



Corporate Governance Statement

This Corporate Governance Statement is dated 30 June 2017 and was approved by the Rex Minerals Ltd (Rex or the Company) Board on 14 September 2017.

1 Lay solid foundations for management and oversight

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is evaluated.

1.1 A listed entity should disclose:

- (a) the respective roles and responsibilities of its board and management; and
- (b) those matters expressly reserved to the board and those delegated to management.

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

The primary responsibility of the Board is to protect and advance the interests of Shareholders. To fulfil this role, the Board has overall responsibility for developing and approving the Company's corporate strategy and monitoring implementation of that strategy, appointing the CEO, monitoring Senior Executives' performance and approving Rex's risk and audit framework. The Board is also responsible for the Company's general corporate governance matters.

The CEO has primary responsibility to the Board for the affairs of Rex. The CEO's responsibilities include implementing and monitoring (together with the Board) the strategic and financial plans for the Company, managing the appointment of senior executive positions, being the primary channel of communication and point of contact between the Senior Executives and the Board, providing strong leadership to, and effective management of, the Company and otherwise carrying out the day-to-day management of Rex.

A copy of the Board Charter is available on the Company's website and provides further detail of the Board's role and responsibilities, along with the primary responsibilities of the CEO.

1.2 A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Given the size and structure of Rex, the Directors have not established a Nomination Committee (refer 2.1), however, the Board considers that part of its responsibilities includes overseeing arrangements for the effective appointment of new Directors. The Board reviews 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.

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 for each Director, as well as a statement by the Board whether it supports the election or re-election.

1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

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

1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The 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 communication is encouraged.

1.5 A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
 - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Rex's Code of Conduct sets out its policy concerning diversity. In summary, the Company's policy concerning diversity is as follows:

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, age, ethnicity, religious or cultural background. Employee diversity at all levels of the Company is foundation to the Company's objectives of equality, workplace harmony and skills enhancement in driving business proficiency and competitiveness. Rex strives to promote an environment and culture conducive to the appointment of well-qualified persons so that there is appropriate diversity to maximise the achievement of corporate goals.

In order to promote gender diversity specifically, Rex engages in reviews and reporting to the Board about its 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 considers persons from a diverse pool of qualified candidates.

The objectives for achieving greater gender diversity over the next reporting period include:

- Maintain female representation at 20% of the total workforce including senior management roles as Rex progresses through the next stages of the Company's development.

- During each Director selection and appointment process, the professional search firm supporting the Board will provide a mix of credible and suitably experienced female and male candidates, with a minimum of at least one female candidate.

At 30 June 2017, women made up 30% of the total workforce of the Company. There are no women on the Board of Rex at this time, however, the CFO and Company Secretary are present at Board meetings.

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

A copy of the Code of Conduct is available on the Company's website.

1.6 A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

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

The annual performance evaluation 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.

The review undertaken during the reporting period focused on the individual role of each Director and the relevant skills and experience that they brought to their role. The composition of the Board remains suitable for the Company's strategic direction and fit for purpose as its Hillside Project is developed. The Board did not consider it appropriate to appoint an external party to facilitate the review.

1.7 A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Senior Executive performance is assessed annually. Details of the evaluation process are disclosed in the Remuneration Report contained in the Annual Report.

2 Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1 The board of a listed entity should:

- (a) have a nomination committee which:
 - (1) has at least three members, a majority of whom are independent directors; and

- (2) is chaired by an independent director, and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Due to the size of the Board and the Company, the Directors consider that any efficiencies achieved by establishing a nomination committee would be minimal. The Company has Board processes in place to successfully address all matters that would otherwise be considered by a nomination committee.

2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board adopts an internal process of annually evaluating the performance, skills and knowledge of the Board. Although the Board has not yet adopted a formal skills matrix in this regard, the Board has undertaken a detailed self-assessment of its performance, skills, knowledge, 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;
- experience in capital and financial markets, within Australia and internationally;
- understanding of and experience in health, safety, environment and community;
- global public policy advocacy, economic, social and environmental policy and practice across a range of industries;
- accounting and financial skills and experience;
- strategic leadership across a diverse range of operations in the minerals industry; and
- extensive experience in publicly listed ASX companies and government bodies.

2.3 A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

The Board has four 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;

- no independent Director has a material contract or relationship that would compromise their independence;
- the written agreement with Directors provides approval for Directors to take independent professional advice at the expense of the Company; and
- the period of office held by each Director in office at the date of the Annual Report. Tenure ranges from one to six years for the independent Directors.

2.4 A majority of the board of a listed entity should be independent directors.

As the three Non-Executive Directors, Dr David Carland, Mr Alister Maitland and Mr Mitchell Hooke are considered to be independent, the Company has a majority of independent Directors. The remaining Director is the Chief Executive Officer/Managing Director who is not considered independent. The independent Non-Executive Directors will meet from time to time without Management present.

The determination of Director independence and interests is reviewed on a regular basis by the Board and is a standing item on the Board Meeting agenda.

2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Dr David Carland is currently the Non-Executive Chairman (and he is not the CEO) of the Company. Dr Carland is considered to be an independent Director.

2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

New Directors 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
- 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; and
- 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 act ethically and responsibly.

3.1 A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

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).

Rex also has in place a policy concerning trading in its securities. The Share Trading policy includes detailed requirements for Directors, officers and key management regarding the circumstances when they may trade in the Company's securities.

These policies are available on the Company's website.

