



**REX
MINERALS
LTD 2015**

ANNUAL REPORT



THE NEXT GENERATION

HILLSIDE: SOUTH AUSTRALIA



REX MINERALS LTD 2015

ANNUAL REPORT

CORPORATE DIRECTORY

DIRECTORS

David Carland (Chairman)
Richard Laufmann (Managing Director and CEO)
Alister Maitland (Non Executive Director)
Mitchell Hooke (Non Executive Director)

COMPANY SECRETARY

Rosalie Bolingbroke

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Melbourne Victoria 3000

LEGAL ADVISORS

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Melbourne Victoria 3000

OPERATION LOCATIONS





REX MINERALS LTD 2015

ANNUAL REPORT

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LETTER FROM THE CHAIRMAN

For the year ended 30 June 2015

Dear Fellow Shareholder,

The year in review has been a tough one for the minerals industry.

The minerals commodity markets headed south in dramatic fashion, some overshooting the underlying fundamentals of the supply-demand balance, driven by ongoing global structural adjustment in the social and economic development of emerging economies.

Equity markets have reinforced the “herd mentality” of the pro-cyclical tendencies of our industry. In turn, exploration and mining companies have struggled to realign their strategic positioning and operations in such a challenging environment.

This said, I am satisfied that Rex Minerals (Rex) moved quickly – in most circumstances moving ahead of the cycle – and we have taken the steps needed to realign every aspect of our Company. We are in the best possible position to leverage our Hillside Project and broader exploration portfolio as the product and capital markets recover and present real opportunities for us to capitalise on our strengths.

Rex, founded in 2007 as an exploration company, quickly enjoyed success, discovering the Hillside deposit in South Australia. This set us on a path of planning the development of that resource to determine commercial viability and optimum profitability, to the benefit of shareholders and other stakeholders.

While the initial plans appropriately made provision for economic contingencies, we have necessarily had to make even greater adjustments than we envisaged, given the extent and duration of the commodity cycle correction and the corresponding negative sentiment in the equity and commodity markets. There were two major elements to these adjustments.

First, we made management changes to ensure we had the necessary skills base within the Company that were suited to the changing circumstances and our need to adapt the Hillside Project’s prospective development parameters. This involved changes at the top. On the departure of the former CEO, I temporarily took on the role as Executive Chairman which concluded when Mr Richard Laufmann was appointed to the position of Managing Director. Mr Steven Olsen took on the important role of Chair of the Advisory Board, and at the completion of this work, he elected to resign from the Board, and he continues to be a valuable contributor through a consultancy agreement. This enabled us to appoint Mr Mitchell Hooke, who has a unique skill set, as a Non-Executive Director which perfectly positions him to add value to the Company.

Second, in considering the range of options before us in strategically positioning the Company in such a challenging environment, we undertook an Extended Feasibility Study (EFS) that emphasised a phased approach to the development of the Hillside resource, a markedly reduced start-up capital requirement, a reduced physical and existential community footprint and – relative to the tougher market conditions – a more economically viable and attractive project, with healthier prospects of optimising shareholders’ return on equity. Critically, the EFS parameters and profile were consistent with the existing Mining Lease granted to Rex.

To provide market participants with more reliable and relevant information on the carrying values of Exploration and Evaluation (E&E) assets, and to afford greater transparency regarding the Company’s current financial performance and position, the Company changed its accounting policy for E&E. The new policy is to charge E&E expenditure, excluding the costs of acquisition, against profit or loss as incurred. Adopting this change also brings Rex into line with the majority of its peers in the global mining industry as the Company transitions into development and production. There will be no impact on Rex’s underlying business activities or on the Company’s cash flow as a result of this change in policy which has been applied to the Company’s audited financial statements for the 12 months ended 30 June 2015. As a result of the change in accounting policy, Rex’s Statement of Financial Position as at 30 June 2014 has been restated for comparative purposes.

