Rex Minerals Limited ACN 124 960 523 ("Company")

Terms and Conditions of Options

The terms and conditions of the options over unissued ordinary shares in the Company are as follows:

- 1. Each option entitles the holder to subscribe for 1 ordinary share in the Company.
- 2. Notwithstanding paragraph (1), if:

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- (a) the holder is an employee or director of the Company at the date of issue and ceases to be an employee or director of the Company for any reason whatsoever except by reason of death, the options which the holder is entitled to exercise at that time are exercisable within 60 days and any options not exercised during that period shall lapse;
- (b) the holder is an employee or director of the Company at the date of issue and ceases to be an employee or director of the Company by reason of death, the options which the holder is entitled to exercise at that time are exercisable within 12 months by the legal personal representative of the holder and any options not exercised during that period shall lapse;
- (c) a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder becomes entitled to compulsorily acquire all of the shares, any options not exercised by the end of the bid period shall lapse; or
- (d) a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company, any options not exercised during the period which is 7 days of the court order shall lapse.
- 3. The holder may exercise any part of the options only without prejudice to the holder's ability to subsequently exercise any remaining options.
- 4. All shares issued upon exercise of the options will rank equally in all respects with the then issued shares, and the Company will, within 7 days, apply for official quotation by the ASX of all shares issued upon the exercise of the options.
- 5. There are no participating rights or entitlements conferred on the options and the holder will not be entitled to participate with respect to the options in new issues offered to shareholders during their currency without exercising the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the relevant record date will be at least 7 business days after the relevant issue is announced and the holder is notified at that time. This will give the holder the opportunity to exercise the options prior to the date for determining entitlements and to participate in any such issue as a shareholder.
- 6. In the event of any reorganisation of capital of the Company prior, to the expiry date for exercise of the options, the number of options which the holder is entitled or the exercise price of the options or both shall be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.

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7. The number of options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising options as follows:

Notice of Exercise of Options		
To the Directors of Rex Minera	Limited ACN 124 960 523 (the "Company"),	
I,		
of		
being the registered holder of options in the capital of the Company hereby exercise		
1	1 ,	
Dated the day of	20	
Signed by)	
the holder of the options)	

- 8. The options are exercised by completing the Notice of Exercise of Options form (similar to the one above) and forwarding it to the Company with the exercise monies payable to the Company. The Company shall within 7 days after the receipt of such Notice, allot shares in respect of the options exercised and dispatch a shareholder statement to the holder.
- 9. The Company will advise holders at least 20 business days before the impending expiry of their options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the ASX Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their options.
- 10. The options are not-transferable unless the Board otherwise determines in its discretion (whilst ensuring that the integrity of the provisions in paragraphs 2(a) and 2(b) above are retained notwithstanding any consent to transfer).

Notwithstanding any other provision of the option terms:

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- (a) for the options issued to Titeline Property Pty Ltd, the options vest only after completion of 672 days drilled by Titeline Drilling Pty Ltd under the Professional Services Agreement between it and Rex; and
- (b) for the options issued to employees, one third of the options vest immediately, one third of the options vest on 1 July 2008 and one third of the options vest on 1 July 2009,

provided that early vesting of all options which have not then yet vested shall occur earlier than these dates, in the event of a takeover bid or in the event of a court ordering a meeting to be held in relation to a proposed scheme of arrangement under paragraph 2.

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