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Rex Minerals Ltd

ABN 12 124 960 523

and its controlled entities

31 December 2023

Consolidated Interim Financial Report

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Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Kay Donehue

PRINCIPAL & REGISTERED OFFICE

68 St Vincent Highway
Pine Point, South Australia 5571

CONTACT DETAILS

PO Box 3435
Rundle Mall, South Australia 5000

T: 1300 822 161 (Australia)
+61 3 9068 3077 (International)
E: rex@rexminerals.com.au
W: www.rexminerals.com.au

SHARE REGISTRAR

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067

AUDITOR

KPMG Australia
151 Pirie Street
Adelaide, South Australia 5000

BANKERS

ANZ Banking Group Limited
Level 18, 83 Pirie Street
Adelaide, South Australia 5000

Ord Minnett Ltd
Level 22, 35 Collins Street
Melbourne, Victoria 3000

LEGAL ADVISOR

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

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Directors' report

The Directors present their report, together with the consolidated interim financial statements, of Rex Minerals Ltd (the Company or Rex) and its subsidiaries (the Group) for the half-year ended 31 December 2023 (the Half-Year) and the auditor's review report thereon. The consolidated interim financial statements have been reviewed and approved by the Directors on the recommendation of the Audit & Risk Committee.

Directors

The Directors of the Company at any time during or since the end of the Half-Year are:

- Ian Smith (Non-Executive Chairman)
- Richard Laufmann (Chief Executive Officer & Managing Director)
- Amber Rivamonte (Chief Financial Officer & Executive Director of Finance)
- Greg Robinson (Non-Executive Director)
- Andrew Seaton (Non-Executive Director)

Principal activities

The principal activities of the Group during the period were minerals exploration, evaluation and development. Rex intends to make the best use of, and fully exploit, both the Hillside copper-gold Mineral Resource in South Australia and the Mineral Resource at the Hog Ranch Gold Property in Nevada USA. There were no significant changes in the nature of the Group's principal activities during the period. The Group's principal objective is to create value through the discovery and development of mineral resources.

Operating results

The consolidated interim statement of profit or loss and other comprehensive income shows a loss after tax of $7.4 million for the Half-Year ended 31 December 2023 (2022: loss $12.9 million).

Review of operations

CORPORATE

Subsequent to the end of the Half-Year, the Company completed an equity raising comprising a strategic placement and a partially underwritten 1 for 6 accelerated non-renounceable pro-rata entitlement offer. On 18 January 2024, the Company announced the strategic placement and accelerated component of the institutional entitlement offer raised a total of $15.5 million. The retail entitlement offer to eligible shareholders closed on 7 February 2024 and raised a further $7.1 million.

Total funds raised under the strategic placement and accelerated non-renounceable entitlement offer were $22.6 million. The proceeds of the placement and entitlement offer will be applied principally for working capital purposes to fund the Company through to the Hillside Project's Final Investment Decision including pre-construction activities. In addition, the Company plans to add further value by finalising the exploration permitting at the Hog Ranch Property.

The placement and entitlement offer has been led, managed and partially underwritten by MA Moelis Australia Advisory Pty Ltd. MACH Investment Enterprise Pty Ltd (MIE) acted as sub-underwriter to the offer and subsequently lodged a substantial shareholder notice on 25 January 2024 advising its holding of 15.9% of the Company's issued capital.

Any new shares which were not taken up by eligible retail shareholders (including under the top-up facility) may be issued by the Company at the discretion of the Directors, not later than three months after the closing date of the entitlement offer, at an issue price which is not less than the entitlement offer price.

HILLSIDE PROJECT – SOUTH AUSTRALIA

The global outlook for copper demand continues to strengthen with most consensus price forecasts being adjusted upwards. Consensus price forecasts range from US$3.90 to over US$5.50 per pound (lb) with the average clearly well north of US$4.00/lb. Many commentators and analysts are also highlighting incentive prices of US$4.50 – US$6.50/lb will be required to encourage project development investment.

Supporting this medium-term outlook, the market has seen a collapse in Treatment and Refining charges (TC/RC), as new smelters come on-line and concentrate supply fails to grow.