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In a broader and forward comment on market conditions, our view on commodities continues to be that long-term production to deliver into the world's expanding economies is constrained and that at some stage this significant shortfall will see the copper price revert to levels that make Hillside extremely attractive. Additionally, we recognise that stabilisation of the \$US price of copper is required for financing. We are also acutely aware of the impact of the \$US-\$A exchange rate and the outlook for Rex and its shareholders.

Market volatility is our immediate concern, and we will monitor this, looking for signs that a recovery is emerging so that we can time our approach to developing the Hillside Project. Now with a smaller development footprint, the Hillside Project should enable the Company to tailor an efficient financing package, drawing on a broad range of options.

Again with the longer term in mind, the greater the share of equity we retain for shareholders, the more value we believe will be created and retained for Rex and its shareholders. Rex remains debt free, has not given up any of its future offtake and does not have any commercial royalties attached to the Project. All of the Hillside resource remains with the Company.

The Hillside Project is one of great importance to both Rex and the State of South Australia. It can create substantial benefits for shareholders, the local community and the South Australian economy. Rex takes its social stewardship responsibilities very seriously, and to give effect to this we are committed to community engagement, working directly with the local community on the Yorke Peninsula and the wider regional and State community to ensure the Project strikes the right balance for all stakeholders.

You can be confident that the Rex Board remains focused on delivering on its vision to position the Company well for the development of the Hillside Project in South Australia, with potential for many decades of production in the region. Our management team continues to progress the development plans, and is now working on development of the Program for Environment Protection and Rehabilitation (PEPR) whilst investigating enhancements to the Project. With a small but highly experienced and skilled team in place, conserving our valuable cash resources and preserving the value of the Company's assets, we believe we are in a good position to take advantage of improvements in market sentiment.

On behalf of the Board, I would like to thank our employees and contractors for their efforts and achievements during the year. We would also like to acknowledge the support of our suppliers. Rex is proud to be a member of the community on the Yorke Peninsula, and we look forward to increasing our contribution to the community and many other businesses and services in the region as the Hillside Project develops.

Yours sincerely,

David Carland
Chairman

REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2015

Rex Minerals Ltd (Rex or the Company) has achieved the following milestones over the year:

September 2014	Rex announced it had accepted the terms and conditions associated with the offer for a Mining Lease at Hillside and that the South Australian Government had granted Rex the Mining Lease.
April 2015	Mr Richard Laufmann was appointed Managing Director and Chief Executive Officer.
May 2015	Rex released results of the Extended Feasibility Study (EFS) and an updated Mineral Resource and Ore Reserve.
August 2015	Mr Mitchell Hooke was appointed as a Non Executive Director.

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA

Rex's flagship Hillside Project is situated 12 kilometres south of the township of Ardrossan on the Yorke Peninsula, South Australia (Figure 1). Copper-gold mineralisation was first discovered at the Hillside Project by Rex in 2008. Targeting of the Project was based on the presence of a small historical copper mine, a broad magnetic feature and subtle gravity anomalies in the area. The Project was also the first test of a larger theory that iron-oxide-copper-gold style mineralisation could exist underneath the thin cover rocks on the Yorke Peninsula.

