(ABN 12 124 960 523)

Rex Minerals Limited and its controlled entities

31 December 2010 Interim financial report

Corporate Directory

DIRECTORS

Paul Chapman (Chairperson)
Steven Olsen (Managing Director)
Richard Laufmann

COMPANY SECRETARY

Amber Rivamonte

PRINCIPAL & REGISTERED OFFICE

209 Dana Street
Ballarat Victoria 3350

CONTACT DETAILS

PO Box 626W
Ballarat West Victoria 3350

Tel: 03 5337 4000
Fax: 03 5331 1776
Email: info@rexminerals.com.au

SHARE REGISTRARS

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

AUDITORS

KPMG
147 Collins Street
Melbourne Victoria 3000

BANKERS

ANZ Banking Group Limited
927 Sturt Street
BALLARAT VIC 3350

LEGAL ADVISORS

Baker McKenzie
181 William Street
Melbourne Victoria 3000

Contents

Directors' report

The directors present their report together with the consolidated interim financial report for the half-year ended 31 December 2010 and the auditors review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Name	*Period of directorship*
Non-executive	
Paul Chapman Chairperson	Appointed 18 April 2007
Richard Laufmann Non-Executive Director	Appointed 16 May 2007
Executive	
Steven Olsen *Managing Director*	Appointed 13 May 2007

Principal activities

The principal activity of the Group is minerals exploration. There were no significant changes in the nature of the Group's principal activities during the financial period.

Operating results

The Income Statement shows a loss after tax of ($189,649) for the half-year ended 31 December 2010 (2009: $270,088).

Review of operations

The group's principal activities are focused on copper-gold exploration in South Australia.

South Australia

<u>Hillside Project</u>

Rex's flagship project is the Hillside copper-gold deposit, with most of Rex's recent expenditure focused on the definition of Mineral Resources at Hillside. The Hillside Mineral Resource is situated 12km south of the township of Ardrossan on the Yorke Peninsula, South Australia.

Figure 1: *Location diagram of the Hillside Project Area, South Australia.*

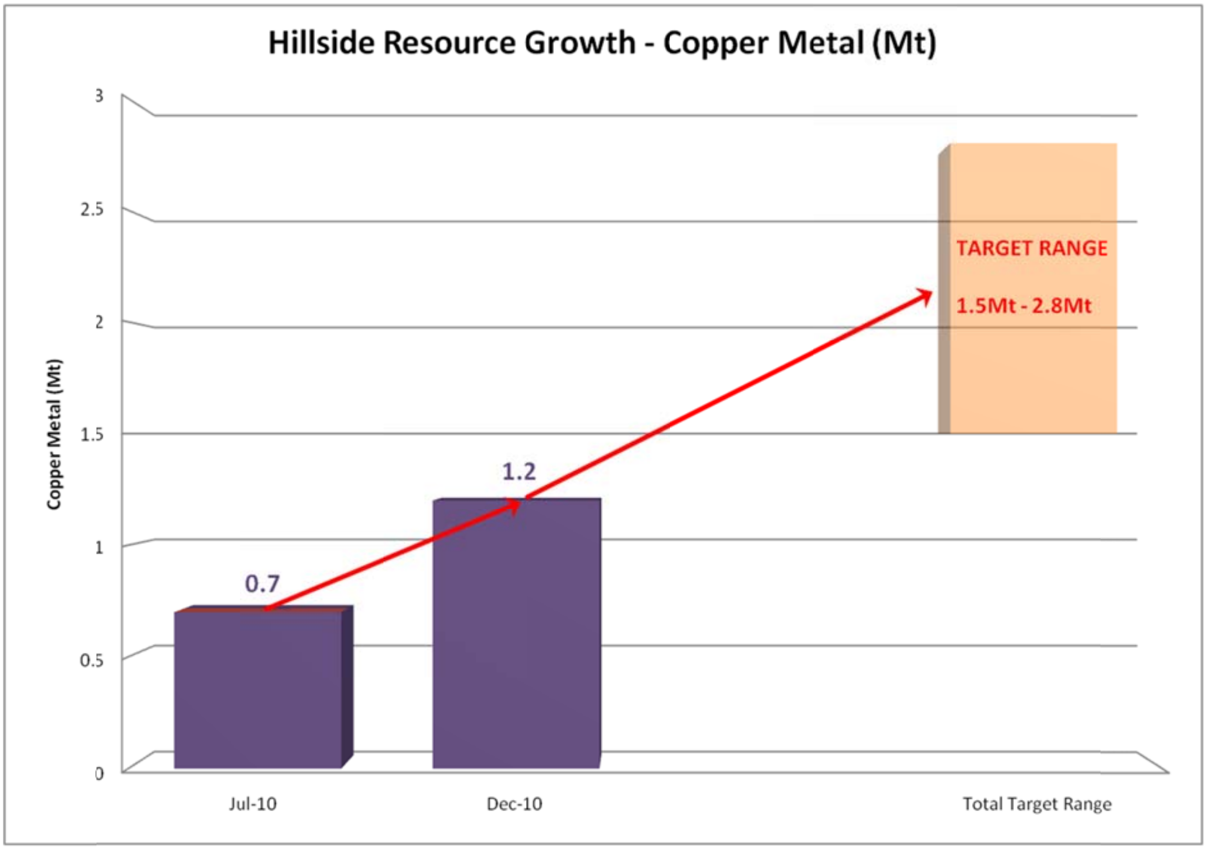
An average of four drill rigs operated at Hillside, increasing to five in December.

