



REX MINERALS LTD

ABN 12 124 960 523

2023 Corporate Governance Statement

This 2023 Corporate Governance Statement is dated 30 June 2023 and was approved by the Rex Minerals Ltd Board on 11 September 2023.

The Company is reporting against the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations, 4th Edition* (the Principles).

Introduction

Rex Minerals Ltd (Rex or the Company) is committed to conducting its business activities with transparency and integrity, in accordance with sound and rigorous corporate governance practices and compliance. This is overseen by its Board and implemented by its management and employees, in accordance with Rex's key policies and procedures.

As Rex transforms in size, nature and scope, and continues its transition from exploration and development to mining operations, Rex's Board and management will ensure that its corporate governance framework, structures and policies evolve and grow as needed to meet the challenges and requirements of the changing regulatory and broader global environment.

Rex'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.

Details or summaries of Rex's main charters and policies are on its website: www.rexminerals.com.au

1 Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management, and regularly review their performance.

Roles and responsibilities

The respective roles and responsibilities of the Board and the Chief Executive Officer (CEO) are set out in the Company's Board Charter.

A primary Board responsibility is to protect and advance the interests of shareholders as well as the Company's wider stakeholders. To fulfil this role, the Board has overall responsibility for approving the Company's corporate strategy and for the implementation and ongoing monitoring of that strategy; appointing the CEO; monitoring senior executives' performance; and approving Rex's risk and audit framework and its internal controls. The Board also has responsibility for the Company's overall corporate governance matters, including approval of all key policies, its values statement and Code of Conduct. In fulfilling these primary responsibilities, the Board will take into consideration the interests of all stakeholders including government, employees, communities and suppliers.

The CEO has primary responsibility to the Board for the affairs of Rex. The CEO is responsible for implementing and monitoring the approved strategy and plans of the Company. The CEO manages key appointments of senior executives; is the primary channel of communication and point of contact to the Board; and provides strong leadership to, and effective management of, the Company.

Board positions

Following a comprehensive Board succession plan review undertaken in 2021/22, the Board's composition is considered to be appropriate. In particular, the review concluded that the current Chairman and Directors have the required mix of skills, expertise, qualifications and experience to support and oversee the Company's ongoing transition to its next phase of development.

The Notice of Meeting for the Company's AGM provides shareholders with relevant information regarding each Director standing for election or re-election, including details of appropriate skills, background, independence and experience, as well as a statement by the Board as to whether it supports the election or re-election.

In 2023, the Board considered the need to establish a separate Nomination Committee. The Directors concluded this was not required given the current size and structure of Rex. However, the Board considers that part of its responsibilities includes overseeing arrangements for the effective appointment of new Directors.

The Board undertakes appropriate checks to review a candidate's background, experience, character, potential conflicts of interest and qualifications, prior to appointing a person, or putting forward to shareholders a candidate for election, as a Director. The Board may utilise the services of an independent external recruitment advisor for additional support in this area.

Rex has a written agreement with each Director and senior executive, setting out the terms of their appointment, remuneration, expected time commitments and key duties.

Rex's Company Secretary has a direct reporting line to the Chair of the Board for corporate governance matters and has a principal role to support the proper functioning and effectiveness of the Board and its Committees. All Directors have access to the Company Secretary and two-way communication is actively encouraged.

Gender, Diversity and Inclusion (GDI)

The Company's Gender, Diversity and Inclusion (GDI) Policy sets out its expectations concerning diversity and inclusion. The Company respects and fosters diversity of people and perspectives for the benefit of its business. Rex recognises the importance of achieving a work environment that values and utilises the contributions of employees with diverse and broad backgrounds, experiences and perspectives, irrespective of gender identity, age, ethnicity, race, religious or cultural background, sexual orientation, physical or mental ability, political opinion and family situation. Employee diversity at all levels of the Company is a key objective to build equality, workplace harmony and skills enhancement in driving business proficiency and competitiveness. By creating a favourable workplace, Rex strives to have access to the biggest pool of talent and well-qualified persons where better business decisions are made on the basis of varied perspectives.

In order to promote gender diversity specifically, Rex engages in reviews and reporting to the Board about the proportion of women in the Company and strategies to address gender diversity. The Company's policy is to recruit the most qualified persons for each position and consider persons from a diverse pool of qualified candidates.

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 2023, female representation was 30% of the total workforce, with women comprising 20% of the Rex Board and 33% of senior executives.

The Company continues to source experienced and qualified female talent in its recruitment program.

The objectives for continuing to achieve greater gender diversity over the next reporting period include:

- Maintain female representation of at least 25% of the total workforce including senior management roles as Rex progresses through the next stages of the Company's development.
- During the selection and appointment process of each Director, either a professional search firm supporting the Board or a Board Committee (or both), will provide a mix of credible and suitably experienced female and male candidates, with a minimum of at least one female candidate.