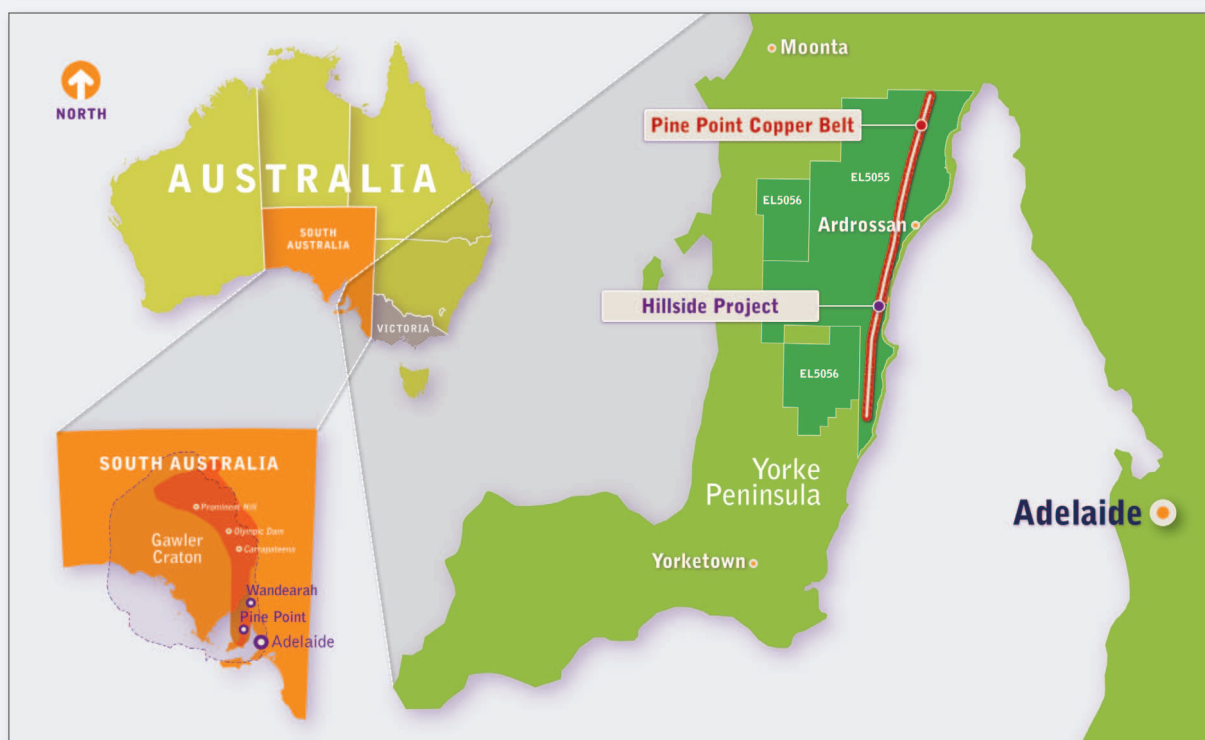
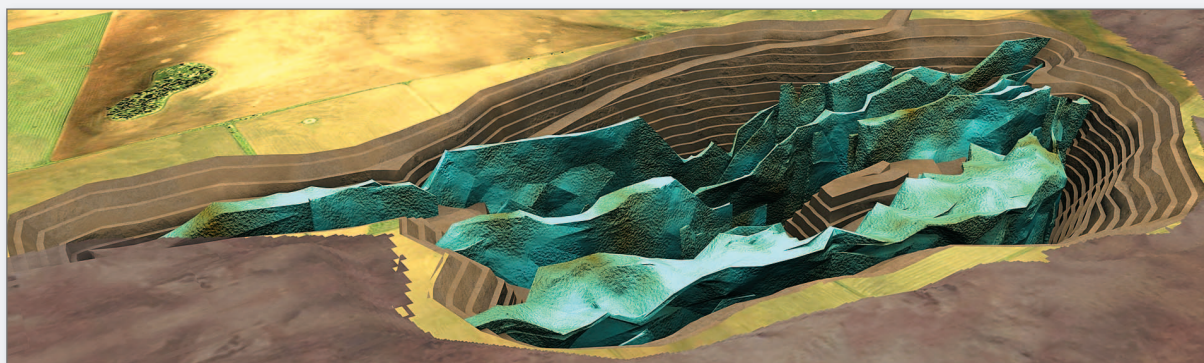


Figure 1: Location of the Hillside Project and Rex's exploration licences on the Yorke Peninsula



3D rendering of the layout of the proposed open pit at Hillside, showing underground geological structures.

