attract the best potential candidates
- Ensuring that Executive remuneration is linked to the creation of shareholder value
- Recognising the calibre and skills of Executives and ensuring that they are rewarded for superior performance, and
- Retaining talented Executives, noting both the cyclical and competitive nature of the market.

The Company will continue to seek guidance in the governance of remuneration strategy from a variety of sources, to remain transparent and consistent with industry standards, whilst ensuring what we implement is fit for purpose.

Mercer Consulting (Australia) Pty Ltd has been engaged as the Company's independent Remuneration Adviser and has compiled a benchmarking survey for both executive and non-executive positions. Based on this frame of reference, the Company's remuneration framework will be reviewed and adjusted during FY23 to ensure that we have an appropriate remuneration structure for the FID of the Hillside Project and beyond.

I trust that the above summary outlines our thinking and key decision drivers as we navigate the coming year.



Mr Andrew Seaton

Chair of the Remuneration Committee

REMUNERATION REPORT – AUDITED

The Directors present the Remuneration Report for the year ended 30 June 2022, 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), 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. Non-Executive Directors are not eligible for performance linked compensation.

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, a cash bonus was paid to the CEO only. No other cash bonuses were paid or payable.

Long-term incentive

The long-term incentive (LTI) is provided as options over ordinary shares of the Group and are issued at the discretion of the Board with conditions that the Board determines as appropriate at the time of issue. 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 2021. 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.

| | 2022 \$ | 2021 \$ | 2020 \$ | 2019 \$ | 2018 \$ |
|---|------------|------------|------------|------------|------------|
| Net loss attributable to equity holders of the parent (million) | 12.8 | 8.8 | 5.2 | 5.1 | 5.2 |
| Closing share price at financial year's end (\$) | 0.135 | 0.350 | 0.070 | 0.053 | 0.105 |

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

REMUNERATION REPORT – AUDITED (CONTINUED)

Service agreements

In line with Group policy, the Group has entered into contracts with each of its Executives, details of which are outlined below:

| Component | CEO description | Senior Executive description |
|--|---|---|
| Fixed Remuneration | \$444,167 | Range between \$314,000 and \$477,500 FTE |
| STI | At the discretion of the Board, no formal STI plan in place | Range from no formal plan to up to 60% of base salary |
| LTI | At discretion of the Board under terms and conditions of the Option Incentive Plan (approved by Shareholders at the 2021 AGM) | |
| Contract duration | Ongoing contract | |
| Notice by individual/company | 2 months | Range between 2 months and 3 months |
| Termination of employment (without cause) or by the individual | Where applicable, Executives are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. Entitlement to pro-rata STI for the year (under certain conditions). Unvested LTI will vest immediately if the individual is deemed a good leaver or will lapse if deemed a bad leaver | |
| Termination of employment (with cause) | No additional entitlement on termination in the event of removal for misconduct or gross negligence. No eligibility for STI payments, unvested LTI will lapse | |

Different contractual terms apply to the following individuals:

Mr Bird's contract included a three month probationary period at 60% FTE, then moved to 100% following completion of the probationary period. Mr Bird is also eligible for an STI bonus and in the event of a redundancy a payment of two months' salary.

Mr Schell's contract provides for eligibility for an STI of up to 60% of his base salary in addition to a one-time completion bonus, on the achievement of certain milestones related to the Hillside Project. Mr Schell is also entitled to a payment of six months' salary in the event of redundancy.

Ms Leeden is engaged via a part-time consulting arrangement and is paid a monthly retainer at 40% FTE paid in USD and presented in AUD in this report. Ms Leeden has been awarded an LTI under the Company's Option Incentive Plan and is not entitled to an STI or redundancy payment in her contract.

Non-Executive Directors

Total compensation for all Non-Executive Directors, as approved 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, but subject to shareholder approval may receive options as part of their 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 2022

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 2022 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 (c) \$ | | Fixed | Variable at risk LTI | |
| | Salary & fees (a) \$ | Cash bonus \$ | Super-annuation \$ | Long service leave (b) \$ | | | | | | |
| Non-Executive Directors | | | | | | | | | | |
| Mr Ian Smith | 100,000 | – | 10,000 | – | | 5,723 | 115,723 | 95% | 5% | – |
| Mr Greg Robinson ¹ | 64,500 | – | 1,500 | – | | 22,413 | 88,413 | 75% | 25% | – |
| Mr Andrew Seaton ² | 35,000 | – | 3,500 | – | | 11,781 | 50,281 | 77% | 23% | – |
| Executive Directors | | | | | | | | | | |
| Mr Richard Laufmann, CEO ³ | 412,392 | 125,000 | 27,499 | 23,104 | | 138,143 | 726,138 | 81% | 19% | 17% |
| Ms Amber Rivamonte, CFO ³ | 329,618 | – | 27,499 | 8,163 | | 8,033 | 373,313 | 98% | 2% | – |
| Other KMP | | | | | | | | | | |
| Mr Peter Bird, EGM IR & BD ⁴ | 97,976 | – | 8,825 | 3,226 | | 83,904 | 193,931 | 57% | 43% | – |
| Mr Jason Schell, EGM SA ⁵ | 72,053 | – | 6,692 | 1,600 | | 83,904 | 164,249 | 49% | 51% | – |
| Ms Cherie Leeden, Local Director – Hog Ranch ⁶ | 133,875 | – | – | – | | 16,065 | 149,940 | 89% | 11% | – |
| Former | | | | | | | | | | |
| Mr Ron Douglas ⁷ | 48,462 | – | 4,846 | – | | 5,723 | 59,031 | 90% | 10% | – |
| Total compensation KMP: | 1,293,876 | 125,000 | 90,361 | 36,093 | | 375,689 | 1,921,019 | | | |

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 (where applicable).
- (b) 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.
- (c) 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.
- Mr Robinson sought approval from the ATO for an SGC exemption and received additional fees in lieu of superannuation for nine months of the year, his total base fees remained the same.
- Mr Seaton commenced 1 December 2021.
- For more details on movements in the amounts paid, refer to the Remuneration Committee Chairman letter (page 20).
- Mr Bird commenced 1 March 2022, initially on a part time basis, before moving to full time, effective 1 June 2022.
- Mr Schell commenced 9 May 2022.
- Ms Leeden is engaged through a consultancy agreement and the above represents the retainer paid in USD to the KMP related company and presented in AUD in this report.
- Mr Douglas retired effective 21 April 2022.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

REMUNERATION REPORT – AUDITED (CONTINUED)

Directors' and Executive Officers' remuneration (Continued)