Whilst the "battery" metals space, notably lithium and nickel, are for different reasons experiencing significant turmoil, copper has performed relatively well. This highlights its multi-purpose use up and down the electrification value chain, from generation to transmission and utilisation. A timely reminder that copper is crucial and important for much more than just electric vehicles.

Rex continues to actively pursue funding via a structured finance process for the Hillside Project. The introduction of a strategic partner is a key element of the funding solution. On 20 December 2023, Rex announced that it had executed a non-binding Letter of Intent (LOI) with Nittetsu Mining Co. Ltd. (Nittetsu), a Japanese public company with global mining experience, to establish a Joint Venture (JV) in respect of the Company's wholly-owned Hillside Copper-Gold Project (Hillside or the Project).

The proposed JV would combine the complementary skills and resources of Rex and Nittetsu to finance, develop and operate the Hillside Project. Nittetsu is an ideal long-term partner with experience in Iron Oxide Copper Gold (IOCG) style exploration, development and operation.

Following comprehensive due diligence by Nittetsu, the parties have agreed to work together to identify additional JV partners and to secure the complete funding package with debt and equity providers.

The LOI sets out the principal terms on which Nittetsu can initially acquire a 15% participating interest in the Hillside Project (Participating Interest), with optionality to increase its investment up to 45% in the future. A Participating Interest includes the obligation to contribute a share of all JV expenditure and the right to receive and dispose of a share of copper-gold concentrate production for its own account.

Capital expenditure for the development of Stage 1 of the Project is estimated to be A$854 million (see ASX announcement 14 December 2022). Approximately 50% of the development costs of Hillside can be funded by jointly procured debt finance facilities secured over the Project. Domestic and international banks, with deep experience in supporting Australian mining and development projects, have demonstrated robust interest in providing this funding.

Hillside is one of the largest undeveloped copper projects in Australia. It is fully permitted and development ready. High level key points of the Hillside Project include:

- *Project Value for Stage 1*: Simple derisked project with attractive returns. Internal Rate of Return (IRR) of 19%, (nominal IRR 23%), C1 of US$1.52/lb copper and a 4.3-year payback period

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- *Scale and Opportunity*: Stage 1 (11 years) lays the foundation for a 20 plus year operation. With a 1.9Mt Copper and 1.5Moz Gold Resource, substantial potential exists for Resource and Ore Reserves growth, leading to mine life extension and higher processing rates in operation

- *Production*: Annual payable metal of circa 42kt Cu and 30koz Au to follow ramp-up

- *Pre-production capital cost*: Estimated at A$854M (US$598M) all-inclusive of full fleet, pre-strip and contingency

- *Team*: Board and Management have significant experience in delivering similar projects in Australia and internationally

- *Contribution*: Hillside to provide employment for over 500 people during construction and over 400 during operations (over A$600M in payroll), contributing over A$200M in state royalties

- *Regulatory Approvals*: Key approvals are in place to allow commencement of development and operations.

Rex is progressing with its operational readiness plans for Hillside, advancing engineering and development of major contracts with key contractors for processing, mining and associated infrastructure requirements. This includes building of the owner and partner teams consistent with the operational readiness schedule and plan. We are continuing with extensive on- and off-site environmental monitoring for operations and with existing on-ground pre-construction activity.

Community engagement continues to be an important aspect of the activities that Rex undertakes. Rex once again hosted the annual student visit from NExUS (National Exploration Undercover School), a program whose focus is helping students understand the challenges and opportunities of mineral exploration in Australia and the appropriate knowledge and tools to address these challenges.

Rex also continued its commitment to the SA Government's Resources Pathway Program with the commencement of a summer vacation student program, with three students (from the University of Adelaide and the Ardrossan Area School).

HOG RANCH PROPERTY – NEVADA USA

During the Half-Year, Rex continued with a strategic review of the Hog Ranch Property identifying key aspirational milestones which form the focus of the proposed activities and funding options over the next few years. Rex is continuing discussions with interested parties who share a similar vision to Rex for the potential exploration and development options at Hog Ranch.

Hog Ranch is an emerging gold property in Nevada, with a JORC compliant Mineral Resource of 2.2Moz gold (See ASX announcement 23 March 2021). In addition to a start-up production option, this "camp" scale trend offers clear upside to build upon the resource with ongoing exploration expenditure. Based on extensive work undertaken since acquisition in 2019, Rex has interpreted Hog Ranch to have the geological signature of a large-scale gold camp.

