



Rex Minerals Ltd

ABN 12 124 960 523

and its controlled entities

31 December 2022

Consolidated Interim Financial Report

Corporate Directory

DIRECTORS

Ian Smith (Non-Executive Chairman)
Richard Laufmann (CEO & Managing Director)
Amber Rivamonte (CFO & 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 REGISTRARS

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

AUDITORS

KPMG Australia
151 Pirie Street
Adelaide, South Australia 5000

BANKERS

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

Ord Minnett Ltd
Level 7, 161 Collins Street
Melbourne, Victoria 3000

LEGAL ADVISORS

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

Contents

	<i>Page</i>
Directors' report	4
Consolidated interim statement of financial position	12
Consolidated interim statement of profit or loss and other comprehensive income	13
Consolidated interim statement of changes in equity	14
Consolidated interim statement of cash flows	15
Condensed notes to the consolidated interim financial statements	16
Directors' declaration	20
Independent auditor's review report	21
Lead auditor's independence declaration	23

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 2022 (the Half-Year) and the auditors' review report thereon. The consolidated interim financial statements have been reviewed and approved by the Directors on the recommendation of the Audit 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)
- 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 Resource in South Australia and the 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 \$12.9 million for the Half-Year ended 31 December 2022 (2021: loss \$4.3 million).

Review of operations

CORPORATE

During the Half-Year, Rex received numerous inbound project participation and product offtake enquiries for its flagship Hillside Copper-Gold Project in South Australia. The Company announced on 6 February 2023 the commencement of a formal process to assess partnering options for Hillside and that Macquarie Capital had been appointed as Financial Adviser to assist in managing the partnering process. This process is in support of an optimised funding package for Stage 1 development and operations at Hillside.

The Senior debt process is already running in parallel, with strong interest received from Tier 1 project finance lenders to Australian miners, including international and domestic major banks.

The Board and Management will be focused on both the debt and partnering discussions in the months ahead to ensure all stakeholders can benefit from a successful transition to production and it is anticipated that the Company will make its Final Investment Decision (FID) for Hillside in mid-CY2023.

HILLSIDE PROJECT – SOUTH AUSTRALIA

On 14 December 2022, Rex announced that it is moving ahead with project financing and Operational Readiness plans following completion of the Optimised Feasibility and Definition Phase Engineering Study (OFS). The 100%-owned Hillside Project (Hillside) is one of the most significant copper-gold projects in Australia and is located less than two hours' drive from Adelaide, South Australia.

High level key points of OFS are as follows:

- **Project Value for Stage 1**
 - Net Present Value (NPV) A\$1,252 million (pre-tax), NPV of A\$847 million (post-tax)
 - Internal Rate of Return (IRR): 19% (*nominal IRR 23% | spot IRR 21%*)
 - C1 of US\$1.52/lb copper (*spot C1 US\$1.39/lb*)
 - 4.3-year payback period.
- **Scale and Opportunity** – Stage 1 (11 years) lays the foundation for a 20 plus year operation and extracts around half of the current Ore Reserve. Substantial potential exists for Mineral Resource and Ore Reserves growth, leading to mine life extension and higher processing rates beyond Stage 1.
- **First Production** – Annual payable metal of circa 42kt copper (Cu) and 30koz gold (Au) to follow ramp-up. First concentrate delivery timing Q4 CY2025, to align with the beginning of the forecast global copper market deficit.
- Estimated **pre-production capital cost** of A\$854 million (US\$598 million) 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\$600 million in payroll) and contributing over A\$200 million in state royalties.
- **Regulatory Approvals** – Key approvals are in place to allow commencement of development and operations.

Operational Readiness

Rex is progressing with its Operational Readiness plans for Hillside including:

- Building of the owner and partner teams consistent with the Operational Readiness schedule and plan
- Key regulatory approvals in place to allow commencement of development and operations including finalising the arrangements for the \$34.2 million rehabilitation bond
- Continuing with extensive on and off-site environmental monitoring for operations and with existing on-ground pre-development activity
- Advancing EPCM Definition Phase Engineering for development with engineering provider Ausenco for processing and associated infrastructure requirements
- Requirements being finalised for local infrastructure including roads, power, water, and communications services.