Details of the nature and amount of each major element of remuneration of Directors and Executive Officers for 2021 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 | | | | | | | | | | |
| Mr Ian Smith ¹ | 63,333 | – | 6,017 | – | 9,715 | – | 79,065 | 88% | 12% | – |
| Mr Ron Douglas | 60,000 | – | 5,700 | – | 9,715 | – | 75,415 | 87% | 13% | – |
| Mr Greg Robinson ² | 5,000 | – | 475 | – | 2,128 | – | 7,603 | 72% | 28% | – |
| Executive Directors | | | | | | | | | | |
| Mr Richard Laufmann, CEO | 267,628 | – | 23,750 | 5,979 | 116,343 | – | 413,700 | 72% | 28% | – |
| Ms Amber Rivamonte, CFO ³ | 278,423 | – | 2,486 | 248 | 18,032 | – | 299,189 | 94% | 6% | – |
| Other KMP | | | | | | | | | | |
| Ms Cherie Leeden, Local Director – Hog Ranch ⁴ | 127,667 | – | – | – | 36,064 | – | 163,731 | 78% | 22% | – |
| Former | | | | | | | | | | |
| Dr David Carland ⁵ | 91,667 | – | 8,708 | – | – | – | 100,375 | 100% | – | – |
| Mr Alistar Maitland ⁵ | 55,000 | – | 5,225 | – | – | – | 60,225 | 100% | – | – |
| Mr Mitchell Hooke ⁶ | 18,231 | – | 1,732 | – | – | – | 19,963 | 100% | – | – |
| Total compensation KMP: | 966,949 | – | 54,093 | 6,227 | 191,997 | – | 1,219,266 | | | |

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 (where applicable).
- (b) No STI cash bonuses were accrued or payable in relation to the 2021 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 Smith became Chairman on 1 June 2021.
2. Mr Robinson commenced 1 June 2021.
3. Ms Rivamonte was engaged through a consultancy agreement to 31 May 2021, before commencing as a Director on 1 June 2021. The above represents the retainer paid to the KMP related company plus one month as per her employment contract.
4. Ms Leeden is engaged through a consultancy agreement and the above represents the retainer paid in USD to the KMP related company and presented in AUD in this report.
5. Dr Carland and Mr Maitland both retired effective 31 May 2021.
6. Mr Hooke retired effective 20 October 2020.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

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 8.3 million options and issued 3.7 million ordinary shares as a result of the exercise of options (1.0 million to KMP and 2.7 million to other participants of the option plan), 0.5 million options lapsed.

Options over ordinary shares of the Company at 30 June 2022:

| Date options granted | Expiry date | Fair value grant date (cents) | Issue price (cents) | Number of options |
|----------------------|------------------|-------------------------------|---------------------|-------------------|
| 6 March 2020 | 29 February 2024 | 2.38 | 7.0 | 7,766,667 |
| 1 December 2020 | 30 November 2024 | 6.6 | 17.5 | 5,000,000 |
| 28 May 2021 | 28 May 2025 | 19.3 | 47.0 | 200,000 |
| 26 November 2021 | 24 November 2025 | 11.6 | 33.0 | 280,000 |
| 10 March 2022 | 2 March 2026 | 12.8 | 25.3 | 7,000,000 |
| 26 April 2022 | 17 April 2026 | 12.4 | 30.0 | 1,000,000 |
| | | | | 21,246,667 |

Reconciliation of options, ordinary shares and consideration rights 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 30 June 2021 | Number of options granted | Number of options vested and exercisable | % of options vested | Number of options exercised | Held at 30 June 2022 or date ceased being KMP |
|---------------------|------------------------|---------------------------|--|---------------------|-----------------------------|---|
| Mr Ian Smith | 333,334 ^A | – | 333,334 | 100 | 333,334 ¹ | – |
| Mr Greg Robinson | 200,000 ^D | – | 66,000 | 33 | – | 200,000 |
| Mr Andrew Seaton | – | 280,000 ^E | – | – | – | 280,000 |
| Mr Richard Laufmann | 5,000,000 ^C | – | 1,650,000 | 33 | – | 5,000,000 |
| Ms Amber Rivamonte | 1,500,000 ^B | – | 1,000,000 | 66 | – | 1,500,000 |
| Mr Peter Bird | – | 3,500,000 ^F | – | – | – | 3,500,000 |
| Mr Jason Schell | – | 3,500,000 ^F | – | – | – | 3,500,000 |
| Ms Cherie Leeden | 2,000,000 ^B | – | 1,000,000 | 66 | – | 2,000,000 |
| <i>Former</i> | | | | | | |
| Mr Ron Douglas | 666,667 ^A | – | 666,667 | 100 | 666,667 ¹ | – |

¹The options exercised were paid directly by the KMP at an exercise price of 8.4 cents.

The fair value of the unlisted options granted 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:

| | A | B | C | D | E | F |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Grant date | 14 Feb 2019 | 6 Mar 2020 | 1 Dec 2020 | 28 May 2021 | 26 Nov 2021 | 10 Mar 2022 |
| Fair value per option at grant date | 2.88 cents | 2.38 cents | 6.6 cents | 19.3 cents | 11.6 cents | 12.8 cents |
| Exercise price per option | 8.4 cents | 7.0 cents | 17.5 cents | 47.0 cents | 33.0 cents | 25.3 cents |
| Expiry date | 31 Jan 2023 | 29 Feb 2024 | 30 Nov 2024 | 28 May 2025 | 24 Nov 2025 | 2 Mar 2026 |

All options vest in three equal tranches.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

REMUNERATION REPORT – AUDITED (CONTINUED)

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

Options (Continued)

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 value of options in the Company granted, expensed, yet to vest (affecting future remuneration) and exercised are detailed below:

| Name | Value of options granted in year \$ ¹ | Value of options expensed in year \$ ² | Value of options yet to be expensed \$ ³ | Value of options exercised in year \$ ⁴ |
|---------------------|---|--|--|---|
| Mr Ian Smith | – | 5,723 | – | 52,000 |
| Mr Greg Robinson | – | 22,413 | 14,056 | – |
| Mr Andrew Seaton | 32,581 | 11,781 | 20,800 | – |
| Mr Richard Laufmann | – | 138,143 | 75,514 | – |
| Ms Amber Rivamonte | – | 8,033 | 2,713 | – |
| Mr Peter Bird | 448,350 | 83,904 | 364,446 | – |
| Mr Jason Schell | 448,350 | 83,904 | 364,446 | – |
| Ms Cherie Leeden | – | 16,065 | 5,426 | – |
| <i>Former</i> | | | | |
| Mr Ron Douglas | – | 5,723 | – | 110,667 |

¹The value of options granted in the year is the total fair value of the options calculated at grant date. This amount is allocated to remuneration over the vesting period.

²The value of options expensed in the year is the portion of fair value of the options recognised as an expense in each reporting period as per the vesting conditions.

³The fair value of options yet to be expensed is the value yet to be allocated to remuneration as per the vesting period.