Progress with Gold and Lithium

Rex has completed further research which supports the interpretations and the proposed way forward for further exploration of its gold and lithium targets at Hog Ranch.

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- The Cottonwood Caldera, host to the Hog Ranch Property, represents the culmination of an extensive geological event that is likely to source some of the largest mineral deposits in northwest Nevada.

- The geological context of Cottonwood Caldera and preliminary research results highlighting the incredibly extensive alteration minerals at Hog Ranch offer numerous exploration strategies for gold and lithium.

- **Gold:** the historical mining and current Mineral Resource are considered strong indicators of material increases to resources estimates and a new exploration campaign to identify this potential is being considered. The renewed vision for gold is to focus exploration to confirm the Resource can support annual production rates much higher than previous studies contemplated.

- **Lithium:** new research into the clay minerals associated with anomalous lithium at Hog Ranch has provided further evidence that lithium at Hog Ranch is hosted in a similar geologic setting to lithium at the Thacker Pass Deposit in Nevada.

Mining Claims

On 12 September 2023, Rex announced that it had identified potential for significant lithium at Hog Ranch. As a consequence, Rex has expanded the total Mining Claims by 70% to secure the ground deemed prospective for lithium (Figure 1).

The total number of claims now under the control of Rex at Hog Ranch is 1,737.

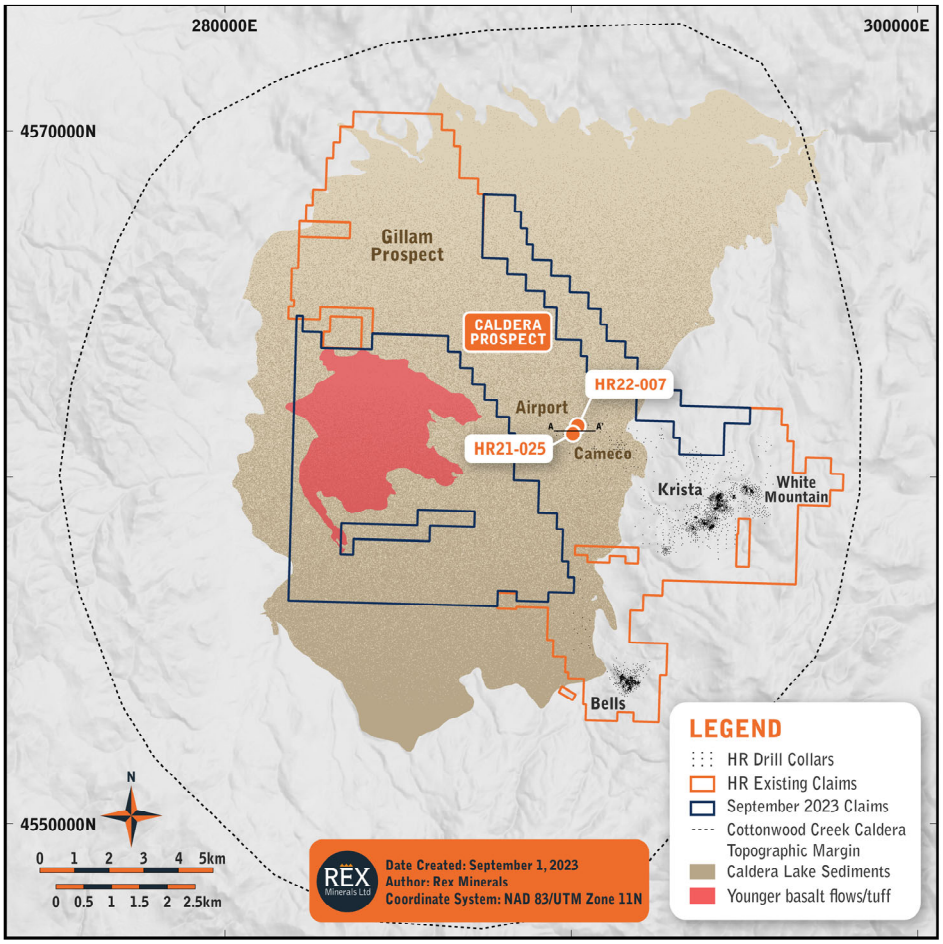

Figure 1: Geology map highlighting the new mining claims (blue) which cover the prospective area for lithium mineralisation at Hog Ranch. The location of drill holes which contain lithium (ASX announcement 1 September 2023) are also identified (HR21-025 and HR22-007).