A maiden Resource estimate for Hillside was first announced in July 2010, with a subsequent Resource update announced in December 2010. The updated Mineral Resource estimate covers between 50% and 60% of the magnetic anomaly which has been used as the main targeting tool for the definition of copper at Hillside (Figure 2).

The close association between magnetic anomalies and the extensive copper mineralisation has continued to be an accurate targeting tool. Copper mineralisation has been found to occur in close proximity to where predicted throughout the drilling campaign.

Average assay results have remained relatively consistent throughout the drilling campaign. The previous guidance for the total target size at Hillside remains unchanged at between 1.5Mt and 2.8Mt of contained copper (represented by a range of 250Mt to 350Mt at a grade range of 0.6% to 0.8% copper and similar gold grades)[1].

The Hillside copper Resource has recently increased from 700,000 tonnes of contained copper (July 2010) to 1.2 million tonnes of contained copper (December 2010). This represents a 71% increase. Graph 1 below shows the increase in total resource between July and December 2010 as well as the total target size for the Hillside project.



Graph 1: *Hillside Resource Growth in copper metal (Mt)and total target range for 2011.*

---

[1]The total potential and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource in excess of that currently announced, and while Rex has confidence in this target statement, it is uncertain if further exploration will result in the determination of additional Mineral Resources.

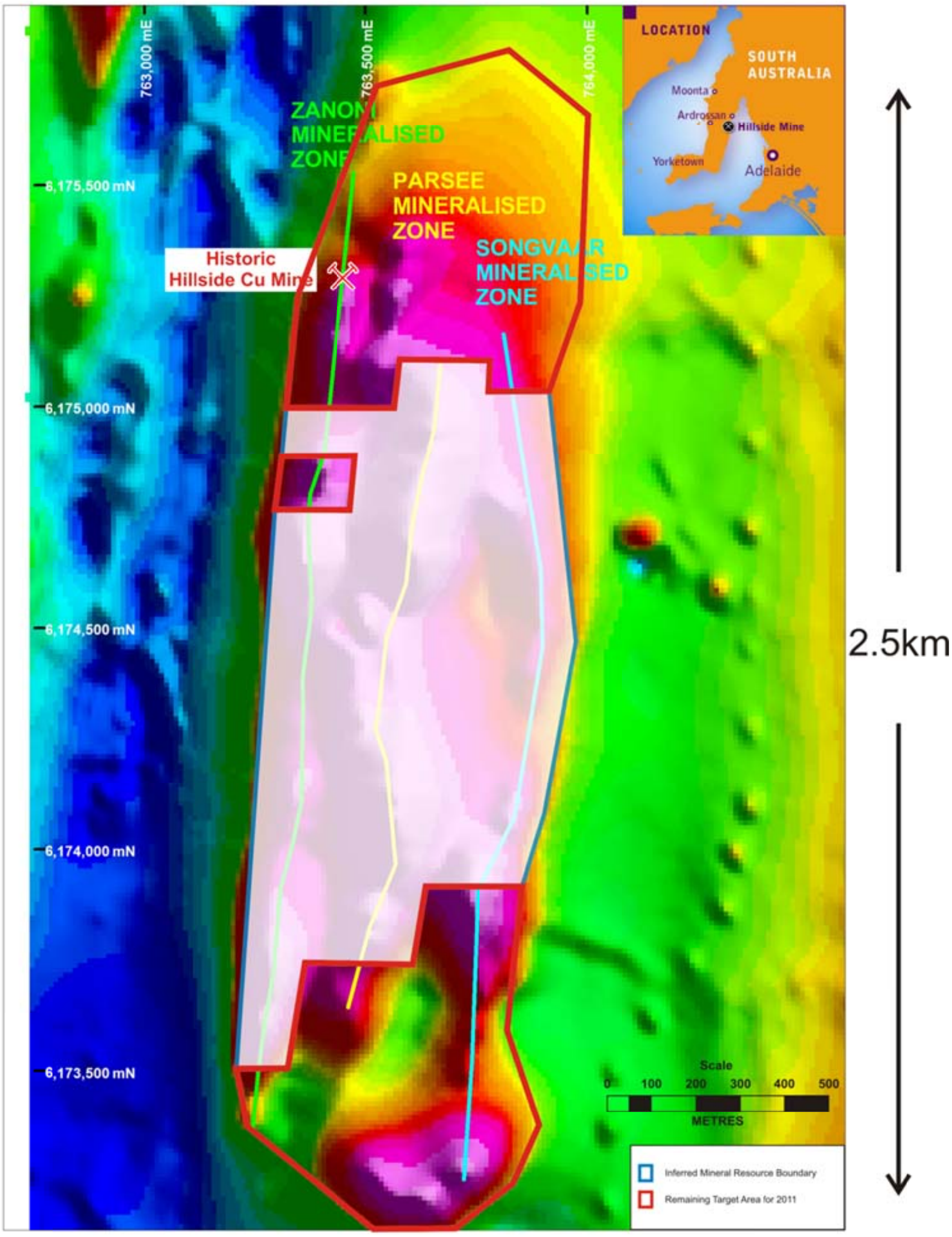


Figure 2: *Magnetic map of the Hillside project, showing location of the Inferred Resource and remaining area targeted for 2011.*

Since the completion of the latest Resource estimate at Hillside a number of new shallow high grade copper and gold discoveries have been made. The most significant of these results was from drill hole HRC-123 (Figure 1) of 51m @ 2.8% copper and 1.6g/t gold, which shows there is a significant (previously unidentified) shallow high grade ore zone concentrated on the Parsee magnetic anomaly. Based on the magnetic anomaly there is potential for shallow, high grade copper mineralisation to extend for up to 400m. Furthermore, within the 51 metre drill intersection, the highest grade continuous zone of mineralisation identified at Hillside to date was intersected. (8m @ 15% copper and 8g/t gold).