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

Rex's Hillside Project and the other copper targets on the Yorke Peninsula have a number of key advantages compared to many other new copper development opportunities around the world. These include:

- > **Infrastructure** – The Hillside Project is connected by a major highway (within a two-hour drive) to the city of Adelaide (population 1.2 million).
- > **People and Equipment** – The Hillside Project has the potential to draw most of the required skilled labour and equipment from the surrounding country towns close to the Project as well as from Adelaide.
- > **Power and Water** – The area is connected to South Australia's main power grid and water network.
- > **Port and Town** – The Hillside Project is located very near to the port and town of Ardrossan. Ardrossan is a community familiar with mining, given that a nearby open-cut dolomite mine ships its product through the port. The Project also has ready access to the Port of Adelaide by road, a distance of approximately 160 kilometres.
- > **Freehold Land** – Rex has purchased freehold land, which covers all of the known and potential copper mineralisation of the Hillside Project.

Following the discovery of the Hillside deposit in 2008, the Company raised the funds required to drill out the Hillside deposit down to a depth of approximately 600 metres (m) and this drilling and associated technical work is the basis for the current Mineral Resource and Ore Reserve for the Hillside Project. The latest Mineral Resource at Hillside was the starting point for the Hillside EFS.

> MINERAL RESOURCE AND ORE RESERVE

The Mineral Resource for the Hillside Project remains one of Australia's largest open pit copper Mineral Resources. The Mineral Resource estimate, reported in accordance with the 2012 JORC Code, consists of 337 million tonnes (Mt) @ 0.6% copper and 0.14 grams per tonne (g/t) gold, equating to approximately 2.0Mt (4.3 billion pounds) of copper and 1.4 million ounces (Moz) of gold (see Table 1 below). Of the 2Mt of contained copper classified as a Mineral Resource, approximately 65% is classified as Measured and Indicated Resources. The updated Mineral Resource (the seventh for the Hillside Project) includes information from 608 diamond drill holes and 245 RC drill holes for a total of 239,000m. The Mineral Resource remains open at depth and towards the north and south.

The Hillside Ore Reserve, announced on 25 May 2015 and reported in accordance with the 2012 JORC Code, stands at 82Mt @ 0.62% copper and 0.16g/t gold, equating to approximately 0.51Mt (1.12 billion pounds) of copper and 0.43Moz of gold (see Table 2 on Page 6). The Hillside Ore Reserve was updated (based on the mine design completed during the EFS) to deliver to the processing plant at a nominal rate of 6Mtpa of ore to produce a copper-gold concentrate. The Proved Ore Reserve of 42Mt represents 51% of the total Ore Reserve, with the remaining 49% in the Probable category. Iron ore has been removed from the Ore Reserve due to prevailing iron ore market conditions. However, Rex may reconsider an iron ore processing stream in the future.

Zone	Resource Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Oxide Copper	Measured	16	0.54	0.23	86,400	118,315
	Indicated	4	0.51	0.13	20,400	16,718
	Inferred	0.2	0.70	0.20	1,400	1,286
Secondary Sulphide	Measured	9	0.61	0.20	54,900	57,871
	Indicated	3	0.55	0.12	16,500	11,574
	Inferred	0.1	0.60	0.10	600	322
Primary Sulphide	Measured	47	0.54	0.16	253,800	241,774
	Indicated	144	0.59	0.13	849,600	601,862
	Inferred	114	0.60	0.10	684,000	366,519
Total*		337	0.60	0.14	1,976,600	1,416,240

Table 1: Hillside Measured, Indicated and Inferred Mineral Resource Summary Table – May 2015

Copper Resources reported above 0.2% cut-off grade.

Measured and Indicated Resources are rounded to two significant figures and Inferred Resources are rounded to one significant figure.

*Subject to rounding.

REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2015

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> MINERAL RESOURCE AND ORE RESERVE (CONTINUED)

Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Proved	42	0.55	0.19	228,049	250,454
Probable	40	0.70	0.14	281,213	181,051
Total*	82	0.62	0.16	509,262	431,504

Table 2: Hillside Ore Reserve – May 2015

Ore Reserves are rounded to two significant figures.