⁴The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

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.

| Name | Held at 30 June 2021 or date became KMP | Received on exercise of option | Acquired or sold during the year | Held at 30 June 2022 or date ceased being KMP |
|---------------------|---|--------------------------------|----------------------------------|---|
| Mr Ian Smith | 848,485 | 333,334 | 518,181 | 1,700,000 |
| Mr Greg Robinson | – | – | 1,958,334 | 1,958,334 |
| Mr Andrew Seaton | – | – | 500,000 | 500,000 |
| Mr Richard Laufmann | 8,419,893 | – | – | 8,419,893 |
| Ms Amber Rivamonte | 6,326,909 | – | – | 6,326,909 |
| Mr Peter Bird | – | – | – | – |
| Mr Jason Schell | 542,034 | – | – | 542,034 |
| Ms Cherie Leeden | 1,000,000 | – | – | 1,000,000 |
| <i>Former</i> | | | | |
| Mr Ron Douglas | 333,333 | 666,667 | 333,334 | 1,333,334 |

Since 30 June 2022, Mr Greg Robinson has acquired 600,000 shares, bringing his total to 2,558,334 at the date of this report.

REX MINERALS LTD

DIRECTORS' REPORT (Continued) for the year ended 30 June 2022

REMUNERATION REPORT – AUDITED (CONTINUED)

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

Hog Ranch Consideration Rights (HRCR)

The table below shows a reconciliation of HRCR in the Company held directly, indirectly or beneficially by KMP including their related parties, during the financial year.

| Name | Held at 30 June 2021 | Acquired during the year | Converted during the year | Held at 30 June 2022 |
|---------------------|-------------------------|-----------------------------|------------------------------|-------------------------|
| Mr Richard Laufmann | 969,227 | – | – | 969,227 |
| Ms Amber Rivamonte | 3,876,907 | – | – | 3,876,907 |

The Company issued 20 million HRCR (including to related parties) as part consideration for the Hog Ranch acquisition in August 2019. The HRCR convert to Rex shares on the outcome of certain milestones. The following milestone remains outstanding:

- a. 15 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 of the Board approving a decision to mine the Hog Ranch Property.

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, there were no transactions between KMP related companies and the Group.

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 52 and forms part of the Directors' Report for the year ended 30 June 2022.

Dated at Melbourne this 9th day of September 2022.

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 | 2022 \$000 | 2021 \$000 |
|--|-------|---------------|---------------|
| Current assets | | | |
| Cash and cash equivalents | 7 | 44,139 | 9,682 |
| Trade and other receivables | | 411 | 145 |
| Prepayments | | 1,019 | 53 |
| Total current assets | | 45,569 | 9,880 |
| Non-current assets | | | |
| Exploration and evaluation expenditure | 9 | 3,243 | 3,243 |
| Property, plant and equipment | 10 | 14,263 | 14,279 |
| Water infrastructure | | 4,076 | 4,076 |
| Total non-current assets | | 21,582 | 21,598 |
| Total assets | | 67,151 | 31,478 |
| Current liabilities | | | |
| Trade and other payables | 11 | 1,144 | 617 |
| Employee benefits | 12 | 793 | 600 |
| Total current liabilities | | 1,937 | 1,217 |
| Non-current liabilities | | | |
| Employee benefits | 12 | 106 | 115 |
| Total non-current liabilities | | 106 | 115 |
| Total liabilities | | 2,043 | 1,332 |
| Net assets | | 65,108 | 30,146 |
| Equity | | | |
| Issued capital | 13(a) | 264,846 | 217,502 |
| Reserves | 13(d) | 1,140 | 846 |
| Accumulated losses | | (200,878) | (188,202) |
| Total equity | | 65,108 | 30,146 |

The notes on pages 33 to 50 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 | 2022 \$000 | 2021 \$000 |
|---|------|-----------------|----------------|
| Finance income | | 92 | 18 |
| Government grants | | 92 | 55 |
| Corporate and compliance | | (1,318) | (891) |
| Depreciation expense | 10 | (41) | (58) |
| Employee benefits expense | 14 | (3,295) | (2,204) |
| Marketing expenses | | (220) | (273) |
| Exploration and evaluation | | (8,344) | (4,589) |
| Borrowing costs | | — | (731) |
| Foreign currency revaluation | | 257 | (117) |
| Gain on disposal of fixed assets | | — | 11 |
| Loss before tax | | (12,777) | (8,779) |
| Income tax benefit | 15 | — | — |
| Total loss for the period after tax | | (12,777) | (8,779) |
| Other comprehensive income | | — | — |
| Total comprehensive loss attributable to members of Rex Minerals Ltd | | (12,777) | (8,779) |
| Loss per share attributable to members of Rex Minerals Ltd | | | |
| Basic loss per share (cents) | 16 | (2.30) | (2.36) |
| Diluted loss per share (cents) | 16 | (2.30) | (2.36) |

The notes on pages 33 to 50 are an integral part of these financial statements.

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

For the year ended 30 June

| | Note | Share capital \$000 | Share based payments reserve \$000 | Accumulated losses \$000 | Total equity \$000 |
|--|-------|------------------------|--|--------------------------------|--------------------------|
| Balance at 1 July 2021 | | 217,502 | 846 | (188,202) | 30,146 |
| Issue of ordinary shares | 13(a) | 50,271 | – | – | 50,271 |
| Cost of share issue | | (2,927) | – | – | (2,927) |
| Share based payments | 13(d) | – | 395 | – | 395 |
| Transfer from share based payments reserve | | – | (101) | 101 | – |
| Total comprehensive loss for the period | | – | – | (12,777) | (12,777) |
| Balance at 30 June 2022 | | 264,846 | 1,140 | (200,878) | 65,108 |
| Balance at 1 July 2020 | | 197,953 | 810 | (179,479) | 19,284 |
| Issue of ordinary shares | 13(a) | 20,539 | – | – | 20,539 |
| Cost of share issue | | (1,174) | – | – | (1,174) |
| Share based payments | 13(d) | – | 276 | – | 276 |
| Transfer from share based payments reserve | | 184 | (240) | 56 | – |
| Total comprehensive loss for the period | | – | – | (8,779) | (8,779) |
| Balance at 30 June 2021 | | 217,502 | 846 | (188,202) | 30,146 |

The notes on pages 33 to 50 are an integral part of these financial statements.