Mineral Resource

The Mineral Resource estimate at Hillside remains one of Australia's largest for copper. It includes information from 608 diamond holes and 245 reverse circulation (RC) holes for a total of 239,000m of drilling. Rex announced an updated Mineral Resources and Ore Reserves estimate on 14 December 2022.

Zone	Resource Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (kt)	Contained Gold (koz)
Oxide Copper	Measured	16	0.54	0.22	88	114
	Indicated	4.4	0.49	0.12	21	17
	Inferred	0.2	0.76	0.22	1.6	1.5
Secondary Sulphide	Measured	8.8	0.62	0.20	55	58
	Indicated	3.0	0.57	0.13	17	13
	Inferred	0.1	0.61	0.07	0.7	0.3
Primary Sulphide	Measured	47	0.54	0.16	253	248
	Indicated	143	0.59	0.13	837	596
	Inferred	114	0.55	0.13	623	479
Total		337	0.56	0.14	1,897	1,528

Table 1: Hillside Mineral Resource Estimate – December 2022

Estimates have been rounded to the nearest Mt of ore (to the nearest 0.1Mt where <10Mt), two significant figures for Cu and Au grade and to the nearest kt of Cu metal and kozs of Au metal (to the nearest 0.1kt where Cu <10kt, 0.1koz where Au <10koz). Some apparent errors may occur due to rounding.

Ore Reserves

The 2022 Ore Reserves are based on the Stage 2 Pre-Feasibility Study transition plan completed in 2021 (ASX announcement 14 December 2022).

The Stage 2 transition plan is a series of phased pushbacks that begin during the Stage 1 Mine Plan (Figure 1). Stage 1 is approved under the current PEPR. A decision to transition to the Stage 2 Mine plan could occur by year five. Under this transition plan, the Stage 1 open pit can transition to Stage 2 and continue for more than 20 years of an updated open pit mine schedule at processing rates up to 8Mtpa.

Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (kt)	Contained Gold (koz)
Proved	61	0.50	0.16	301	307
Probable	125	0.55	0.13	688	527
Total	186	0.53	0.14	989	834

Table 2: Hillside Ore Reserves – December 2022

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 1000ozs of Au metal. Some apparent errors may occur due to rounding.