* Subject to rounding.

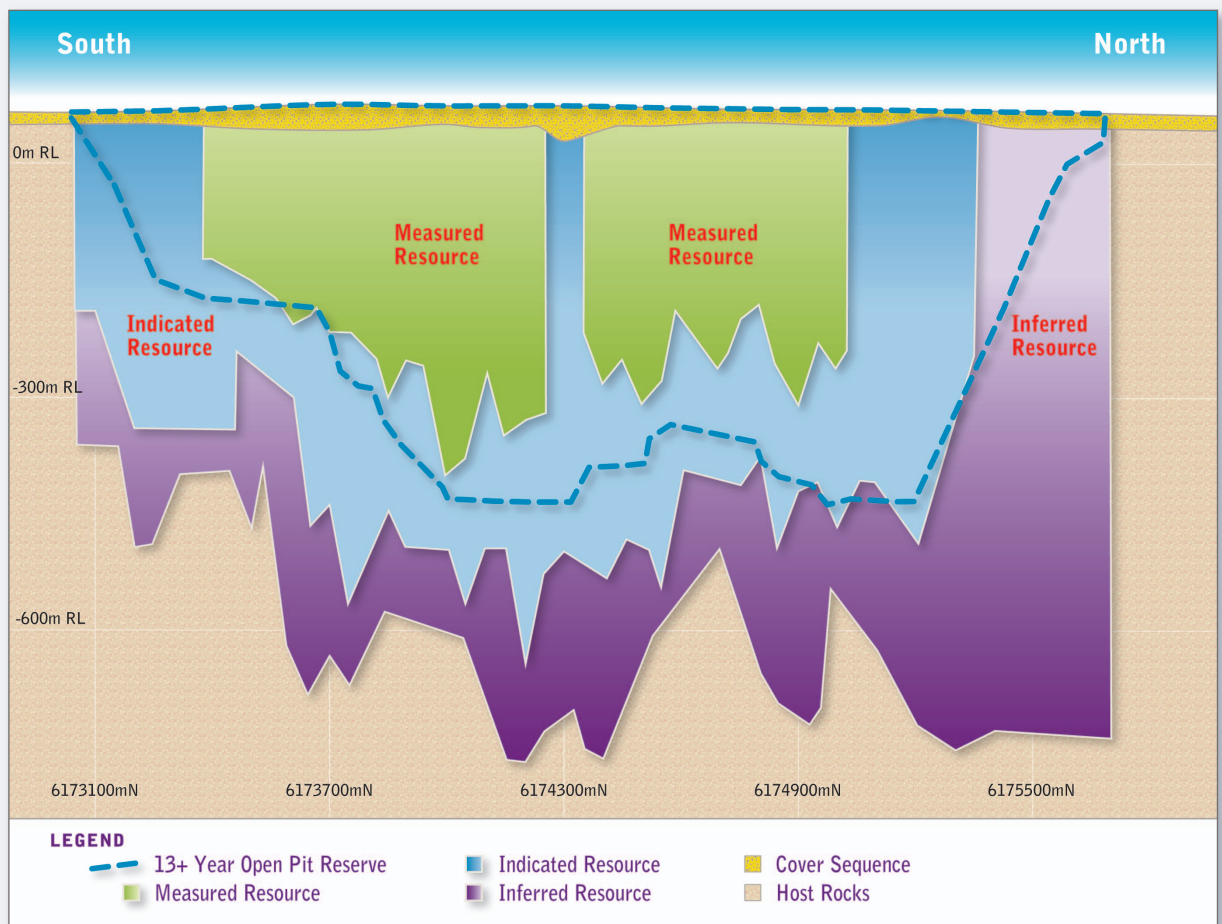


Figure 2: Schematic long section showing the location of the Measured, Indicated and Inferred Resources. View looking to the west.