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

For the year ended 30 June

| | Note | 2022 \$000 | 2021 \$000 |
|---|-------|-----------------|----------------|
| Cash flows from operating activities | | | |
| Cash paid to suppliers and employees | | (4,342) | (3,115) |
| Exploration and evaluation payments | | (8,741) | (4,246) |
| Receipts from ATO (GST) | | 578 | – |
| Interest received | | 76 | 19 |
| Government grants | | – | 50 |
| Net cash used in operating activities | 17(a) | (12,429) | (7,292) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | 10 | (715) | (3) |
| Proceeds from the sale of property, plant and equipment | | – | 15 |
| Net cash used in investing activities | | (715) | 12 |
| Cash flows from financing activities | | | |
| Proceeds from issue of ordinary shares | 13 | 50,271 | 20,539 |
| Payment of costs of share issue | 13 | (2,927) | (1,174) |
| Payment of borrowing costs | | – | (884) |
| Repayment of borrowings | 17(b) | – | (4,400) |
| Net cash from financing activities | | 47,344 | 14,081 |
| Net decrease in cash and cash equivalents | | 34,200 | 6,801 |
| Cash and cash equivalents at beginning of the period | | 9,682 | 2,990 |
| Effect of change in exchange rates | | 257 | (109) |
| Cash and cash equivalents at period end | 7 | 44,139 | 9,682 |

The notes on pages 33 to 50 are an integral part of these financial statements.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Rex Minerals Ltd (Rex or the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 68 St Vincent Highway, Pine Point South Australia 5571. 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 and USA.

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 9 September 2022.

(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.

At 30 June 2022, the Group holds cash of \$44.139 million and net current assets of \$43.632 million. Directors are of the opinion that the Group is able to meet its obligations as they fall due for at least twelve months from the date of signing this financial report and that the going concern basis of preparation is appropriate.

(c) Functional and presentation currency

These Group financial statements are presented in Australian dollars, which is the functional currency of all entities domiciled in Australia, while the entity domiciled in the USA uses US dollars.

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 3(e) and 10 Recoverable value of non-current assets – assessment of impairment indicators, and
- note 3(f), 4 and 18 Share based payments – key assumptions used in the valuation model.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements, 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.

(b) Financial instruments

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) Cash and cash equivalents

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

(ii) 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.

(iii) Borrowings

Borrowings are recognised for amounts to be paid in the future for funds advanced to the Group. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

(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.

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.

The ultimate recoupment of costs capitalised for exploration and evaluation is dependent on successful development and commercial exploitation or sale of the respective area of interest.

(e) Impairment**(i) Financial assets**

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

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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.

(g) 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Tax (Continued)**(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.

(h) 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.

(i) 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.

(j) 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. Unallocated items comprise mainly corporate and compliance expenditure.

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

(k) 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.

(l) Government grants

The Company recognises unconditional government grants in profit or loss when the grants become receivable.

Grants that compensate the Company for expenses incurred are recognised in the profit or loss in the periods in which the expenses are recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) Prepayments**

The Company may make payments in advance to secure goods and/or services. These are recorded as prepayments in the balance sheet.

Water Infrastructure represents a prepayment to SA Water for infrastructure upgrades which will be amortised to the profit and loss over the life of future water contracts and recognised as water expense.

(n) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements and they are not expected to have a material effect on the Group's 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 repayment of borrowings when they fall due.

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.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 Group has two reportable segments for the year ended 30 June 2022, which are the Group's areas of focus. The areas offer different exploration potential and are managed separately due to their physical locations. In South Australia, the Group has the Hillside Copper-Gold Project and also its highly prospective exploration portfolio; whilst in Nevada, USA the Group has the Hog Ranch Gold Property, where the focus is on gold exploration in key project areas. For each reportable segment, the CEO reviews internal management reports on at least a quarterly basis, segment assets and liabilities are not reported to the CEO.

| 2022 | South Australia \$000 | Nevada, USA \$000 | Unallocated \$000 | Total \$000 |
|---|----------------------------------|------------------------------|------------------------------|------------------------|
| Finance income | – | – | 92 | 92 |
| Government grants | – | – | 92 | 92 |
| Losses before tax (including depreciation and interest expense) | 6,655 | 2,781 | 3,341 | 12,777 |
| Depreciation | 35 | – | 6 | 41 |
| Interest expense | – | – | – | – |

| 2021 | South Australia \$000 | Nevada, USA \$000 | Unallocated \$000 | Total \$000 |
|---|----------------------------------|------------------------------|------------------------------|------------------------|
| Finance income | – | – | 18 | 18 |
| Government grants | – | – | 55 | 55 |
| Losses before tax (including depreciation and interest expense) | 1,421 | 4,185 | 3,173 | 8,779 |
| Depreciation | 52 | – | 6 | 58 |
| Interest expense | – | – | 727 | 727 |

7. CASH AND CASH EQUIVALENTS

| | 2022 \$000 | 2021 \$000 |
|---------------------------------------|-----------------------|-----------------------|
| Bank balances and short-term deposits | 44,139 | 9,682 |
| Cash and cash equivalents | 44,139 | 9,682 |

The Group's total cash and funds on deposit of \$44.139 million (2021: \$9.682 million) is exposed to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 19.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

| | 2022 \$000 | 2021 \$000 |
|--|-----------------------|-----------------------|
| Exploration and evaluation assets | (494) | (494) |
| Property, plant and equipment | (45) | (49) |
| Provisions | 191 | 214 |
| Equity costs | 926 | 323 |
| Net DTA/(DTL) | 578 | (6) |
| Tax losses recognised to the extent of the DTL | — | 6 |
| Derecognition of DTA as not sufficiently certain | (578) | — |
| | — | — |

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 \$60.392 million (2021: \$57.251 million).

9. EXPLORATION

| | 2022 \$000 | 2021 \$000 |
|--------------------|-----------------------|-----------------------|
| Balance at 1 July | 3,243 | 3,243 |
| Balance at 30 June | 3,243 | 3,243 |

10. PROPERTY, PLANT AND EQUIPMENT

| 2022 | Land and buildings \$000 | Plant and equipment \$000 | Total \$000 |
|--------------------------------|---|--|------------------------|
| Cost | | | |
| Balance at 1 July 2021 | 14,309 | 1,872 | 16,181 |
| Additions | — | 25 | 25 |
| Disposals | — | (3) | (3) |
| Balance at 30 June 2022 | 14,309 | 1,894 | 16,203 |
| Depreciation | | | |
| Balance at 1 July 2021 | 90 | 1,812 | 1,902 |
| Depreciation | 10 | 31 | 41 |
| Disposals | — | (3) | (3) |
| Balance at 30 June 2022 | 100 | 1,840 | 1,940 |
| Carrying amounts | | | |
| At 1 July 2021 | 14,219 | 60 | 14,279 |
| At 30 June 2022 | 14,209 | 54 | 14,263 |

Prepayments at 30 June 2022 includes \$0.690 million which represents payments made to secure fixed assets which are expected to be completed before 30 June 2023 (2021: nil). These payments are reflected as PP&E in the Consolidated statement of cash flows.