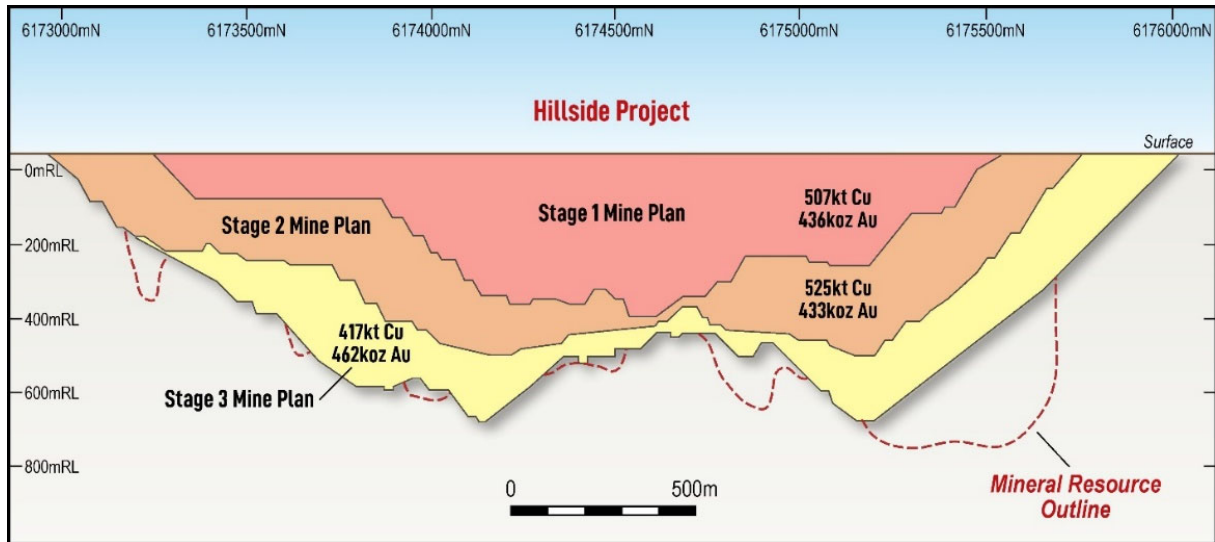


Figure 1: Hillside Stage 1 (11 years) and Stage 2 open pit mine looking west.

3D Seismic and Follow-up Structural Diamond Drilling at Hillside

After the completion of the 3D Seismic survey in 2022 (ASX announcement 9 June 2022), two deep diamond drill holes (HDD 585 and HDD 586) were completed down to a vertical depth of approximately 1,200m each underneath the existing Mineral Resource at Hillside. These drill holes were placed to test for key host rock characteristics and structures for mine planning and add important context for the 3D Seismic interpretation at depth.

The two holes confirmed the extensive nature of alteration and structural deformation directly below the Hillside Mineral Resource as was indicated by the results from the Seismic survey (see Figure 2). The current Mineral Resource is now interpreted to be the up-dip expression of a potentially much larger mineralised system which may continue to significant depths.

The results of the 3D seismic survey and follow up deeper drilling indicate that a larger inventory of copper mineralisation may exist at Hillside with numerous new target locations defined for follow-up testing.

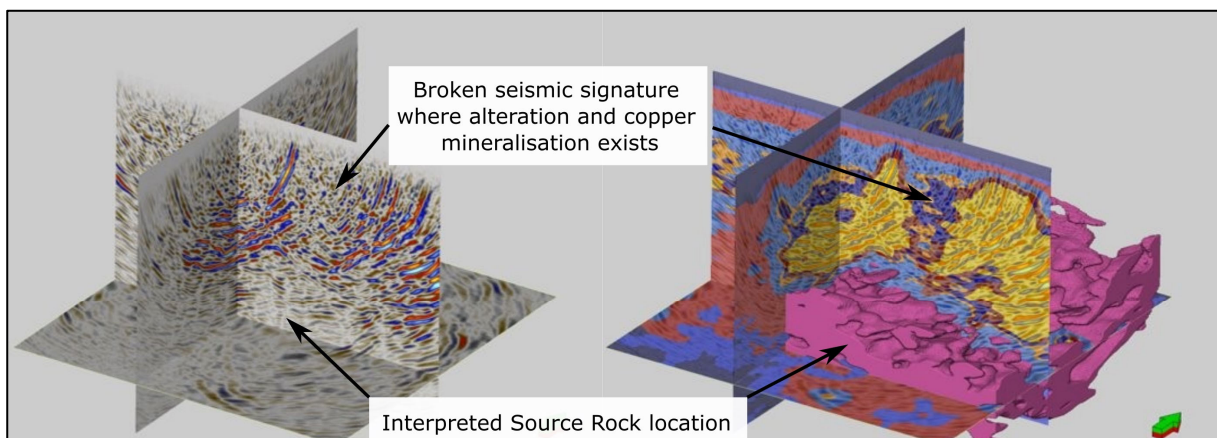


Figure 2: Imagery of the Hillside area as defined from the 3D seismic survey highlighting the interpreted position of a possible source rock at depth and the continuity of the alteration zone which hosts the current Hillside Mineral Resource which appears to extend down deeper into the source rock position.

HOG RANCH PROPERTY – NEVADA USA

During the Half-Year, Rex completed a new large-scale soil sampling program based on XRF analysis for key gold pathfinder elements in addition to laboratory-based gold analysis (ASX announcement 19 December 2022).

The regional soil survey comprised:

- a total of over 8,000 samples
- samples collected over a 79km² area
- survey completed over a period of four months.