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SUPPLEMENTARY INFORMATION

Forward-Looking Statements

This Half-Year report contains "forward-looking statements". All statements other than those of historical facts included in this Half-Year 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.

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 OFS (2022) price assumptions for the life of the operation are Copper US$3.92/lb; Gold US$1,610/oz and exchange rate of AUD:USD $0.70.

All currencies within this report are in Australian dollars (AUD) unless stated otherwise.

Events since the end of the reporting period

On 16 January 2024, the Company announced an equity raising comprising of a strategic placement and partially underwritten 1 for 6 accelerated non renounceable pro-rata entitlement offer.

On 18 January 2024, the Company announced the completion of a strategic placement and the accelerated component of the institutional entitlement offer raised a total of $15.5 million. The retail entitlement offer to eligible shareholders closed on 7 February 2024, and raised a further $7.1 million.

On 29 February 2024, 3,183,334 shares were issued on the exercise of options to participants of the Option Incentive Plan (OIP).

Other than as mentioned above, no matters or circumstances have arisen since 31 December 2023 that have significantly affected the Group's operations, results or state of affairs.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 21 and forms part of the Directors' report for the Half-Year ended 31 December 2023.

Signed in accordance with a resolution of the Directors:

Richard Laufmann
Chief Executive Officer

Dated at Melbourne this 12th day of March 2024.

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Consolidated interim statement of financial position

As at

	Note	31 Dec 2023 $000	30 June 2023 $000
Current assets			
Cash and cash equivalents		5,516	6,568
Trade and other receivables		3,285	2,630
Prepayments		942	830
Total current assets		**9,743**	**10,028**
Non-current assets			
Exploration and evaluation expenditure		3,243	3,243
Property, plant and equipment		26,381	26,342
Water infrastructure		4,076	4,076
Total non-current assets		**33,700**	**33,661**
Total assets		**43,443**	**43,689**
Current liabilities			
Trade and other payables		603	1,519
Employee benefits		1,223	1,169
Total current liabilities		**1,826**	**2,688**
Non-current liabilities			
Employee benefits		55	64
Total non-current liabilities		**55**	**64**
Total liabilities		**1,881**	**2,752**
Net assets		**41,562**	**40,937**
Equity			
Issued capital	6(i)	272,034	264,855
Reserves		2,516	1,775
Accumulated losses		(232,988)	(225,693)
Total equity		**41,562**	**40,937**

The condensed notes on pages 14 to 17 are an integral part of these consolidated interim financial statements.

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Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended

	31 Dec 2023 $000	31 Dec 2022 $000
Finance income	143	342
Corporate and compliance	(940)	(777)
Depreciation expense	(94)	(24)
Employee benefits expense	(3,233)	(2,604)
Marketing expenses	(73)	(117)
Exploration and evaluation	(3,172)	(9,643)
Foreign currency revaluation	(5)	(93)
Loss on disposal of fixed assets	(21)	-
Loss before tax	**(7,395)**	**(12,916)**
Income tax benefit	-	-
Total loss for the period after tax	**(7,395)**	**(12,916)**
Other comprehensive income/(loss)	-	-
Total comprehensive loss attributable to members of Rex Minerals Ltd	**(7,395)**	**(12,916)**
Loss per share attributable to members of Rex Minerals Ltd		
Basic and diluted loss per share (cents)	(1.18)	(2.18)

The condensed notes on pages 14 to 17 are an integral part of these consolidated interim financial statements.