> FUTURE CONVERSION OF MINERAL RESOURCES TO ORE RESERVES AND IRON ORE

The latest Mineral Resource at Hillside was the starting point for the Hillside EFS. A key outcome from the EFS was the generation of a revised Ore Reserve (derived from Indicated and Measured Resources). Furthermore, Rex has noted that there exists 20Mt of oxide resource within the open pit shell, that has the potential to be economic. Testing is underway to determine if this can be converted to an Ore Reserve.

Iron ore has been removed from the May 2015 Mineral Resource. Given current market conditions, the removal of iron ore from the Mineral Resource and the Ore Reserve estimates is appropriate. However, as noted, Rex may look to reinstate iron ore as a Mineral Resource in the future, should circumstances change.

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)**> COMPARISON OF MINERAL RESOURCE AND ORE RESERVE STATEMENT TO THE PRIOR YEAR**

As required under the ASX Listing Rules, Rex confirms that it is not aware of any new information or data that materially affects the information included in the May 2015 Mineral Resource and Ore Reserve Statement. All material assumptions and technical parameters underpinning the estimates in the May 2015 Mineral Resource and Ore Reserve Statement continue to apply and have not materially changed. The Hillside Mineral Resource and Ore Reserve as reported herein are current as at 30 June 2015 and there have been no changes (material or otherwise) since they were last reported on 25 May 2015.

	June 2014				June 2015			
	Tonnes (Mt)	Cu (%)	Au (g/t)	Fe (%)	Tonnes (Mt)	Cu (%)	Au (g/t)	Fe (%)
Hillside	337	0.6	0.14	15.7	337	0.6	0.14	NA

Table 3: Comparison Table – Mineral Resources

	June 2014				June 2015			
	Tonnes (Mt)	Cu (%)	Au (g/t)	Fe (%)	Tonnes (Mt)	Cu (%)	Au (g/t)	Fe (%)
Hillside	180	0.52	0.13	14.4	82	0.62	0.16	NA

Table 4: Comparison Table – Ore Reserves

There have been minor amendments to the reported Mineral Resource from the previous year (stated in the 2014 Annual Report) and these have been based on additional drill hole data and interpretation improvements. Iron ore has been removed from the Mineral Resource.

Since the Ore Reserve statement reported in the 2014 Annual Report, there has been a material increase in Ore Reserve grades (from 0.52% copper to 0.62% copper and 0.13g/t gold to 0.16g/t gold). Grade increases resulted from utilising a smaller Selective Mining Unit (SMU), revised mining equipment selection for a 6Mtpa open pit operation and a smaller, higher-grade pit shell. A material decrease in Ore Reserve tonnes (180Mt to 82Mt) from that which was reported in the 2014 Annual Report is a reflection of the decision to stage the Project. The staging approach does not prevent any future conversion of Mineral Resources to Ore Reserves, given favourable market conditions.

The iron ore has been removed from the Mineral Resource and Ore Reserve Statements due to prevailing iron ore market conditions however, Rex may reconsider an iron ore processing stream in the future.

> SUMMARY OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS FOR THE REPORTING OF MINERAL RESOURCES AND ORE RESERVES

Mineral Resources and Ore Reserves are estimated by qualified employees and consultants in accordance with the 2012 JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation are then reviewed by qualified Competent Persons. All Ore Reserve estimates are prepared in conjunction with feasibility studies which consider all material factors. The Mineral Resource and Ore Reserve Statements included in the 2015 Annual Report are reviewed by qualified Competent Persons from the Company prior to inclusion.

An audit and review of sampling techniques, data collection, modelling parameters, geo-statistical evaluation, block-grade creation and grade estimation for the Hillside Mineral Resource was undertaken by AMC Consultants Pty Ltd in May 2013, building on previous progressive audits. No matters were noted that would impair the validity of the June 2013 Mineral Resource estimate. Although this study was completed on the June 2013 Mineral Resource estimate, it is the Competent Person's view that no material changes have occurred between the June 2013 estimate and the May 2015 estimate used in the EFS and therefore, the conclusions noted remain valid.

REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2015

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> HILLSIDE PROJECT – EXTENDED FEASIBILITY STUDY

In August 2014, following a dramatic drop in commodity prices, particularly for iron ore, the Company changed its focus towards a copper-gold only project, with lower capital investment and higher copper head grades. An Advisory Board of industry experts was engaged by Rex to oversee the alternative development options for the Hillside Project. This work was termed the EFS.

The results from the Hillside EFS were announced to the market on 25 May 2015, with the outcomes significantly improving the Project's competitive fundamentals and materially reducing the upfront capital investment. With the objectives of the Advisory Board being met, the Board of Rex Minerals resolved to dissolve the Advisory Board on 30 June 2015.

Key outcomes from the EFS included:

- > A stand-alone copper-gold project with an initial 13+ year mine life at a processing rate of 6Mtpa.
- > Annual average production over the first 12 years of 129,000 tonnes of copper concentrate containing payable metal of:
 - 35,000 tonnes of copper; and
 - 24,000 ounces of gold.
- > A processing head grade of 0.66% copper and 0.17g/t gold over the first 12 years of production.
- > Pre-production capital investment of A\$480 (US\$360) million and average operating costs (C1) of US\$1.61/lb of copper (includes by-product credits).
- > NPV_(8%) of A\$188 million (post tax) and an IRR of 14% under the base case assumptions (see Table 9).
- > A construction workforce of close to 500-550.

The simplified and streamlined plan delivers a wide range of operational benefits, including:

- > Smaller start-up footprint;
- > Significant reduction in operating fleet;
- > Simpler process flowsheet and material handling complexity;
- > Lower ramp-up rate plus a more manageable production rate that leads to reduced economic risk; and
- > Significantly higher equipment productivities.

The following tables summarise the key outcomes of the Hillside EFS.

Life of Mine (LOM) Key Metrics	
Project Revenue	A\$4,264 million
Operating Costs	A\$2,672 million
Pre-tax project operating cash flows	A\$1,593 million
Pre-production capital	A\$480 million (US\$360 million)
C1 cash costs (includes by-product credits)	US\$1.61/lb
Estimated average workforce numbers (during production)	~500
Pre-tax Net Present Value (8%)	A\$309 million
Post-tax NPV (8%)	A\$188 million
Internal Rate of Return (IRR)	14%

Table 5: Life of Mine outcomes from the Hillside EFS

REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2015

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> HILLSIDE PROJECT – EXTENDED FEASIBILITY STUDY (CONTINUED)

Pre-Production Capital	
Construction (Plant, Equipment, TSF)	A\$206 million
Mining Fleet	A\$66 million
Pre-strip	A\$80 million
Other Infrastructure and Utilities	A\$21 million
Owners costs, Surface Works, First Fills, Spares, Other	A\$67 million
Sub-Total	A\$440 million
Contingency	A\$40 million
Total Up-front Capital	A\$480 million (US\$360 million)

Table 6: Pre-Production summary

Operating Cost Summary	
Strip Ratio (after initial pre-strip)	6.7:1 (waste:ore)
Average Mining Cost per tonne (LOM)	A\$2.24/t
Average Mining Cost per ore tonne (LOM) (after initial pre-strip)	A\$17.75/t
Processing Cost per tonne	A\$9.15/t
Other Operating (G&A) Costs per tonne	A\$1.92/t
Average transport Costs per ore tonne of concentrate	A\$2.07t
Treatment and Refining Costs per ore tonne	A\$4.34/t
By-product Credit per tonne	(A\$6.52/t)
Average Total Operating Costs per tonne (after pre-strip)	A\$28.71/t
C1 Cash Cost (includes by-product credits)	US\$1.61/lb

Table 7: Operating Cost Summary

> COPPER MARKET AND EFS FINANCIALS

Market analysis has identified that future copper supply will become more reliant on the development of a new generation of copper mines. The average incentive copper price required for the bulk of these new copper mines is reported by some analysts to be in excess of US\$3.00/lb. Broad market consensus implies that the under-investment in copper in the immediate future is likely to lead to a shortage in supply from 2017 onwards (see Figure 3 on Page 10).