Conceptual study work has also commenced at the Hillside project. From this work program initial metallurgical test results were received and announced in December 2010. Testing confirmed conventional processing options with primary copper recoveries estimated at 90% and gold recoveries estimated at 75%. Testing of the oxide copper material was also completed with recoveries estimated to be between 70% and 80%. Initial test work also suggests that a magnetite concentrate (iron ore) of a saleable quality could be produced from reject material after processing a copper concentrate. Indications are that a magnetite concentrate is recoverable using magnetic separation techniques with the magnetite concentrate containing 65% iron.

Exploration activities are continuing at Hillside to achieve one of the Companies stated major objectives for 2011, which is to define copper Resource in the range of 1.5Mt to 2.8Mt within the constraints of the defined magnetic anomaly.

Pine Point Copper Belt

Rex has continued to expand its knowledge base of the regional geology by using information gathered from Hillside and further refined interpretations based on the recently completed and detailed magnetic and gravity surveys. Much of the early stages of this work is confined to desktop studies in preparation for an extensive regional drilling campaign in 2011. From this work a number of new high priority targets have been defined close to Hillside, including the Equis target (Figures 3, 4 and 5) 3km to the north-east of Hillside. Many of these targets display combined magnetic and gravity anomalies (typically offset from each other). Such characteristics are all considered to be important attributes of the Olympic Dam, Prominent Hill, Carapateena and the Hillside discoveries.

Of particular note is that many of the recently defined targets have greater magnetic and/or gravity anomalies than the Hillside project. The Rex team remains confident that the Yorke Peninsula will host multiple large scale copper-gold deposits. All existing data continues to support this interpretation, with the substantial diamond drilling campaign planned in 2011/12 designed to prove this concept.

Rex will continue to test the highest priority targets generated regionally in 2011 with the aim of making a new discovery that can add substantial value to a potential copper mining operation on the Yorke Peninsula. Rex considers that a further substantial copper discovery in the region will be another “game changing” event for Rex, and could help to unlock the value that Rex holds with its 100% ownership of the exploration licences on the Yorke Peninsula.