Rex has successfully encouraged and facilitated the return to work from parental leave of employees by offering flexible work arrangements that support family commitments. The Company also offers and supports flexible part-time positions which afford an opportunity for employees to take on additional roles with other organisations or to combine with personal interests.

The Company has always supported individual staff choices for working from home. Following the easing of prolonged lockdown restrictions caused by COVID-19 constraints, Rex continues that support.

The Company is not a 'relevant employer' as defined by the Workplace Gender Equality Act.

Board and executive performance

The Directors consider that, due to the current size of Rex and its Board, a formal external Board performance evaluation review procedure is not appropriate. The Board has instead adopted a rigorous self-evaluation process to measure its own performance, and the performance of its Committees and individual Directors.

The annual self-evaluation process reviews the functioning of the Board and its Committees against their respective charters. The Board also reviews the individual contribution of Directors and updates its Board and Committee Charters from time to time in line with emerging governance practice, and Company and business developments. In 2023, the Board reviewed where relevant its Charters in line with adoption of the 4th Edition of the ASX Corporate Governance Principles and Recommendations and the expansion of duties within the relevant Committees.

The review undertaken during the reporting period focused on the individual role of each Director and the relevant skills and experience that the Company requires going forward. The Board considers that its current composition complements the Company's strategic direction and remains fit for purpose. The Board will continue to assess what further resources may be required as the Hillside Copper-Gold Project is financed and developed, and development of the Hog Ranch Gold Property is advanced.

The performance of the Company's senior executives is assessed annually and this year the process was conducted in line with the Board review. An evaluation of the senior management team was completed to highlight where additional skills and experience may be required to expand the project delivery team for the next phase of development of the Hillside Project. New appointments were made both corporately and in relation to the Hillside Project. These included the appointment of Mr Peter Larsen as EGM Legal.

2 Structure the Board to be effective and add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Board structure & Composition

The Board has a range of processes in place to successfully address matters that relate to the nomination of new Directors, and it undertakes an annual internal process to evaluate each Director's performance, skills and knowledge.

Although a formal skills matrix has yet to be adopted, the Board conducts a detailed self-assessment of its performance, composition, experience, independence and diversity to ensure that it continues to administer its duties and responsibilities effectively by utilising the following Director attributes:

- the skills, experience and expertise relevant to each Director in office at the date of the Annual Report, referred to in the Directors' Report
- extensive operational experience and knowledge of the sectors in which the Company operates
- extensive major project management experience both nationally and internationally
- strong experience in capital and financial/banking markets, within Australia and internationally
- broad experience in advisory, M&A, equity and debt transactions
- understanding of and familiarity with modern-day practice in respect of Environment, Social and Governance (ESG)
- understanding of and experience in health and safety practices
- global economic, social and environmental policy and practice across a range of industries
- robust accounting, financial skills, qualifications and experience
- strategic leadership across a diverse range of operations in the minerals industry
- strong experience leading or engagement with key industry organisations
- extensive experience in publicly listed ASX companies.

The Board has five members and considers its three Non-Executive Directors to be independent of management and free from any business relationship or other circumstances that could materially interfere with the exercise of objective, unfettered or independent judgement. The following additional material is included in the Annual Report (within the Directors' Report):

- the names of the Directors considered by the Board to constitute independent Directors
- whether any independent Director has a material contract or relationship that would compromise their independence
- the period of office held by each Director in office at the date of the Annual Report. Director tenure ranges from 18 months to four and a half years for the independent Directors.

The Company has a majority of three independent Non-Executive Directors – Mr Ian Smith, Mr Greg Robinson and Mr Andrew Seaton. The remaining two non-independent Executive Directors are the Chief Executive Officer/Managing Director and the Chief Financial Officer/Executive Director of Finance. The independent Non-Executive Directors will meet from time to time without Executive Directors present.

Director independence and Director interests are reviewed on a regular basis by the Board as a standing item on the Board meeting agenda.

Directors joining Rex's Board are provided with a formal letter of appointment and induction pack which contains information regarding:

- the expected time commitments, rights, duties and responsibilities of Directors
- the role of Board Committees, and membership of specific Committees if applicable
- material relevant to the Company's strategy, operations, investments and governance structures.

To assist in the ongoing performance of their duties, all Directors (including new Directors):

- are provided with appropriate information in a timely manner and can request additional information at any time
- have access to senior executives and the Company Secretary
- have access to appropriate continuing professional development opportunities. In particular, the Board attends industry functions and regularly receives presentations, from both internal and external resources, as part of ongoing Director education.