Rex has now completed a suite of regional programs to provide a clearer understanding of the greater potential of the broader Hog Ranch Property. The datasets now completed are largely the culmination of the past two years exploration effort. These new datasets, in conjunction with a number of RC drilling campaigns have resulted in a substantial increase to the Mineral Resource and a much larger portfolio of targets which exist along an interpreted “Gold Trend”. This defined “Gold Trend” appears to extend for up to 16km in length across the host rock Caldera Complex that make up the host rocks to the gold mineralisation at Hog Ranch (Figure 3).

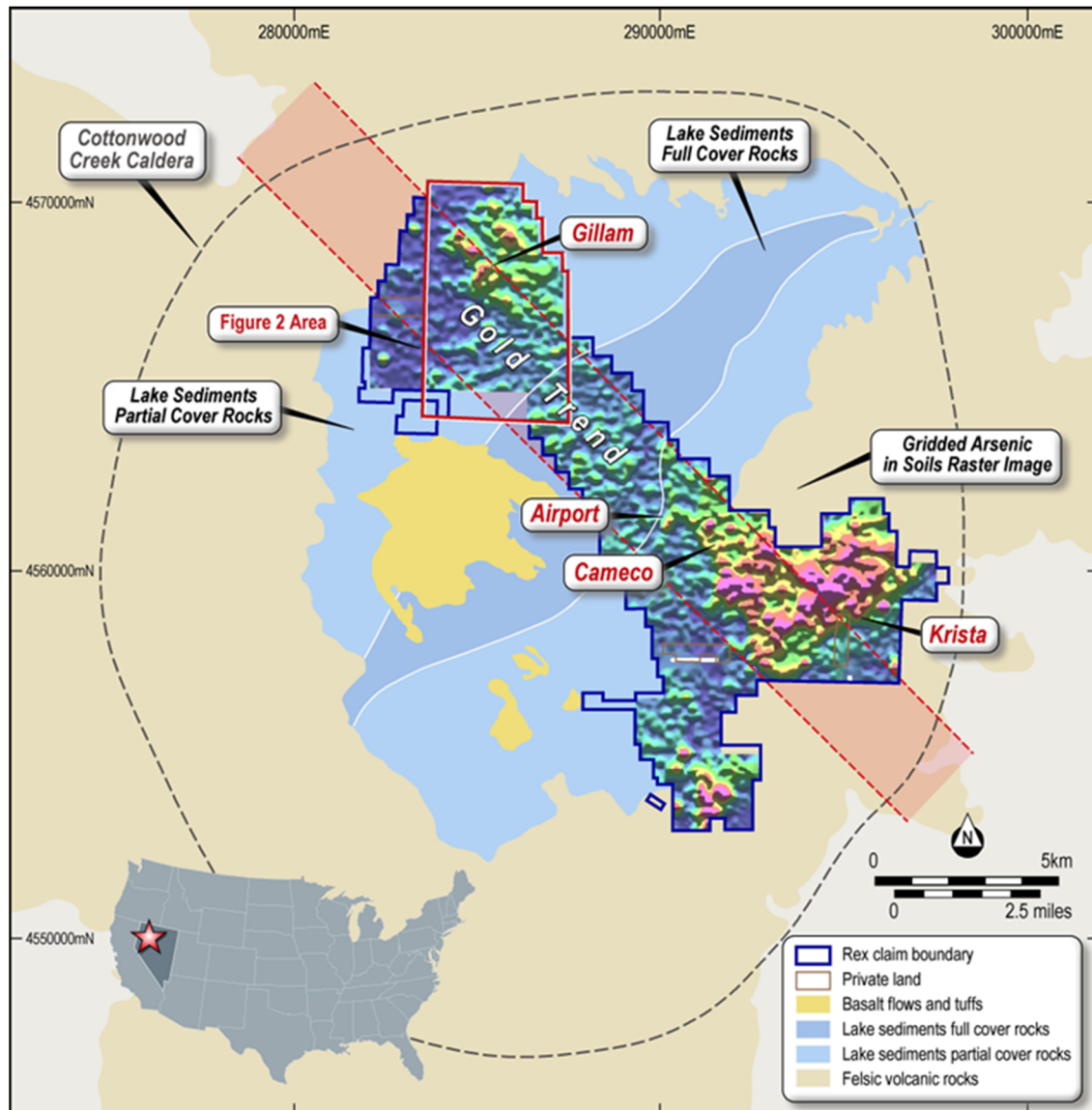


Figure 3: Regional plan view map of Hog Ranch with the results from a key pathfinder element Arsenic.