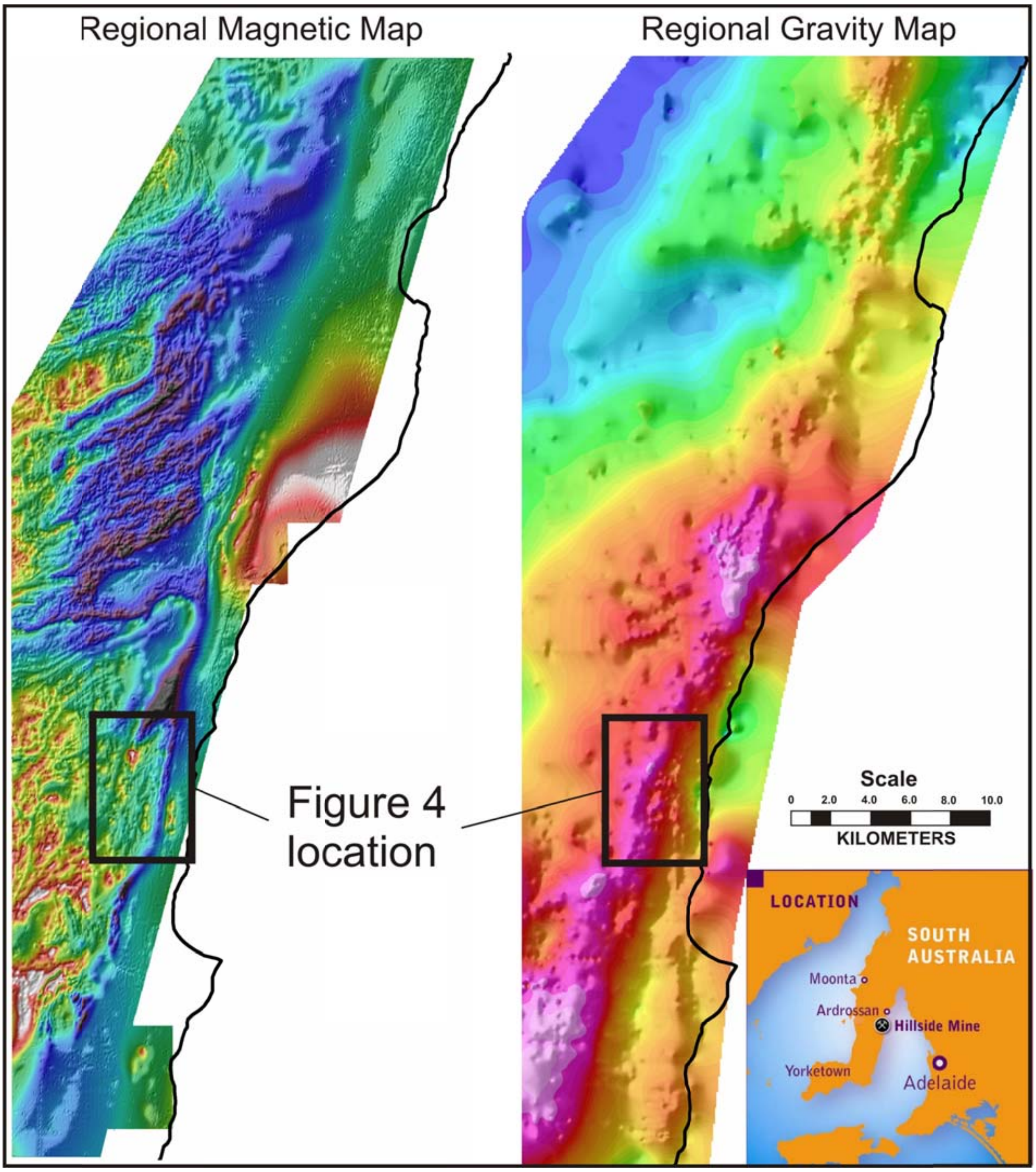


Figure 3: *Regional gravity and magnetic maps of the Pine Point Copper Belt with location of Figure 4 area.*

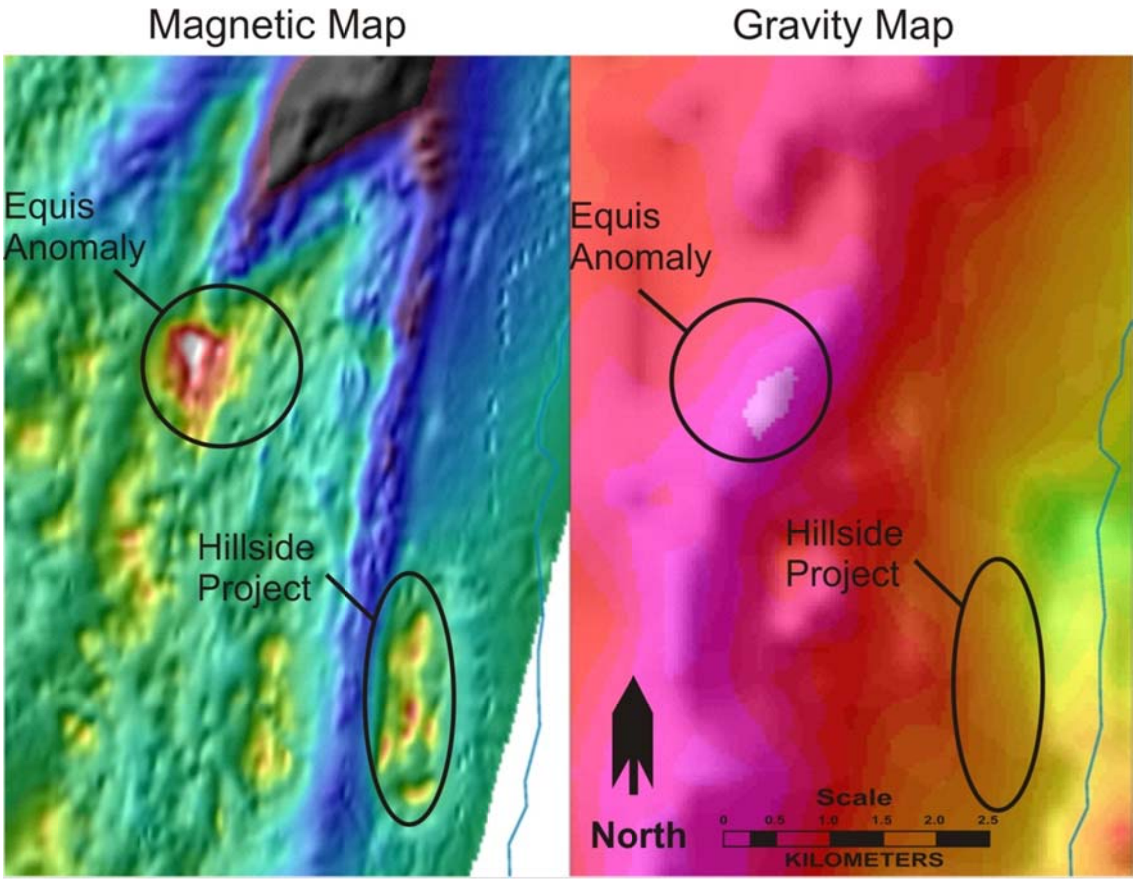


Figure 4: *Location of the Equis target and relative magnetic and gravity anomalies compared to the Hillside project.*