4 Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

4.1 The board of a listed entity should:

- (a) have an audit committee which:
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
 - (3) the charter of the committee
 - (4) the relevant qualifications and experience of the members of the committee; and
 - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board has established an Audit Committee. The members of the Audit Committee are Mr Alister Maitland, Dr David Carland and Mr Mitchell Hooke. Mr Maitland is the independent Chair of the Audit Committee (and he is not Chair of the Board). The Directors consider that the Audit Committee is of sufficient size, independence and technical expertise to discharge its mandate effectively. All members of the Audit Committee are considered to be independent Directors.

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

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

The Committee's charter sets out the specific role and duties of the Audit Committee and a copy is available on the Company's website.

4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity 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.

In accordance with this recommendation, 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.

4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor 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 external auditor attended the Company's AGM during the reporting period. There were no written questions received prior to the meeting and no questions were raised at the meeting.

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.

5.1 A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- (b) disclose that policy or a summary of it.

Rex has established written policies and procedures designed to ensure timely 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. 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.

A copy of the Company's Continuous Disclosure Policy is available on its website.

6 Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

6.1 A listed entity should provide information about itself and its governance to investors via its website.

Rex places a high priority on communications with its Shareholders. Although the Company does not have a standalone communications policy, it considers that its Continuous Disclosure Policy, together with disclosure through the following means, promotes effective communications with shareholders:

- disclosures made to the ASX;
- providing a copy of its annual report to all requesting shareholders;
- notice of meeting and explanatory memorandum in relation to resolutions to be put to a vote of shareholders;
- encouraging shareholder participation at AGMs;

- investors and stakeholders are encouraged to send enquires or subscribe to the Company's electronic mailing list via its website;
- responding to communications from shareholders in a timely and responsive manner; and
- provision of all information regarding the Company and its governance on its website. In particular, Rex uses its website to make available to shareholders information regarding its business, including copies of its Annual Report, financial reports, market releases and current activities.

6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Whilst Rex has not established a formal investor relations program at this time, the Company has established effective communication with investors through the communication channels described above (refer to 6.1). The Company responds to queries received, however, in accordance with its continuous disclosure obligations, all information provided is subject to what is available in the public domain.

6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Shareholders are encouraged to attend shareholder meetings and are invited to submit questions either before or during the meeting, with the Chairman answering as many as practicable during the meeting.

The Chairman also encourages shareholders at meetings to ask questions regarding the Company's current activities. These may be responded to directly by the Chairman, or at his discretion, may be referred to another Director or member of the management team.

6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Shareholders have the option of electing to receive shareholder communication electronically through the Company's share registry.

The Company's Share Register is managed and maintained by Computershare Investor Services. Contact details can be found within the Corporate Directory on the Company Profile 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.

7.1 The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director,
 and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Although there is currently no stand-alone Risk Committee, the Board Charter provides that it is the Board's responsibility to approve Rex's risk and audit framework, systems of risk management and internal control, as well as approving compliance with any risk and audit policies and protocols in place at the time. Risk is a standing agenda item for discussion at each Board Meeting.

The Board evaluates all risks relating to Rex at regular intervals throughout the year to ensure that all existing risks are being monitored and managed effectively and that the Company is not being exposed to any new risks.

7.2 The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board reviews the Company's risk management framework on a regular basis to ensure it continues to be sound and appropriate for its risk profile.

7.3 A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Given the size of the Company and the structure of its Board, the Board does not consider that a separate internal audit function is necessary at this stage. However, a key responsibility of the Audit Committee is to evaluate compliance with the Company's internal control systems.

7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Whilst Rex is exposed to a number of general risks, given its present circumstances and stage of development, it does not consider that it has a material exposure to any economic, environmental or social sustainability risks at this time. However, this may change as the Company moves towards development of the Hillside Project.

As part of the Company's regular risk management review, the Board considers a wide range of risks, including the following:

- *Economic risks:* General economic conditions such as movement in interest and inflation rates and currency exchange fluctuations, and public policy and regulatory arrangements.
- *Tenement title:* Interests in tenements are governed by Federal and State legislation which carries with it expenditure and reporting commitments as well as conditions which, if not met may result in loss of the Company's interest or title in the tenements.
- *Commodity price fluctuation:* The Company is affected by fluctuations in the price of commodities and in particular, copper and gold which could impact on its proposed operations.
- *Upgrading resource categories and conversion of resources to reserves:* Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice and may be subject to change if new information or techniques become available.

- *Environmental risks:* Risks associated with the operations of the proposed mine are assessed in respect of Australian Federal and State legislation and regulations.
- *Social sustainability and community inclusion:* The Company maintains open communication with the community surrounding the proposed operations to reduce any foreseeable negative impacts on the community.

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.

8.1 The board of a listed entity should:

- (a) have a remuneration committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director;
 and disclose:
 - (3) the charter of the committee
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has established a Remuneration Committee. The members of the Remuneration Committee are Mr Mitchell Hooke, Dr David Carland and Mr Alister Maitland. Mr Hooke is an independent Chair of the Remuneration Committee (and he is not Chair of the Board). All members of the Remuneration Committee are considered independent Directors. The Directors consider that the Remuneration Committee is of sufficient size, independence and technical expertise to discharge its mandate effectively.

As highlighted in 2016, the Board continues to manage any matters that may be raised for consideration by the Remuneration Committee. Accordingly, it was not considered necessary to hold separate Remuneration Committee meetings during the year.

8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

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.

A copy of the Company's Remuneration Committee Charter is available on its website.

8.3 A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

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.