Further to the regional soil sampling, Rex has also completed a gravity survey focused on the Gillam Prospect to identify major breaks or trends which may also line up prospective faults that appear in the magnetic data and soil sampling data. Rex interprets that the large deep-seated structures which may be important to the development of the gold mineralisation are reflected in the gravity data (Figure 4).

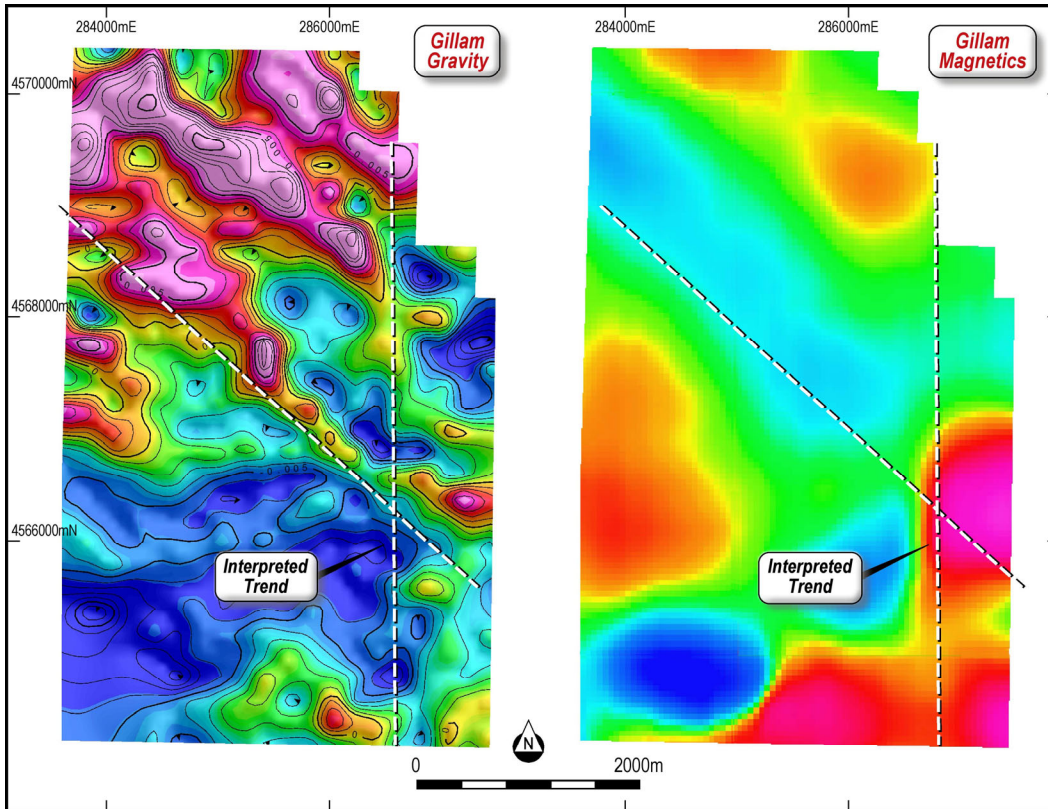


Figure 4: Results from recent Gillam gravity survey (left) compared with the magnetic survey (right).

Rex also completed an RC drilling program over the Krista, Airport and Bells Project locations, drilling a total of 15 RC holes over the three Project locations. The results expanded the gold footprint at Hog Ranch and continued to indicate that the historical drilling, which was largely completed in the late 1980's is under-calling the gold content compared to the modern RC drilling programs (Figure 5).