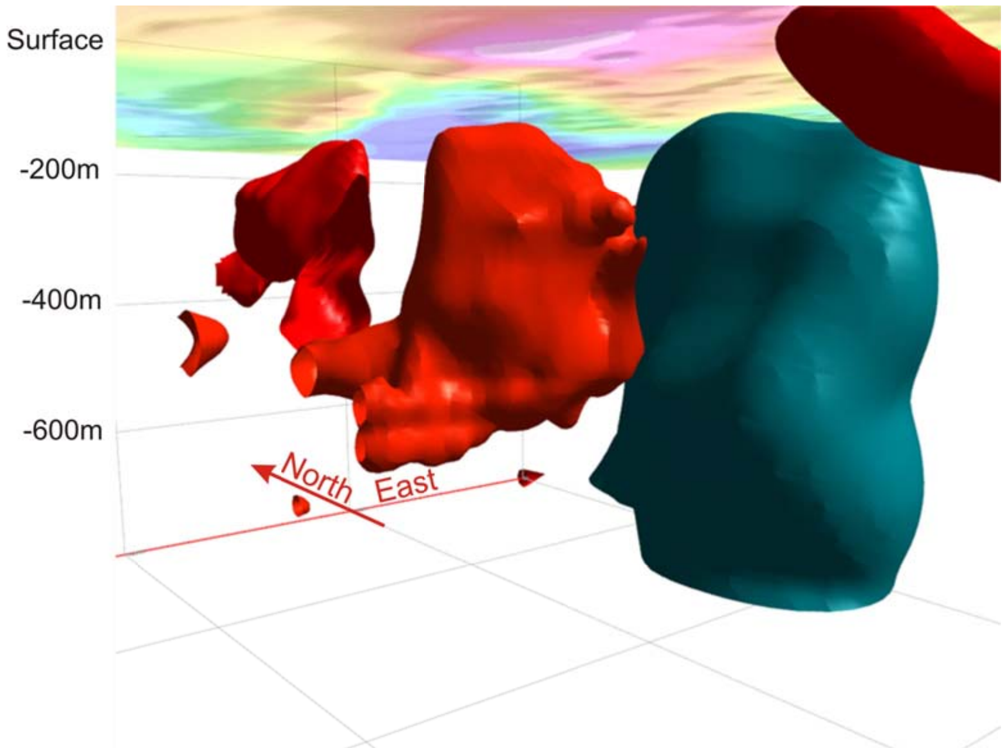


Figure 5: *Inversion modelling of the Equis Anomaly, with magnetic body shown in red and gravity body in blue. View is to NW from underneath. Total width (NW-SE) of combined bodies is approximately 1.2km.*

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Au (g/t)	Structure
HDD-107	**519**	**592**	**73**	**0.5**	**0.2**	**Zanoni (P)**
including	*526*	*533*	*7*	*1.1*	*0.4*	*Zanoni (P)*
	655	**680**	**25**	**0.4**	**-**	**Zanoni (P)**
	726	**730**	**4**	**2.6**	**0.2**	**Zanoni (P)**
	751	**790**	**39**	**0.3**	**-**	**Zanoni (P)**
HDD-109	**266**	**270**	**4**	**1.4**	**0.4**	**Parsee (p)**
HDD-113	**187**	**194**	**7**	**0.5**	**-**	**Parsee (p)**
	303	**312**	**9**	**0.6**	**-**	**Parsee (p)**
HDD-114	**296**	**299**	**3**	**1**	**0.5**	**Parsee (P)**
	369	**408**	**39**	**0.7**	**0.3**	**Parsee (P)**
including	*369*	*374*	*5*	*1*	*0.6*	*Parsee (P)*
	401	*404*	*3*	*3.1*	*1.3*	*Parsee (P)*
HDD-115	**399**	**412**	**13**	**0.5**	**0.3**	**Parsee (p)**
HDD-116	**209**	**215**	**6**	**0.6**	**0.2**	**Zanoni (p)**
	421	**473**	**52**	**0.8**	**0.3**	**Parsee (p)**
including	*444*	*465*	*21*	*1.4*	*0.5*	*Parsee (p)*
HDD-117	**63**	**80**	**17**	**0.3**	**0.1**	**Parsee (s)**
	444	**485**	**41**	**0.8**	**0.1**	**Zanoni (p)**
including	*444*	*450*	*6*	*2.5*	*0.2*	*Zanoni (p)*
	476	*483*	*7*	*1.6*	*0.2*	*Zanoni (p)*
	527	**536**	**9**	**0.7**	**0.1**	**Zanoni (p)**
	740	**752**	**12**	**0.4**	**0.1**	**Dart (p)**
	761	**775**	**14**	**0.5**	**-**	**Dart (p)**
HDD-118	**161**	**194**	**31**	**0.8**	**0.2**	**Dart (p)**
including	*180*	*185*	*4*	*2.6*	*1.1*	*Dart (p)*
	278	**305**	**27**	**0.3**	**0.1**	**Zanoni (p)**
	612	**673**	**61**	**0.4**	**-**	**Parsee (p)**
including	*619*	*625*	*6*	*1*	*-*	*Parsee (p)*
HDD-119	**313**	**517**	**204**	**0.4**	**0.1**	**Dart & Zanoni (p)**
including	*397*	*416*	*19*	*0.7*	*0.2*	*Dart & Zanoni (p)*
	430	*434*	*4*	*2.3*	*0.1*	*Dart & Zanoni (p)*
	505	*517*	*12*	*1.1*	*0.1*	*Dart & Zanoni (p)*
HDD-120	**124**	**135**	**11**	**1**	**0.1**	**Dart (s)**
	288	**299**	**11**	**0.5**	**0.1**	**Zanoni (p)**
	607	**640**	**33**	**0.6**	**-**	**Parsee (p)**
including	*630*	*638*	*8*	*1*	*-*	*Parsee (p)*
HDD-121	**220**	**224**	**4**	**1**	**0.2**	**Dart (p)**