REX MINERALS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

| | Land and buildings \$000 | Plant and equipment \$000 | Total \$000 |
|--------------------------------|---|--|------------------------|
| 2021 | | | |
| Cost | | | |
| Balance at 1 July 2020 | 14,309 | 1,960 | 16,269 |
| Additions | – | 3 | 3 |
| Disposals | – | (91) | (91) |
| Balance at 30 June 2021 | 14,309 | 1,872 | 16,181 |
| Depreciation | | | |
| Balance at 1 July 2020 | 81 | 1,849 | 1,930 |
| Depreciation | 9 | 49 | 58 |
| Disposals | – | (86) | (86) |
| Balance at 30 June 2021 | 90 | 1,812 | 1,902 |
| Carrying amounts | | | |
| At 1 July 2020 | 14,228 | 111 | 14,339 |
| At 30 June 2021 | 14,219 | 60 | 14,279 |

11. TRADE AND OTHER PAYABLES

| | 2022 \$000 | 2021 \$000 |
|---|-----------------------|-----------------------|
| Current | | |
| Trade payables | 14 | 57 |
| Accrued expenses | 1,130 | 560 |
| Total current trade and other payables | 1,144 | 617 |
| Total trade and other payables | 1,144 | 617 |

12. EMPLOYEE BENEFITS PROVISIONS

| | 2022 \$000 | 2021 \$000 |
|---|-----------------------|-----------------------|
| Current | | |
| Annual leave | 553 | 442 |
| Long service leave | 240 | 158 |
| Total current employee benefits provisions | 793 | 600 |
| Non-current | | |
| Long service leave | 106 | 115 |
| Total non-current employee benefits provisions | 106 | 115 |
| Total employee benefits provisions | 899 | 715 |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. EQUITY

(a) Movements in shares on issue:

| | Date of issue | Number of shares | Issue price \$ | \$000 |
|---------------------------------|---------------|------------------|----------------|---------|
| Opening balance at 1 July 2021 | | 422,320,920 | | 217,502 |
| Issue of Shares | 11/08/2021 | 17,827,303 | 0.300 | 5,348 |
| Cost of share issue | 11/08/2021 | | | (346) |
| Issue of Shares | 17/09/2021 | 148,839,364 | 0.300 | 44,652 |
| Cost of share issue | 17/09/2021 | | | (2,581) |
| Exercise of options | 28/09/2021 | 333,333 | 0.084 | 28 |
| Exercise of options | 15/03/2022 | 666,668 | 0.084 | 56 |
| Exercise of options | 18/03/2022 | 2,000,000 | 0.070 | 140 |
| Exercise of options | 28/03/2022 | 666,666 | 0.070 | 47 |
| Closing balance at 30 June 2022 | | 592,654,254 | | 264,846 |

| | | | | |
|---------------------------------|------------|-------------|-------|---------|
| Opening balance at 1 July 2020 | | 309,674,882 | | 197,953 |
| Exercise of options | 29/07/2020 | 666,666 | 0.084 | 56 |
| Issue of shares | 09/09/2020 | 60,606,062 | 0.165 | 10,000 |
| Cost of share issue | 09/09/2020 | | | (597) |
| Issue of shares | 05/10/2020 | 5,289,976 | 0.165 | 873 |
| Cost of share issue | 05/10/2020 | | | (19) |
| Exercise of options | 16/02/2021 | 333,333 | 0.084 | 28 |
| Conversion of HRCR | 23/03/2021 | 5,000,000 | 0.037 | 184 |
| Exercise of options | 23/03/2021 | 1,166,667 | 0.070 | 82 |
| Issue of shares | 23/04/2021 | 39,583,334 | 0.240 | 9,500 |
| Cost of issue | 23/04/2021 | | | (558) |
| Closing balance at 30 June 2021 | | 422,320,920 | | 217,502 |

(b) Movements in HRCR:

| | Date of issue | Number of rights | Exercise price \$ | Expiry date |
|------------------------------------|---------------|------------------|-------------------|-------------|
| Opening balance as at 1 July 2021 | | 15,000,000 | | |
| Closing balance as at 30 June 2022 | | 15,000,000 | | |

| | Date of issue | Number of rights | Exercise price \$ | Expiry date |
|------------------------------------|---------------|------------------|-------------------|-------------|
| Opening balance as at 1 July 2020 | | 20,000,000 | | |
| Conversion of HRCR | 25/11/2019 | (5,000,000) | — | 31/10/2024 |
| Closing balance as at 30 June 2021 | | 15,000,000 | | |

As announced to the ASX on 25 November 2019, the Company issued 20 million HRCR as part consideration for the Hog Ranch acquisition in August 2019, which convert to Rex shares on the outcome of the following milestones:

- 5 million HRCR on announcement by Rex to the 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 2Moz or higher of contained gold as defined by the 2012 JORC Code with respect to the Hog Ranch Property and has a minimum grade of 0.4 g/t of gold in addition to a minimum tonnage of 100 Mt; and
- 15 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 of the Board approving a decision to mine the Hog Ranch Property.

During the year ended 30 June 2021, 5 million HRCR were converted to Rex shares on the achievement of milestone a. (the Mineral Resource milestone) above, as announced to the ASX on 23 March 2021.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. EQUITY (CONTINUED)

(c) Movements in in options on issue:

| | Date of issue | Number of options | Exercise price \$ | Expiry date |
|------------------------------------|--------------------------|------------------------------|------------------------------|------------------------|
| Opening balance as at 1 July 2021 | | 17,133,334 | | |
| Exercise of options | 14/02/2019 | (333,333) | 0.084 | 31/01/2023 |
| Lapse of options | 06/03/2020 | (500,000) | 0.070 | 29/02/2024 |
| Issue of options | 26/11/2021 | 280,000 | 0.330 | 24/11/2025 |
| Issue of options | 10/03/2022 | 7,000,000 | 0.253 | 02/03/2026 |
| Exercise of options | 14/02/2019 | (666,668) | 0.084 | 31/01/2023 |
| Exercise of options | 06/03/2020 | (2,000,000) | 0.070 | 29/02/2024 |
| Exercise of options | 06/03/2020 | (666,666) | 0.070 | 29/02/2024 |
| Issue of options | 26/04/2022 | 1,000,000 | 0.300 | 17/04/2026 |
| Closing balance as at 30 June 2022 | | 21,246,667 | | |

| | Date of issue | Number of options | Exercise price \$ | Expiry date |
|------------------------------------|--------------------------|------------------------------|------------------------------|------------------------|
| Opening balance as at 1 July 2020 | | 14,100,000 | | |
| Exercise of options | 14/02/2019 | (666,666) | 0.084 | 31/01/2023 |
| Issue of options | 1/12/2020 | 5,000,000 | 0.175 | 30/11/2024 |
| Exercise of options | 14/02/2019 | (333,333) | 0.084 | 31/01/2023 |
| Exercise of options | 6/03/2020 | (1,166,667) | 0.070 | 29/02/2024 |
| Issue of options | 28/05/2021 | 200,000 | 0.470 | 28/05/2025 |
| Closing balance as at 30 June 2021 | | 17,133,334 | | |