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Consolidated interim statement of changes in equity

For the six months ended

	Share capital	Share based payments reserve	Accumulated losses	Total equity
	$000	$000	$000	$000
Balance at 1 July 2023	264,855	1,775	(225,693)	40,937
Issue of ordinary shares	8,294	-	-	8,294
Transaction costs of share issue	(1,115)	-	-	(1,115)
Share based payments compensation	-	841	-	841
Transfers from share based payments reserve	-	(100)	100	-
Total comprehensive loss for the period	-	-	(7,395)	(7,395)
Balance at 31 December 2023	**272,034**	**2,516**	**(232,988)**	**41,562**
Balance at 1 January 2023	264,855	1,548	(213,791)	52,612
Issue of ordinary shares	-	-	-	-
Transaction costs of share issue	-	-	-	-
Share based payments compensation	-	227	-	227
Transfers from share based payments reserve	-	-	-	-
Total comprehensive loss for the period	-	-	(11,902)	(11,902)
Balance at 30 June 2023	**264,855**	**1,775**	**(225,693)**	**40,937**

The condensed notes on pages 14 to 17 are an integral part of these consolidated interim financial statements.

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Consolidated interim statement of cash flows

For the six months ended

	31 Dec 2023 $000	31 Dec 2022 $000
Cash flows from operating activities		
Cash paid to suppliers and employees	(4,311)	(3,161)
Exploration and evaluation payments	(4,894)	(10,675)
Interest received	143	343
Receipts from ATO (GST)	385	816
Government grants	-	51
Net cash used in operating activities	**(8,677)**	**(12,626)**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(161)	(1,815)
Proceeds from disposal of property, plant and equipment	59	-
Net cash used in investing activities	**(102)**	**(1,815)**
Cash flows from financing activities		
Proceeds from issue of share capital	8,294	9
Payment of transaction costs	(562)	-
Net cash from financing activities	**7,732**	**9**
Net decrease in cash and cash equivalents	(1,047)	(14,432)
Cash and cash equivalents at beginning of the period	6,568	44,139
Effect of movement in exchange rates	(5)	(93)
Cash and cash equivalents at period end	**5,516**	**29,614**

The condensed notes on pages 14 to 17 are an integral part of these consolidated interim financial statements.

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Condensed notes to the consolidated interim 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. The consolidated financial statements as at and for the six-month period ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is a for profit entity primarily involved in minerals exploration and evaluation in Australia and the USA.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2023 are available upon request from the Company's registered office or at 'www.rexminerals.com.au'.

2. Basis of preparation

a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2023. The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2023.

These consolidated interim financial statements were approved by the Board of Directors on 12 March 2024.

b) Basis of measurement

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

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

The Group has no debt obligations. The Group recorded a loss of $7.395 million, and net cash outflows from operating and investing activities of $8.779 million for the Half-Year ended 31 December 2023. The Group's financial position as at 31 December 2023 included available cash reserves of $5.516 million; and current assets of $9.743 million which exceed current liabilities of $1.826 million by $7.917 million. Following 31 December 2023, the Group completed an equity raising of $22.6 million comprising of a strategic placement and partially underwritten 1 for 6 accelerated non renounceable pro-rata entitlement offer.

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

The Directors have prepared a cash flow forecast for at least the twelve-month period from the date of signing this interim financial report, noting that the ability to meet minimum ongoing operating commitments and expenditure is contingent on either the Group securing the Hillside Project debt and equity financing process, or raising additional funds through the exercise of options, equity raisings or via other sources (including joint ventures or asset sales).

The Directors expect to be successful in future fundraising and therefore the 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 interim financial report and that the going concern basis is appropriate in the circumstances. As the Group has not yet finalised the debt and equity

financing process, these fundraising options remain uncertain at the date of this report. Should the Group not be successful in obtaining adequate funding from future fundraising, there is a material uncertainty as to the ability of the Group to continue as a going concern and to realise its assets and extinguish it liabilities in the ordinary course of business.

3. Significant accounting policies

The accounting policies applied by the Group in preparing the consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2023.

4. Estimates

The preparation of the consolidated interim 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 expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2023.

5. Operating segments

The Group has two reportable segments for the Half-Year ended 31 December 2023, which are the Group's areas of exploration 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 Property. For each reportable segment, the CEO reviews internal management reports on at least a quarterly basis.