	312	**358**	**46**	**0.5**	**0.4**	**Zanoni (p)**
including	*312*	*320*	*8*	*1.2*	*0.4*	*Zanoni (p)*
	381	**388**	**7**	**0.6**	**-**	**Zanoni (p)**
HRC-089	**51**	**74**	**23**	**0.4**	**0.1**	**Songvaar (s)**
HRC-092	**108**	**123**	**15**	**0.4**	**-**	**Dart (s)**
HRC-094	**11**	**24**	**13**	**0.5**	**0.6**	**Dart/Zanoni(s)**
HRC-097	**57**	**63**	**6**	**0.5**	**0.1**	**Songvaar (s)**
	121	**126**	**5**	**-**	**0.7**	**Songvaar (s)**
HRC-098	**105**	**127**	**22**	**0.5**	**0.1**	**Parsee (p)**
HRC-103	**51**	**56**	**5**	**0.3**	**-**	**Songvaar (s)**

(p) = Primary Mineralisation (s) = Supergene
*** All intercepts reported are down hole unless otherwise specified**
 # Hole terminated in copper mineralisation

Table 1: *Tabulated assay results from the Hillside Project in South Australia from drill holes completed in the September quarter 2010. All assays reported are down hole widths unless otherwise reported.*

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Au (g/t)	Structure
HDD-122	**166**	**196**	**30**	**0.3**	**-**	**Dart? (p)**
	228	**239**	**11**	**0.7**	**0.4**	**Dart/Zanoni? (p)**
	304	**342**	**38**	**0.5**	**0.1**	**Zanoni (p)**
HDD-123	**346**	**366**	**20**	**0.6**	**0.1**	**Dart (p)**
	387	**408**	**21**	**0.3**	**-**	**Zanoni (p)**
	500	**513**	**13**	**0.6**	**0.1**	**Zanoni (p)**
HDD-126	**356**	**443**	**87**	**0.4**	**-**	**Zanoni (p)**
HDD-127	**259**	**318**	**59**	**0.5**	**0.1**	**Zanoni (p)**
including	*294*	*305*	*11*	*1*	*0.1*	*Zanoni (p)*
HDD-128	**230**	**265**	**35**	**0.6**	**-**	**Dart (p)**
including	*251*	*257*	*6*	*1.5*	*0.1*	*Dart (p)*
including	*263*	*265*	*2*	*1.5*	*0.1*	*Dart (p)*
	295	**301**	**6**	**1.1**	**0.4**	**Dart (p)**
HDD-129	**111**	**115**	**4**	**0.6**	**-**	**Dart (p)**
	124	**141**	**17**	**1.1**	**0.1**	**Dart (p)**
HDD-130	**378**	**381**	**3**	**1**	**0.1**	**Dart (p)**

	409	**436**	**27**	**0.5**	**0.1**	**Dart (p)**
HDD-131	**109**	**122**	**13**	**0.4**	**0.4**	**Songvaar (p)**
	172	**180**	**8**	**0.7**	**0.1**	**Songvaar (p)**
including	*176*	*179*	*3*	*1*	*0.2*	*Songvaar (p)*
	183	**190**	**7**	**0.9**	**0.2**	**Songvaar (p)**
	199	**213**	**14**	**0.4**	**0.3**	**Songvaar (p)**
	270	**277**	**7**	**0.6**	**0.2**	**Songvaar (p)**
	559	**587**	**28**	**0.4**	**0.1**	**Songvaar (p)**
HDD-132W1	**432**	**445**	**13**	**0.5**	**0.1**	**Songvaar (p)**
	474	**480**	**6**	**0.5**	**-**	**Songvaar (p)**
HDD-133	**442**	**449**	**7**	**0.7**	**0.5**	**Zanoni (p)**
including	*443*	*445*	*2*	*1.3*	*1.1*	*Zanoni (p)*
HDD-134	**40**	**86**	**46**	**0.6**	**0.1**	**Songvaar (s)**
including	*63*	*72*	*9*	*1.1*	*-*	*Songvaar (s)*
	112	**147**	**35**	**0.4**	**-**	**Songvaar (s)**
HRC-122	**46**	**64**	**18**	**0.4**	**0.3**	**Songvaar (s)**
HRC-123	**93**	**144**	**51**	**2.8**	**1.6**	**Parsee (s)**
including	*94*	*102*	*8*	*15*	*8*	*Parsee (s)*
HRC-124	**230**	**234**	**4**	**1**	**0.1**	**Zanoni (p)**
	246	**255**	**9**	**1.2**	**0.2**	**Zanoni (p)**

(p) = Primary Mineralisation (s) = Supergene Mineralisation

*** All intercepts reported are down hole unless otherwise specified**

Table 2: *Tabulated assay results from drill holes completed at the Hillside Project in South Australia during the December quarter 2010. All assays reported are down hole widths unless otherwise reported.*

Corporate

After approval from Rex shareholders at the company's AGM, Rex announced the completion of an $85 million capital raising on 3 December 2010, to sophisticated and institutional investors at a price of $2.50 per share. This capital raising was combined with a Share Purchase Plan (SPP) which was offered to all shareholders at a price of $2.50. On 24 November 2010, Rex announced that it had completed the SPP which raised an additional $2.7 million.