(d) Movements in share based payment reserve:

| | \$000 |
|------------------------------------|--------------|
| Opening balance at 1 July 2021 | 846 |
| Share based payments – options | 395 |
| Transfer from share based payments | (101) |
| Closing balance at 30 June 2022 | 1,140 |
| Opening balance at 1 July 2020 | 810 |
| Share based payments – options | 276 |
| Transfer from share based payments | (240) |
| Closing balance at 30 June 2021 | 846 |

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

14. EMPLOYEE BENEFITS EXPENSE

| | 2022 \$000 | 2021 \$000 |
|---|-----------------------|-----------------------|
| Wages and salaries | 2,760 | 1,956 |
| Share based payments | 352 | 204 |
| Increase/(decrease) in liability for annual leave | 111 | 25 |
| Increase/(decrease) in liability for long service leave | 72 | 19 |
| Total employee benefits expense | 3,295 | 2,204 |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

| | 2022 \$000 | 2021 \$000 |
|--|-----------------------|-----------------------|
| Loss before tax for the period | (12,777) | (8,779) |
| Income tax benefit using the corporation tax rate of 30% (2021: 30%) | (3,833) | (2,634) |
| Non-deductible expenses | 159 | 78 |
| Effect of jurisdictional tax variances | 250 | 377 |
| DTA not recognised – other jurisdiction | 583 | 879 |
| Net effect of tax losses not recognised | 2,841 | 1,300 |
| Total income tax expense/(benefit) on pre-tax net loss | – | – |

16. LOSS PER SHARE

| | 2022 cents | 2021 cents |
|------------------------|-----------------------|-----------------------|
| Loss per share | | |
| Basic loss per share | (2.30) | (2.36) |
| Diluted loss per share | (2.30) | (2.36) |

(a) Basic loss per share

The calculation of basic loss per share at 30 June 2022 was based on the loss attributable to ordinary equity holders of \$12.777 million (2021: \$8.779 million) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2022 of 556,276,809 (2021: 372,330,731).

(b) Diluted loss per share

The calculation of diluted loss per share at 30 June 2022 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 21,246,667 at 30 June 2022.

17. RECONCILIATION OF CASH FLOWS

(a) Reconciliation of net profit to cash used in operating activities

| | Note | 2022 \$000 | 2021 \$000 |
|--|-------------|-----------------------|-----------------------|
| Loss before tax for the period | | (12,777) | (8,779) |
| Adjustments for non-cash items: | | | |
| Depreciation | 10 | 41 | 58 |
| Share based payments | 13(d) | 395 | 276 |
| Adjustments for other items: | | | |
| Borrowing costs | | – | 884 |
| Foreign currency revaluation | | (257) | 109 |
| Gain on disposal of property plant and equipment | | – | (11) |
| Operating loss before changes in working capital and provisions | | (12,598) | (7,463) |
| (Increase)/decrease in receivables and prepayments | | (541) | (110) |
| (Decrease)/increase in trade and other payables | | 527 | 273 |
| (Decrease)/increase in employee benefits | | 183 | 44 |
| (Decrease)/increase provisions | | – | (36) |
| Net cash used in operating activities | | (12,429) | (7,292) |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RECONCILIATION OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities to financing cash flows

| | 2022 \$000 | 2021 \$000 |
|----------------------------|---------------|---------------|
| Opening balance at 1 July | — | 4,400 |
| Proceeds from borrowings | — | — |
| Repayment of borrowings | — | (4,400) |
| Closing balance at 30 June | — | — |

18. SHARE BASED PAYMENTS

(a) Description of share based payment arrangements

During the financial year ending 30 June 2022, the following options were issued:

- 0.28 million options were granted on 26 November 2021, expiring 24 November 2025. Options are exercisable at a price of 33.0 cents each and options will vest in three equal tranches as follows: one third on 1 December 2022; one third on 1 December 2023 and one third on 1 December 2024.
- 7 million were granted on 10 March 2022, expiring 2 March 2026. Options are exercisable at a price of 25.3 cents each and options will vest in three equal tranches as follows: one third on 10 March 2023; one third on 10 March 2024 and one third on 10 March 2025.
- 1 million were granted on 26 April 2022, expiring 17 April 2026. Options are exercisable at a price of 30.0 cents each and options will vest in three equal tranches as follows: one third on 17 April 2023; one third on 17 April 2024 and one third on 17 April 2025.

During the financial year ending 30 June 2021, 5 million options were granted to a Director on 1 December 2020, expiring 30 November 2024. Options are exercisable at a price of 17.5 cents each and options will vest in three equal tranches as follows: one third on 30 November 2021; one third on 30 November 2022 and one third on 30 November 2023. An additional 200,000 were granted on 28 May 2021, expiring 28 May 2025. Options are exercisable at a price of 47 cents each and options will vest in three equal tranches as follows: one third on 28 May 2022; one third on 28 May 2023 and one third on 28 May 2024.

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) Measurement of fair values

The fair value of the unlisted options granted during the year were measured independently at the date of grant based upon the Black-Scholes options pricing model. The inputs used in the measurement of the fair values at grant date are as follows:

| Grant date | 26 November 2021 | 10 March 2022 | 26 April 2022 |
|----------------------------------|------------------|---------------|---------------|
| Fair value at grant date (cents) | 11.6 | 12.8 | 12.4 |
| Exercise price (cents) | 33.0 | 25.3 | 30.0 |
| Expected volatility (percentage) | 76 | 75 | 72 |
| Option life (years) | 3.5 | 3.5 | 3.5 |
| Free interest rate (percentage) | 1.10 | 1.17 | 2.73 |

(c) Option expense

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Option expense | 395 | 276 |
| Total recognised as share based payments | 395 | 276 |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. SHARE BASED PAYMENTS (CONTINUED)

(d) Outstanding options

| Date options granted | Expiry date | Issue price (cents) | Number of options |
|----------------------|------------------|---------------------|-------------------|
| 6 March 2020 | 29 February 2024 | 7.0 | 7,766,667 |
| 1 December 2020 | 30 November 2024 | 17.5 | 5,000,000 |
| 28 May 2021 | 28 May 2025 | 47.0 | 200,000 |
| 26 November 2021 | 24 November 2025 | 33.0 | 280,000 |
| 10 March 2022 | 2 March 2026 | 25.3 | 7,000,000 |
| 26 April 2022 | 17 April 2026 | 30.0 | 1,000,000 |
| | | | 21,246,667 |

19. 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 |
|--------------------------------|-----------------------------|------------------------------------|----------------------------|-----------------------|
| 2022 | | | | |
| Trade and other payables | 1,144 | (1,144) | (1,144) | – |
| | 1,144 | (1,144) | (1,144) | – |
| 2021 | | | | |
| Trade and other payables | 617 | (617) | (617) | – |
| | 617 | (617) | (617) | – |

(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:

| | 2022 \$000 | 2021 \$000 |
|--|-----------------------|-----------------------|
| Cash and cash equivalents | 44,139 | 9,682 |
| Total cash and cash equivalents | 44,139 | 9,682 |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk (Continued)

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 2022, 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) | |
|------------------------|--|-----------------------|----------------------------------|-----------------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Group | | | | |
| +1% (100 basis points) | 441 | 97 | — | — |
| –1% (100 basis points) | (441) | (97) | — | — |

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 (2021: nil).