3 Act ethically and responsibly

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Vision, Purpose and Values

The Board has an approved set of core statements:

- Vision** To produce the minerals needed for the world we all envision.
- Purpose** To explore and mine responsibly to benefit our stakeholders and contribute to a more sustainable world.
- Values** Responsibility, teamwork, respect, integrity and growth.

Code of Conduct and Policies

Rex's Code of Conduct sets out its expectations for the conduct of its Directors, senior executives and employees, and includes business conduct, personal and professional conduct (such as confidentiality, personal and ethical behaviour and respect for others).

Rex also has in place a policy concerning trading in its securities. The Share Trading Policy includes detailed requirements for Directors, officers, key management and employees/consultants regarding the circumstances and timings when they may trade in the Company's securities. The Company has additional policies in place in relation to work, health and safety and each person is responsible to ensure their conduct genuinely meets these requirements.

Rex has a Whistleblower Policy in place. The Company is committed to the highest standards of conduct and ethical behaviour in its business activities, and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. Rex encourages the reporting of any instances of unethical, illegal, fraudulent or undesirable conduct involving the Company's businesses and will ensure that those persons who make such a report shall do so without fear of intimidation, disadvantage or reprisal.

Rex does not have a standalone anti-bribery and corruption policy. However, the Company's Code of Conduct sets out its expectations for the conduct of its Directors, senior executives and employees, and includes business conduct, personal and professional conduct (such as confidentiality, personal and ethical behaviour and respect for others).

The Board conducts regular reviews of its key policies. The Share Trading Policy and the Whistleblower Policy are being updated to ensure they remain appropriate for the development of the Company and continue to comply with all relevant legislation requirements.

Any material breaches of these policies are brought to the attention of the Board through the Audit & Risk Committee.

4 Safeguard the integrity of corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Reporting integrity

The members of the Audit & Risk Committee are Mr Greg Robinson, Mr Ian Smith and Mr Andrew Seaton. Mr Robinson is the independent Chair of the Committee (he is not Chair of the Board). The Directors consider that the Committee is of sufficient size, independence and technical expertise to discharge its mandate effectively. Post 30 June 2023, the Board finalised the restructure of its Audit Committee to include all matters relating to risk. All members of the Committee are considered to be independent Directors. All Directors are invited to attend any Audit & Risk Committee meetings held during the year.

The following material is provided in the Directors' Report contained in the Annual Report:

- the names and qualifications of those appointed to the Audit & Risk Committee and their attendance at meetings of the Committee; and
- the number of meetings of the Audit & Risk Committee.

The Committee's charter sets out the specific role and duties of the Audit & Risk Committee.

Before it approves the Company's statements for a financial period, Rex ensures that it receives from its CEO and CFO a declaration that, in their opinion, the financial records of Rex have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. These declarations were received during the reporting period.

The CEO and senior management will review and approve any periodic corporate report prior to release to the market that does not require external audit review and sign off (for example, Quarterly Activities Reports). When required, the Audit & Risk Committee will provide the Board with any further review and approval of unaudited periodic reports. The external auditor audits and reviews the Company's reports for every half-year and full-year period.

5 Make Timely and Balanced Disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Continuous Disclosure

Rex has established written policies and procedures designed to ensure timely and accurate compliance with ASX Listing Rule disclosure requirements and accountability for compliance. When the Company makes an announcement to the market, that announcement is released to the ASX. ASX announcements are approved for release by the Board or an approved delegate. A copy of each announcement is posted on the Company's website following release to the market by the ASX. Rex's Continuous Disclosure Policy sets out its policies and procedures with regard to complying with its disclosure obligations under the Listing Rules.

Continuous disclosure is a standing agenda item for discussion at each Board Meeting.

When any market announcement (including investor or analyst presentations) is released to the ASX Announcements Platform, a copy of the confirmation of release is immediately distributed to all Directors. Additionally, a summary of ASX announcements made since the previous meeting is a standing agenda item at each Board Meeting.

The Company ensures all shareholders and investors receive timely information and updates on its activities. Investor presentations that contain new information are lodged with the ASX ahead of the presentation via the ASX Announcements Platform. Once released to the market by the ASX, a copy is then uploaded to the Company's website.

6 Respect the Rights of Security Holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Investor Information

Rex recognises the rights of its security holders and other interested stakeholders to have easy access to accurate and timely information about the Company and its operations.

The Company has established a program of effective communication with stakeholders. Market disclosures, presentation materials, interviews and videos are promptly made available on Rex's website and social media platforms. Rex participates in roadshows and has a presence at conferences, both within Australia and internationally, providing the opportunity to meet with investors, institutions, brokers, analysts and other stakeholders.