The money raised is to be used over 2011 and 2012 to complete a full-feasibility study at Hillside and expand the regional exploration program on the Yorke Peninsula in South Australia.

White Rock Minerals, which was demerged from Rex on 15 June 2010, successfully completed an IPO during the period and was accepted to the official list of the ASX on 8 October 2010. White Rock is now well placed to add further value for shareholders with a solid two year exploration program at its flagship gold-silver-copper project, Mt Carrington and the recently acquired Guyra projects, both of which are in north-eastern NSW.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 24 and forms part of the directors' report for the half-year ended 31 December 2010.

Dated at Ballarat this 10th day of March 2011.

Signed in accordance with a resolution of the directors:

Steven Olsen
Managing Director

Consolidated interim statement of financial position

As at 31 December 2010

	Notes	31 Dec 2010 $	30 June 2010 $
Current assets			
Cash assets		103,666,326	31,474,941
Receivables		207,667	229,478
Other assets		36,626	22,263
Total current assets		103,910,619	31,726,682
Non-current assets			
Exploration and evaluation expenditure	6	32,427,483	22,278,777
Property, plant and equipment		678,245	373,671
Other non-current assets		1,000,000	1,000,000
Total non-current assets		34,105,728	23,652,448
Total assets		138,016,347	55,379,130
Current liabilities			
Trade and other payables		1,678,837	1,808,670
Provisions		157,623	141,989
Total current liabilities		1,836,460	1,950,659
Total liabilities		1,836,460	1,950,659
Net assets		136,179,887	53,428,471
Equity			
Issued capital	7	135,889,742	52,948,677
Reserves		400,350	520,080
Accumulated losses		(110,205)	(40,286)
Total equity		136,179,887	53,428,471

The statement of financial position is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 19 to 21.

Consolidated interim statement of comprehensive income

For the six months ended 31 December 2010

	Note	31 Dec 2010 $	31 Dec 2009 $
Finance income		1,295,029	399,571
Administrative expenses		(764,564)	(306,747)
Depreciation expense		(46,180)	(30,059)
Employee benefits expense		(558,965)	(244,808)
Marketing expenses		(114,968)	(88,045)
Loss before income tax		**(189,649)**	**(270,088)**
Income tax expense		-	-
Total loss for the period		**(189,649)**	**(270,088)**
Total comprehensive loss attributable to members of Rex Minerals Limited		**(189,649)**	**(270,088)**
Loss per share			
Basic and diluted loss per share (cents)		(0.15)	(0.31)

The statement of comprehensive income is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 19 to 21.

Consolidated interim statement of changes in equity

For the six months ended 31 December 2010

	Attributable to equity holders of the Company			
	Share Capital	Reserves	Retained Earnings	Total Equity
	$	$	$	$
Balance at 1 July 2009	24,711,046	552,130	(2,699,202)	22,563,974
Issue of ordinary shares	42,891,301	-	-	42,891,301
Share based payments compensation	-	28,660	-	28,660
Reversal of share based payments reserve	-	(60,210)	60,210	-
Loss for the period	-	-	(270,088)	(270,088)
Balance at 31 December 2009	**67,602,347**	**520,580**	**(2,909,080)**	**65,213,847**
Balance at 1 July 2010	52,948,677	520,080	(40,286)	53,428,471
Issue of ordinary shares	82,941,065	-	-	82,941,065
Share based payments compensation	-	(119,730)	119,730	-
Loss for the period	-	-	(189,649)	(189,649)
Balance at 31 December 2010	**135,889,742**	**400,350**	**(110,205)**	**136,179,887**

The amounts recognised in equity are disclosed net of tax.

The statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 19 to 21.

Consolidated interim statement of cash flows

For the six months ended 31 December 2010

	31 Dec 2010 $	31 Dec 2009 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,490,031)	(432,060)
Net cash (used in) operating activities	**(1,490,031)**	**(432,060)**
Cash flows from investing activities		
Exploration and evaluation payments	(10,179,733)	(4,218,272)
Interest received	1,282,349	335,747
Acquisition of property, plant and equipment	(362,265)	(470,238)
Investment in term deposits	-	(795,400)
Net cash used in investing activities	**(9,259,649)**	**(5,148,163)**
Cash flows from financing activities		
Proceeds from the issue of share capital	87,851,802	42,424,650
Payment of share capital transaction costs	(4,910,737)	(1,828,255)
Net cash from financing activities	**82,941,065**	**40,596,395**
Net increase in cash and cash equivalents	72,191,385	35,016,172
Cash and cash equivalents at beginning of the period	31,474,941	12,286,067
Cash and cash equivalents at period end	103,666,326	47,302,239

The statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 19 to 21.

Condensed notes to the consolidated interim financial report

1 Reporting entity

Rex Minerals Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as the "Consolidated Entity").

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2010 is available upon request from the Company's registered office at 209 Dana Street, Ballarat, Victoria or at *www.rexminerals.com.au*

2 Statement of compliance

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

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2010.

This consolidated interim financial report was approved by the Board of Directors on 10th March 2011.