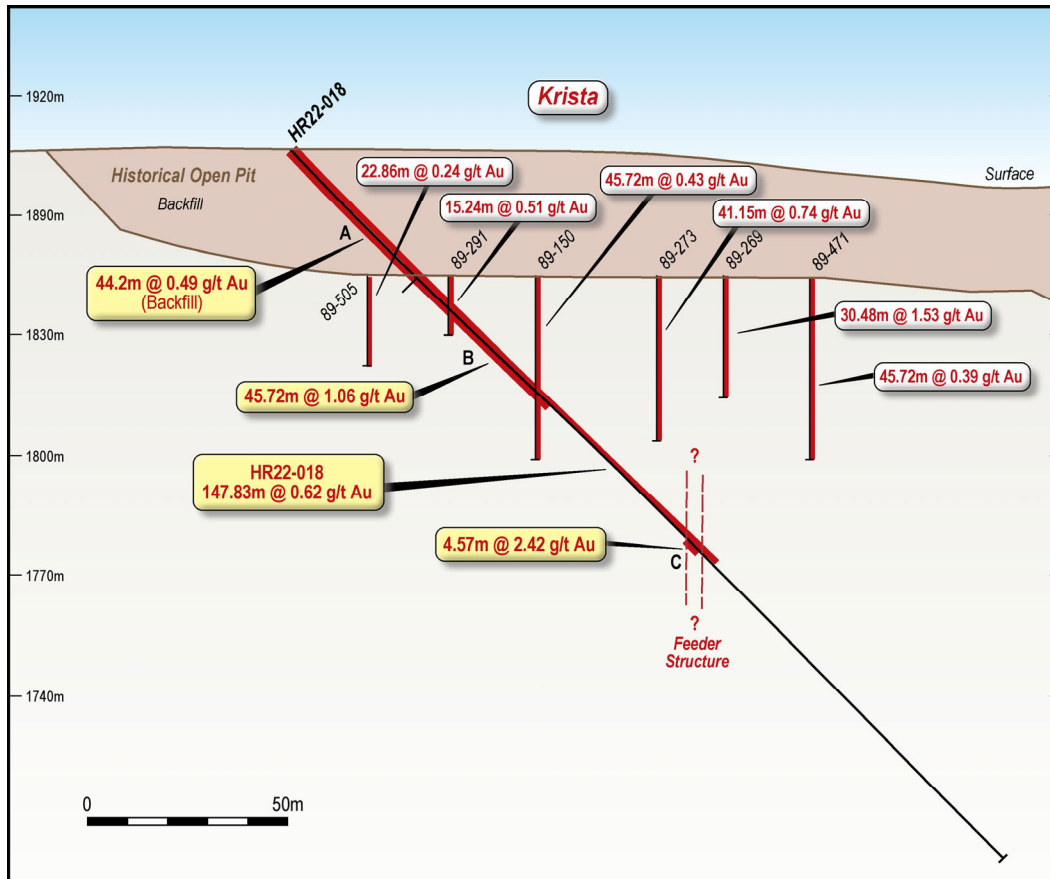


Figure 5: Cross Section of HR22-018 shown relative to the shallow and mostly vertical historical RC drilling information.

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.

Events since the end of the reporting period

The Group signed an agreement with the South Australian Government to finalise the details of the Environmental Bond required to support the maximum environmental obligation of \$34.2 million over the life of the Project. This has been secured by a cash deposit and a first ranking charge over the Group's freehold land holdings.

Other than mentioned above, no matters or circumstances have arisen since 31 December 2022 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 23 and forms part of the Directors' report for the Half-Year ended 31 December 2022.