20. COMMITMENTS

(a) 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 South Australian Government has the authority to defer, waive or amend its minimum expenditure requirements.

| | | |
|---|-----------------------|-----------------------|
| South Australia | 2022 \$000 | 2021 \$000 |
| Not later than one year | 782 | 712 |
| Later than one year but not later than five years | — | 430 |
| Nevada, USA | 2022 \$000 | 2021 \$000 |
| Not later than one year | 73 | 67 |
| Later than one year but not later than five years | 73 | 869 |
| Later than five years | 8,145 | 10,841 |

(b) Capital commitments

During the year ended 30 June 2022, the Group has entered into certain capital expenditure commitments totalling \$1.118 million as at 30 June 2022. The commitment is likely to be settled by 30 June 2023.

| | | |
|---|-----------------------|-----------------------|
| | 2022 \$000 | 2021 \$000 |
| Not later than one year | 1,118 | — |
| Later than one year but not later than five years | — | — |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2022 (2021: \$0.020 million).

22. RELATED PARTIES

(a) Parent and ultimate controlling party

| | Country of Incorporation | Ownership Interest | |
|---------------------------------|--------------------------|--------------------|------|
| | | 2022 | 2021 |
| 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% |
| Hog Ranch Group Pty Ltd | Australia | 100% | 100% |
| Hog Ranch USA Pty Ltd | Australia | 100% | 100% |
| Hog Ranch Minerals Incorporated | USA | 100% | 100% |

(b) Transactions with Key Management Personnel (KMP)

(i) Loans to Directors

There were no loans advanced to Directors for the year ending 30 June 2022 (2021: nil).

(ii) Loans from Directors

There were no loans from Directors for the year ending 30 June 2022.

During the year ended 30 June 2021, the Group repaid its Loan Facility and the associated interest in full.

The Loan Facility Agreement was for a total amount of \$4.400 million from a group of lenders (including four Directors), with a one off establishment fee of 2%, an interest rate of 10%, for a period of 12 months (subsequently extended) using the Group's freehold land as security.

The balances in relation to the related parties' portion is as follows:

| | 2022 \$ | 2021 \$ |
|--------------------|------------|-------------|
| Balance at 1 July | — | 2,328,288 |
| Interest charged | — | 371,712 |
| Amount paid | — | (2,700,000) |
| Balance at 30 June | — | — |

(iii) KMP compensation

KMP compensation comprised the following:

| | 2022 \$ | 2021 \$ |
|--------------------------|------------|------------|
| Short-term benefits | 1,418,876 | 966,949 |
| Post-employment benefits | 90,361 | 54,093 |
| Share based payments | 375,689 | 191,997 |
| Other long-term benefits | 36,093 | 6,227 |
| | 1,921,019 | 1,219,266 |

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. RELATED PARTIES (CONTINUED)

(iii) KMP compensation (Continued)

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 22 to 28.

There have been no changes to KMP between 1 July 2022 and the date of this report.

(iv) 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, no KMP related companies transacted with the Group.

Information regarding individual Directors' and Executive Officers' compensation are provided in the Remuneration Report section of the Directors' Report on pages 22 to 28.

During the year ended 30 June 2022, there were no transactions or outstanding balances related to KMP companies (2021: \$54,337 related to IT consulting services were provided by a company jointly controlled by the Chief Financial Officer; there were no outstanding balances as at 30 June 2021).

23. PARENT ENTITY DISCLOSURES

As at, and throughout, the period ending 30 June 2022, the parent company of the Group was Rex Minerals Ltd.

| | 2022 \$000 | 2021 \$000 |
|--|-----------------------------|-----------------------------|
| Result of the parent entity | | |
| Loss for the period | (10,501) | (4,360) |
| Other comprehensive income | — | — |
| Total comprehensive loss for the period | (10,501) | (4,360) |
| Financial position of the parent entity at year end | | |
| Current assets | 44,473 | 9,772 |
| Total assets | 69,166 | 31,658 |
| Current liabilities | 1,322 | 1,041 |
| Total liabilities | 1,427 | 1,157 |
| Total equity of the parent entity comprising of | | |
| Share capital | 264,846 | 217,502 |
| Share based payments reserve | 1,140 | 846 |
| Accumulated losses | (198,247) | (187,847) |
| Total equity | 67,379 | 30,501 |

Parent entity contingencies

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

24. SUBSEQUENT EVENTS

No item, transaction or event of a material nature or circumstances have arisen in the interval between the end of the financial year and the date of this report, 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

| | 2022 | 2021 |
|-----------------------|-------------|-------------|
| KPMG Australia | \$ | \$ |
| Audit services | 51,000 | 47,000 |

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 22 to 28, 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 2022 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards 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 2022.
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 9th day of September 2022.



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 2022 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.



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

Paul Cenko
Partner

Adelaide

9 September 2022

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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 2022 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 2022;
- 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 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

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.

This matter was 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 this matter.

Assessment of impairment indicators for the Hillside Copper-Gold land and buildings.

Land and buildings \$14.209m – Note 10

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>The assessment of whether impairment indicators exist over the carrying value of the Hillside Copper-Gold Project land and buildings is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balances to the financial statements, being 21% of total assets; and The significance of this determination and its effect on the scope and depth of our work. The presence of impairment indicators would necessitate a detailed analysis by the Group of the recoverable value of the Hillside Copper-Gold Project land and buildings. <p>In assessing the presence of impairment indicators, we focused on the valuation of land and buildings obtained from the Group's external valuation expert and the existence of any indicators of impairment since that date.</p> <p>Together with valuation specialist we involved senior audit team members in assessing this key audit matter.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> Considering the appropriateness of the Group's assessment of impairment indicators against the requirements of the accounting standards. Evaluating the Group's assessment of indicators of asset impairment at 30 June 2022 with reference to our knowledge of the Group, our industry experience and current market conditions. Comparing the carrying value of land and buildings to the Group's external valuation expert fair value estimate. Assessing the scope, competence and objectivity of the Group's external valuation expert engaged to value the land and buildings. Involving a valuation specialist in assessing the methodology used in the valuation of land and buildings by the Group's external valuation expert and checking the data used to recent sale transactions of comparable land and observable trends. |

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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 2022, 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 22 to 28 of the Directors' report for the year ended 30 June 2022.