Investors and stakeholders are encouraged to send enquiries or subscribe to the Company's electronic mailing list via its website. Rex also responds to emails and telephone enquiries in a timely and responsive manner. Shareholders are encouraged to participate in shareholder meetings, including the Annual General Meeting, and are invited to ask questions of the Board and management in attendance at these meetings.

The Company has established effective communication with investors through the communication channels described above. The Company responds to queries in accordance with its continuous disclosure obligations, all information provided is subject to what is available in the public domain.

The external auditor also attends Rex's AGM. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation of the Audit Report.

The Chairman encourages shareholders at meetings to ask questions regarding the Company's current activities. The Chairman may respond to these questions or refer them to another Director or member of the management team to respond. Rex will consider holding hybrid shareholder meetings from 2023. Details of Rex's 2023 AGM will be circulated to shareholders and made available on the Company's website.

At Rex's shareholder meetings, all resolutions are decided by poll with the outcome of the meeting's resolutions lodged with the ASX following closure of the meeting. A decision by poll ensures the certainty of the Listing Rules' principle of "one security one vote." Shareholders are encouraged to participate by voting electronically prior to the proxy close-off date.

The default option for new Rex shareholders is that communication is electronically received through the Company's share registry. Existing shareholders are encouraged where possible to elect to receive shareholder communications electronically.

The Company's Share Register is managed and maintained by Computershare Investor Services. Contact details can be found within the Corporate Directory on the About Us page of Rex's website. By providing a secure platform for shareholders to view and manage their security records online, Computershare actively facilitates and encourages the use of electronic communications.

7 Recognise and Manage Risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Rex recognises that effective risk management based on appropriate internal controls and processes, is critical to the continued success of the Company, its people, and the execution of its key projects.

Oversight of risk management at Rex is a key responsibility of the Board which in turn is supported by the Audit & Risk Committee, and an appropriate framework of policies and procedures developed by management, subject to Board and Committee approval. Risk Matters/Issues are standing agenda items for discussion and ongoing review at each Board Meeting.

The Board's role includes oversight to ensure that appropriate systems are in place to support and enable identification, management and mitigation of key operational, financial and non-financial risks.

The Audit & Risk Committee assists the Board in relation to its effective risk review and oversight, and in ensuring the overall suitability and effectiveness of Rex's risk management framework, risk identification and assessment tools, and methodology.

Key tools, including risk frameworks and registers, and controls have been and continue to be developed by Rex to identify, monitor and mitigate risk. These, along with the risk management framework, are reviewed and amended periodically on an ongoing basis, overseen by the Audit & Risk Committee and Board to ensure that they are effective and fit-for-purpose as the Company grows and transitions from exploration to development and construction, and ultimately to production.

At this stage of its development, Rex has not established a stand-alone internal audit function. The Audit & Risk Committee reviews the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board. The Committee will also satisfy itself that the risk management framework deals adequately with contemporary and emerging risks.

8 Remunerate Fairly and Responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Board and Executive Remuneration

Rex's Board has established a Remuneration Committee. The members of the Remuneration Committee are Mr Andrew Seaton, Mr Ian Smith and Mr Greg Robinson. Mr Seaton is the independent Chair (he is not Chair of the Board) and all Directors will be invited to attend any Committee meetings held during the year.

In FY2023, the Remuneration Committee completed a comprehensive review of the Company's remuneration and incentives structures, policies and processes. As part of the review, Rex engaged Mercer Consulting (Australia) Pty Ltd as the Company's independent remuneration adviser to provide a benchmarking survey for both executive and non-executive fixed and variable remuneration.

As an outcome of that review, the 2023/24 remuneration and incentive framework is evolving to reflect the transition of the Hillside Project from its exploration to development stage and subsequent production stage. Consistent with market practice of the majority of ASX-listed companies, the Company plans to introduce a cash and performance rights based Short-Term Incentive (STI) and a performance rights based Long-Term Incentive (LTI). This is scheduled to be implemented once the Hillside Project has reached a final investment decision (FID) and achieved financial close. The framework will be designed to deliver outcomes which have a clear link to Company and individual performance, are consistent with the Company's respective short-term and long-term strategy and values, and to attract and retain talent.

Details of the Company's remuneration practices are included in the Remuneration Report within the Annual Report.

Details of Directors' and executives' remuneration, including the principles used to determine the nature and amount of remuneration, are disclosed in the Remuneration Report section of the Annual Report.

Rex's Share Trading Policy expressly prohibits relevant participants from trading in financial products issued or created over the Company's securities by third parties, or trading in associated products and entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

Further guidance in relation to trading in Rex's securities can be found in its Share Trading Policy which is available on the Company's website.