3 Significant accounting policies

The accounting policies applied by the consolidated entity in this interim financial report are the same as those applied by the consolidated entity in its financial report as at and for the year ended 30 June 2010.

4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the consolidated entity'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 2010.

5 Operating Segments

The Consolidated Entity consists of one operating segment and operates in one geographic location, South Australia.

6 Exploration and Evaluation Expenditure

	31 Dec 2010	30 Jun 2010
Exploration and evaluation costs carried forward in respect of minerals exploration areas of interest:	$	$
Exploration and evaluation phases	**32,427,483**	**22,278,777**
Opening balance	22,278,777	17,285,710
Additions	10,148,706	12,373,835
Expenditure disposed of	-	(7,380,768)
Closing balance	**32,427,483**	**22,278,777**

The recoverability of the carry forward amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

7 *Issued capital and reserves*

Movements in shares on issue:

		No of shares	Issue price $	$
Opening balance at 1 January 2010		**108,845,152**		**67,602,347**
Exercise of employee options – funds received	29/01/2010	120,000	0.41	49,200
Exercise of Employee Options – funds received	29/01/2010	600,000	0.25	150,000
Exercise of Founding Options – funds received	29/01/2010	1,000,000	0.25	250,000
Issue of Ordinary Shares - Titeline	05/03/2010	1,894,308	0.70	1,326,016
Exercise of Options – funds received	07/05/2010	1,000,000	0.25	250,000
Exercise of Employee Options – funds received	07/05/2010	120,000	0.70	84,000
Exercise of Employee Options – funds received	20/05/2010	60,000	0.41	24,600
Exercise of Founding Options – funds received	20/05/2010	500,000	0.25	125,000
Exercise of Founding Options – funds received	21/05/2010	250,000	0.25	62,500
Capital reduction via demerger				(16,974,986)
Closing balance at 30 June 2010		**114,389,460**		**52,948,677**

Opening balance at 1 July 2010		**114,389,460**		**52,948,677**
Exercise of options	30/07/2010	100,000	0.10	10,200
Exercise of options	30/07/2010	60,000	0.55	33,120
Exercise of options	03/09/2010	60,000	0.55	33,120
Exercise of options	24/09/2010	30,000	0.22	6,510
Exercise of options	29/09/2010	500,000	0.10	51,000
Exercise of options	08/10/2010	60,000	0.22	13,020
Exercise of options	29/10/2010	6,000	1.22	7,332
Issue of Ordinary Shares	29/10/2010	17,000,000	2.50	42,500,000
Issue of Ordinary Shares	24/11/2010	1,079,000	2.50	2,697,500
Issue of Ordinary Shares	03/12/2010	17,000,000	2.50	42,500,000
Less Costs of Issue				(4,910,737)
Closing balance at 31 December 2010		**150,284,460**		**135,889,742**

Movements in options on issue:		**No. of Options**	**Exercise Price $**	**Expiry Date**
Opening balance at 1 January 2010		**7,570,000**		
Exercise of options – employees	29/01/2010	(120,000)	0.41	30/06/2011
Exercise of options – employees	29/01/2010	(600,000)	0.25	30/06/2011
Exercise of options – founding	29/01/2010	(1,000,000)	0.25	30/06/2011
Exercise of options	07/05/2010	(1,000,000)	0.25	30/06/2011
Exercise of options – employees	07/05/2010	(120,000)	0.70	31/05/2012
Exercise of options – founding	20/05/2010	(500,000)	0.25	30/06/2011
Exercise of options – employees	20/05/2010	(60,000)	0.41	30/06/2011
Exercise of options – employees	21/05/2010	(250,000)	0.25	30/06/2011
Issue of options – employees	03/06/2010	600,000	1.22	24/05/2013
Closing balance at 30 June 2010		**4,520,000**		
Opening balance 1 July 2010		**4,520,000**		
Exercise of options	30/07/2010	(100,000)	0.10	30/06/2011
Exercise of options	30/07/2010	(60,000)	0.55	31/05/2012
Exercise of options	03/09/2010	(60,000)	0.55	31/05/2012
Exercise of options	24/09/2010	(30,000)	0.22	30/06/2011
Exercise of options	29/09/2010	(500,000)	0.10	30/06/2011
Exercise of options	08/10/2010	(60,000)	0.22	30/06/2011
Exercise of options	29/10/2010	(6,000)	1.22	24/05/2013
Closing balance at 31 December 2010		**3,704,000**		

8 Commitments

The Company has a capital expenditure commitment of $3,600,000 which will be satisfied within the year.

9 Subsequent events

There has been no significant subsequent events post 31 December 2010.

Directors' declaration

In the opinion of the directors of Rex Minerals Limited ("the Company"):

1. the consolidated financial statements and notes set out on pages 15 to 21, are in accordance with the Corporations Act 2001 including:

    (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2010 and of its performance, as represented by the results of its operations and cash flows 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.

Dated at Ballarat this 10th day of March 2011.

Signed in accordance with a resolution of the directors:

Steven Olsen
Managing Director

KPMG

Independent auditor's review report to the members of Rex Minerals Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Rex Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2010, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 9, comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company 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* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and 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*. As auditor of Rex Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 Limited is not 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 2010 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*.

KPMG

KPMG

Alison Kitchen
Partner

Melbourne

10 March 2011

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

To: the directors of Rex Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 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

Alison Kitchen

Partner

Melbourne

10 March 2011