Signed in accordance with a resolution of the Directors:



Richard Laufmann
Chief Executive Officer

Dated at Melbourne this 2nd day of March 2023

Consolidated interim statement of financial position

As at

	Note	31 Dec 2022 \$000	30 June 2022 \$000
Current assets			
Cash and cash equivalents		29,614	44,139
Trade and other receivables		448	411
Prepayments		1,840	1,019
Total current assets		31,902	45,569
Non-current assets			
Exploration and evaluation expenditure		3,243	3,243
Property, plant and equipment		15,024	14,263
Water infrastructure		4,076	4,076
Total non-current assets		22,343	21,582
Total assets		54,245	67,151
Current liabilities			
Trade and other payables		585	1,144
Employee benefits		1,023	793
Total current liabilities		1,608	1,937
Non-current liabilities			
Employee benefits		25	106
Provisions		-	-
Total non-current liabilities		25	106
Total liabilities		1,633	2,043
Net assets		52,612	65,108
Equity			
Issued capital	6(i)	264,855	264,846
Reserves		1,548	1,140
Accumulated losses		(213,791)	(200,878)
Total equity		52,612	65,108

The condensed notes on pages 16 to 19 are an integral part of these consolidated interim financial statements.

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended

	31 Dec 2022 \$000	31 Dec 2021 \$000
Finance income	342	20
Corporate and compliance	(777)	(586)
Depreciation expense	(24)	(23)
Employee benefits expense	(2,604)	(1,367)
Marketing expenses	(117)	(51)
Exploration and evaluation	(9,643)	(2,371)
Foreign currency revaluation	(93)	108
Loss before tax	(12,916)	(4,270)
Income tax benefit	-	-
Total loss for the period after tax	(12,916)	(4,270)
Other comprehensive income/(loss)	-	-
Total comprehensive loss attributable to members of Rex Minerals Ltd	(12,916)	(4,270)
Loss per share attributable to members of Rex Minerals Ltd		
Basic and diluted loss per share (cents)	(2.18)	(0.82)

The condensed notes on pages 16 to 19 are an integral part of these consolidated interim financial statements.

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 2022	264,846	1,140	(200,878)	65,108
Issue of ordinary shares	9	-	-	9
Transaction costs of share issue	-	-	-	-
Share based payments compensation	-	411	-	411
Transfers from share based payments reserve	-	(3)	3	-
Total comprehensive loss for the period	-	-	(12,916)	(12,916)
Balance at 31 December 2022	264,855	1,548	(213,791)	52,612
Balance at 1 January 2022	264,603	976	(192,454)	73,125
Issue of ordinary shares	243	-	-	243
Transaction costs of share issue	-	-	-	-
Share based payments compensation	-	247	-	247
Transfers from share based payments reserve	-	(83)	83	-
Total comprehensive loss for the period	-	-	(8,507)	(8,507)
Balance at 30 June 2022	264,846	1,140	(200,878)	65,108

The condensed notes on pages 16 to 19 are an integral part of these consolidated interim financial statements.

Consolidated interim statement of cash flows

For the six months ended

	31 Dec 2022 \$000	31 Dec 2021 \$000
Cash flows from operating activities		
Cash paid to suppliers and employees	(3,161)	(1,818)
Exploration and evaluation payments	(10,675)	(2,578)
Interest received	343	12
Receipts from ATO (GST)	816	157
Government grants	51	-
Net cash from/(used in) operating activities	(12,626)	(4,227)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,815)	(2)
Net cash from/(used in) investing activities	(1,815)	(2)
Cash flows from financing activities		
Proceeds from issue of share capital	9	50,028
Payment of transaction costs	-	(2,927)
Net cash from/(used in) financing activities	9	47,101
Net increase/(decrease) in cash and cash equivalents	(14,432)	42,872
Cash and cash equivalents at beginning of the period	44,139	9,682
Effect of movement in exchange rates	(93)	108
Cash and cash equivalents at period end	29,614	52,662

The condensed notes on pages 16 to 19 are an integral part of these consolidated interim financial statements.

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 2022 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 USA.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2022 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 2022. 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 2022.