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



Paul Cenko
Partner

Adelaide
9 September 2022

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 2022.

DISTRIBUTION OF ORDINARY SHARES

The number of shareholders, by size of holding:

| Range | Total Holders | Units | % of Issued Capital |
|-----------------------|---------------|--------------------|---------------------|
| 1 – 1,000 | 606 | 229,100 | 0.04 |
| 1,001 – 5,000 | 1,604 | 4,775,063 | 0.81 |
| 5,001 – 10,000 | 970 | 7,770,977 | 1.31 |
| 10,001 – 100,000 | 2,260 | 83,123,076 | 14.03 |
| 100,001 – 999,999,999 | 663 | 496,756,038 | 83.81 |
| Total | 6,103 | 592,654,254 | 100.00 |

The number of shareholders holding less than a marketable parcel:

1,416

TWENTY LARGEST SHAREHOLDERS

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

| | Name | Number of Shares Held | % of Issued Capital |
|--------------|--|-----------------------|---------------------|
| 1. | JP Morgan Nominees Australia Pty Limited | 48,260,373 | 8.14 |
| 2. | Citicorp Nominees Pty Limited | 23,043,203 | 3.89 |
| 3. | UBS Nominees Pty Ltd | 19,244,162 | 3.25 |
| 4. | Grand South Development Limited | 14,659,630 | 2.47 |
| 5. | BNP Paribas Nominees Pty Ltd (IB AU Noms Retail client DRP) | 10,595,204 | 1.79 |
| 6. | HSBC Custody Nominees (Australia) Limited | 8,457,126 | 1.43 |
| 7. | Dr Steven G Rodwell | 7,509,241 | 1.27 |
| 8. | Mr Simon (Sui Hee) Lee | 7,300,000 | 1.23 |
| 9. | S & S Olsen Pty Ltd | 6,628,909 | 1.12 |
| 10. | Curious Capital Group Pty Ltd (Curious Capital A/C) | 6,500,000 | 1.10 |
| 11. | Panjeta Family Group Pty Ltd (Panjeta Family Group A/C) | 5,600,000 | 0.94 |
| 12. | Stone Poneys Nominees Pty Ltd (Chapman Super Fund A/C) | 5,553,218 | 0.94 |
| 13. | Silver Rayne Pty Ltd | 5,376,909 | 0.91 |
| 14. | National Nominees Limited | 5,141,255 | 0.87 |
| 15. | Laufmann Longterm Investments Pty Ltd (Laufmann Super Fund A/C) | 4,919,893 | 0.83 |
| 16. | Miss Belinda Lees | 4,171,000 | 0.70 |
| 17. | Mrs Vickie Jane Jones | 4,126,594 | 0.70 |
| 18. | BNP Paribas Noms Pty Ltd (DRP) | 3,772,050 | 0.64 |
| 19. | Piama Pty Ltd (Fena Superannuation Plan A/C) | 3,600,000 | 0.61 |
| 20. | Mrs Natalie Laufmann | 3,500,000 | 0.59 |
| Total | | 201,458,767 | 33.99 |

SUBSTANTIAL SHAREHOLDERS

There is currently one substantial shareholder lodged with the Company:

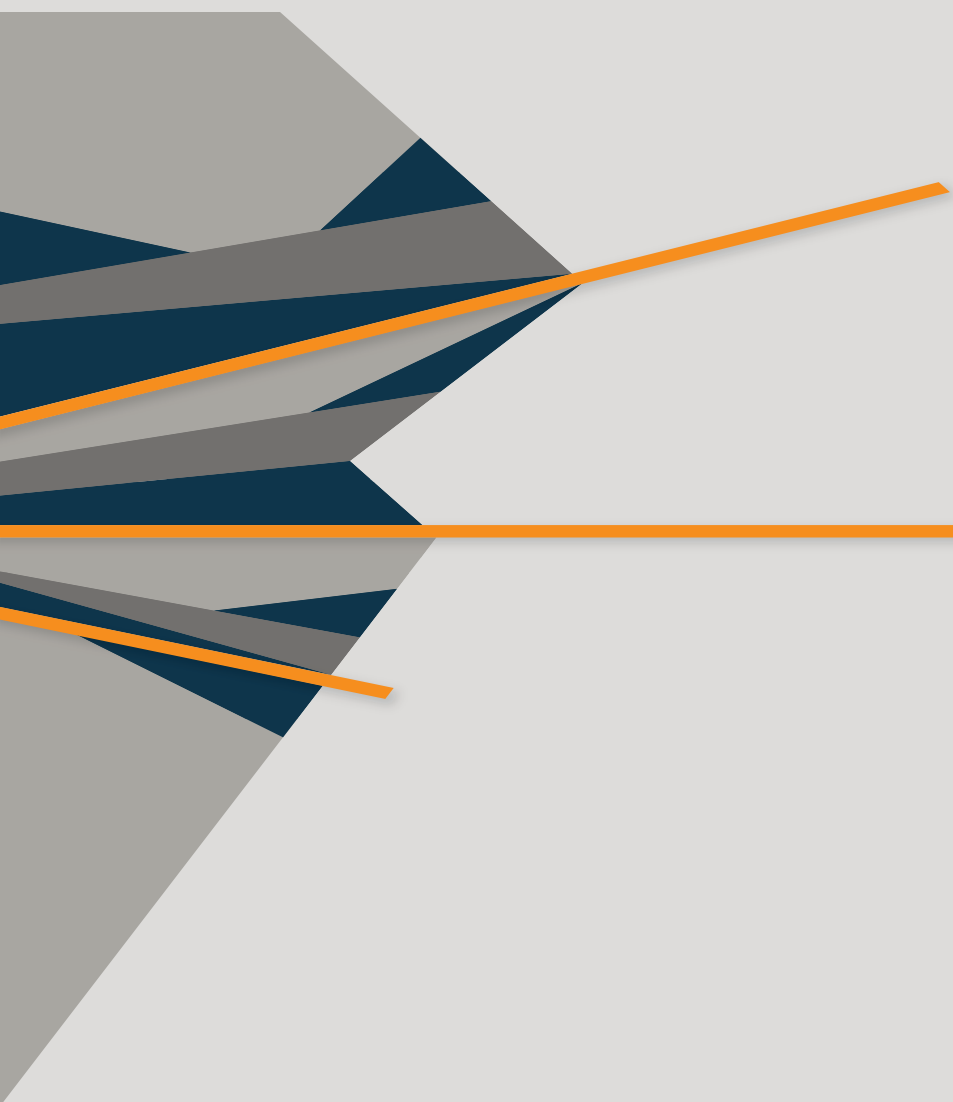
| | | |
|----------------------|------------|------|
| United Super Pty Ltd | 47,978,869 | 8.10 |
|----------------------|------------|------|

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**.





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