31 December 2023	South Australia $000	Nevada, USA $000	Unallocated $000	Total $000
Finance income	-	-	143	**143**
Losses before tax (including depreciation and interest expense)	3,669	1,166	2,560	**7,395**
Depreciation	84	-	10	**94**

31 December 2022	South Australia $000	Nevada, USA $000	Unallocated $000	Total $000
Finance income	-	-	342	**342**
Losses before tax (including depreciation and interest expense)	8,424	2,219	2,273	**12,916**
Depreciation	18	-	6	24

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6. Issued capital and reserves

(i) Movements in shares on issue:

	Date of issue	No. of shares	Issue price	$000
Opening balance at 1 July 2023		592,787,587		264,855
Issue of Shares	10/08/2023	40,000,000	0.20	8,000
Cost of Issue	10/08/2023			(1,115)
Exercise of options	01/09/2023	3,866,666	0.07	271
Exercise of options	05/10/2023	333,334	0.07	23
Closing balance at 31 December 2023		**636,987,587**		**272,034**

	Date of issue	No. of shares	Issue price	$000
Opening balance at 1 January 2023		592,787,587		264,855
Closing balance at 30 June 2023		**592,787,587**		**264,855**

(ii) Movements in options on issue:

	Date of issue	No. of options	Exercise price	Expiry date
Opening balance at 1 July 2023		21,113,334		
Issue of options	10/08/2023	20,000,006	0.30	09/08/2024
Issue of options	01/09/2023	3,750,000	0.22	02/08/2027
Exercise of options	06/03/2020	(3,866,666)	0.07	29/02/2024
Exercise of options	06/03/2020	(333,334)	0.07	29/02/2024
Issue of options	15/12/2023	15,000,000	0.40	15/12/2027
Closing balance at 31 December 2023		**55,663,340**		

	Date of issue	No. of options	Exercise price	Expiry date
Opening balance at 1 January 2023		21,113,334		
Closing balance at 30 June 2023		**21,113,334**		

(iii) Movements in Hog Ranch Consideration Rights:

	Date of issue	No. of rights	Exercise price	Expiry date
Opening balance at 1 July 2023		15,000,000		
Closing balance at 31 December 2023		**15,000,000**		
Opening balance at 1 January 2023		15,000,000		
Closing balance at 30 June 2023		**15,000,000**		

The Company has on issue 15 million Hog Ranch Consideration Rights (HRCR) which convert to Rex shares on the outcome of the following remaining milestone:

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.

During the Half-Year, no HRCR were converted or cancelled.

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6. Contingencies and Commitments

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 31 December 2023.

Following development of Hillside, the Group will have future obligations to restore land disturbed under the Hillside Mineral Lease. The maximum obligation to the South Australian Government in respect of the Hillside Project has been assessed at a value of $34.200 million. This has been secured by a $2.960 million (30 June 2023: $2.300 million) cash deposit and a first ranking charge over the Group's freehold land holdings.

7. Subsequent events

On 16 January 2024, the Company announced an equity raising comprising of a strategic placement and partially underwritten 1 for 6 accelerated non renounceable pro-rata entitlement offer.

On 18 January 2024, the Company announced the completion of a strategic placement and the accelerated component of the institutional entitlement offer raised a total of $15.5 million. The retail entitlement offer to eligible shareholders closed on 7 February 2024, and raised a further $7.1 million.

On 29 February 2024, 3,183,334 shares were issued on the exercise of options to participants of the Option Incentive Plan (OIP).

Other than as mentioned above, no matters have arisen since the end of the reporting period which may affect the operations, results, or state of affairs of the Group in future periods.

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Directors' declaration

In the opinion of the Directors of Rex Minerals Ltd (the Company):

1. the consolidated interim financial statements and notes set out on pages 10 to 17 are in accordance with the *Corporations Act 2001*, including:

   a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance, for the half-year ended on that date; and

   b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Richard Laufmann
Chief Executive Officer

Dated at Melbourne this 12th day of March 2024.

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Independent Auditor's Review Report

To the shareholdersof Rex Minerals Ltd

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Rex Minerals Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Rex Minerals Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated Interim Statement of Financial Position as at 31 December 2023;
- Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income, Consolidated Interim Statement of Changes in Equity and Consolidated Interim Statement of Cash Flows for the half-year ended on that date;
- Notes 1 to 7 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Rex Minerals Ltd (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 2 (b) "Basis of measurement" in the Interim Financial Report. The events or conditions disclosed in Note 2 (b), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Adrian Nathanielsz

Partner

Melbourne

12 March 2024

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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 review of Rex Minerals Limited for the half year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

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Adrian Nathanielsz

Partner

Melbourne

12 March 2024

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