These consolidated interim financial statements were approved by the Board of Directors on 2 March 2023.

b) Basis of measurement

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

The Group 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 \$12.916 million, and net cash outflows from operating and investing activities of \$14.441 million for the half-year ended 31 December 2022. The Group's position as at 31 December 2022 included available cash reserves of \$29.614 million; and current assets of \$31.902 million which exceed current liabilities of \$1.608 million by \$30.294 million.

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

To support its planned activities, including the development of the Hillside Project, the Group will be required to raise additional funds over the next 12 months. The Group has commenced a formal process to assess partnering options for Hillside and Macquarie Capital has been appointed as financial adviser to assist in managing the partnering process.

The Directors reasonably expect that the Group will be able to raise funds as required. The Group has a history of successfully raising cash through equity raisings, including \$50.271 million in 2021.

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

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 2022.

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 2022.

5. Operating segments

The Group has two reportable segments for the Half-Year ended 31 December 2022, 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, where the focus is on gold exploration in four key project areas. For each reportable segment, the CEO reviews internal management reports on at least a quarterly basis.

	South Australia \$000	Nevada, USA \$000	Unallocated \$000	Total \$000
31 December 2022				
Finance income	-	-	342	342
Losses before tax (including depreciation and interest expense)	8,424	2,219	2,273	12,916
Depreciation	18	-	6	24
	South Australia \$000	Nevada, USA \$000	Unallocated \$000	Total \$000
31 December 2021				
Finance income	-	-	20	20
Losses before tax (including depreciation and interest expense)	1,376	1,511	1,383	4,270
Depreciation	20	-	3	23

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 2022		592,654,254		264,846
Exercise of options	09/11/2022	133,333	0.07	9
Closing balance at 31 December 2022		592,787,587		264,855

6. Issued capital and reserves (cont)

(i) Movements in shares on issue (cont):

	Date of issue	No. of shares	Issue price	\$000
Opening balance at 1 January 2022		589,320,920		264,603
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

(ii) Movements in options on issue:

	Date of issue	No. of options	Exercise price	Expiry date
Opening balance at 1 July 2022		21,246,667		
Exercise of options	06/03/2020	(133,333)	0.070	29/02/2024
Closing balance at 31 December 2022		21,113,334		

	Date of issue	No. of options	Exercise price	Expiry date
Opening balance at 1 January 2022		16,580,001		
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	10/03/2022	7,000,000	0.253	02/03/2026
Issue of options	26/04/2022	1,000,000	0.300	17/04/2026
Closing balance at 30 June 2022		21,246,667		

(iii) Movements in Hog Ranch Consideration Rights:

	Date of issue	No. of rights	Exercise price	Expiry date
Opening balance at 1 July 2022		15,000,000		
Closing balance at 31 December 2022		15,000,000		
Opening balance at 1 January 2022		15,000,000		
Closing balance at 30 June 2022		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.

7. Commitments

The Group has entered into certain capital expenditure commitments totalling \$9.388 million as at 31 December 2022. These commitments are likely to be settled by 30 June 2023.

	2022 \$000	2021 \$000
Not later than one year	9,388	-
Later than one year but not later than five years	-	-

7. 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 \$20,000 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 \$20,000 as at 31 December 2022.

The Group has obligations to restore land disturbed under the 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 cash deposit and a first ranking charge over the Group's freehold land holdings.

8. Subsequent events

The Group signed an agreement with the South Australian Government to finalise the details of the environmental bond required to support the maximum environmental obligation of \$34.200 million over the life of the Project. This has been secured by a cash deposit and a first ranking charge over the Group's freehold land holdings.

Other than 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.

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 12 to 19 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 2022 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 2nd day of March 2023.



Independent Auditor's Review Report

To the shareholders of 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 2022 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 2022;
- 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 8 comprising a summary of significant 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.

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 2022 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.



KPMG



Adrian Nathanielsz

Partner

Melbourne

2 March 2023



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

To the Directors of Rex Minerals Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Rex Minerals Ltd for the half-year ended 31 December 2022 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.

KPMG

KPMG

Adrian Nathanielsz
Partner

Melbourne
2 March 2023