Passing through Rex owned land, with lookout points to the Hillside Project and beyond, a new walking trail has been constructed around the entire Yorke Peninsula coastline.



Ultra class equipment being used in a similar method to that proposed for the Hillside Project.

REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2015

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> COPPER MARKET AND EFS FINANCIALS (CONTINUED)

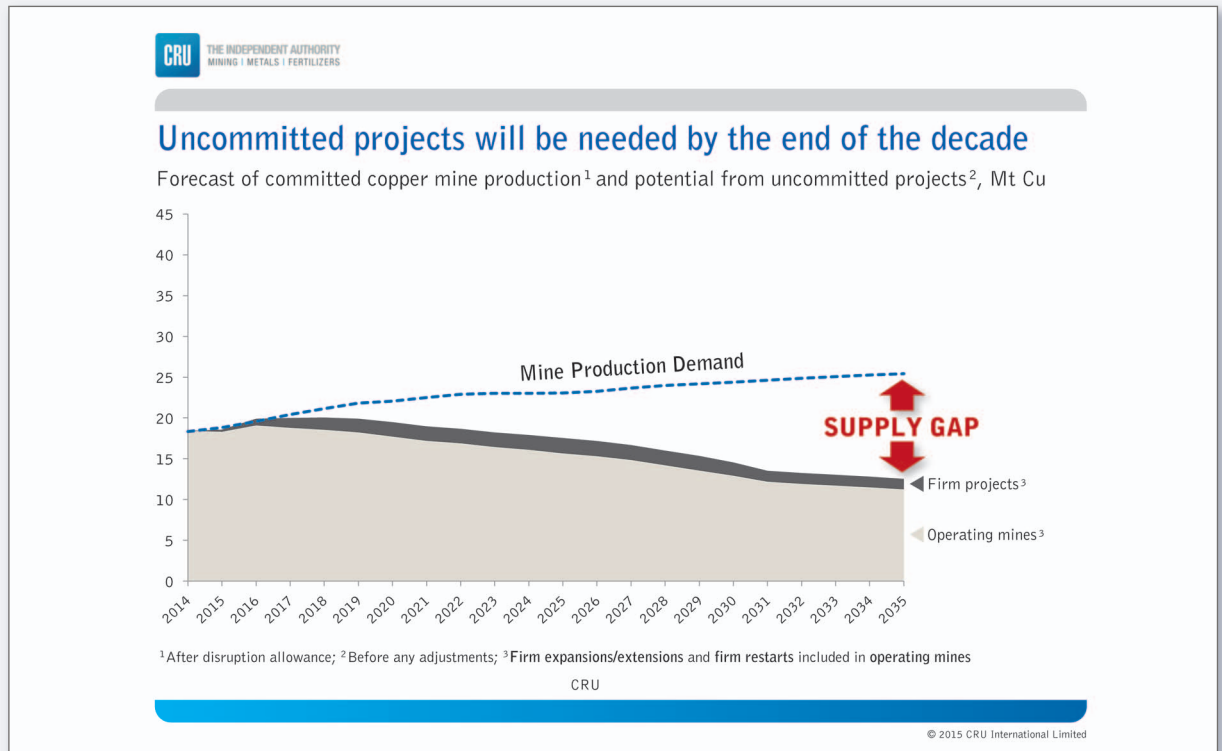


Figure 3: Projected copper supply gap for worldwide copper market
Information courtesy of CRU International.

Rex considers that these fundamentals will lead to a period of improved copper prices and that the Hillside EFS results place the Company in a strong position to take advantage from any sustained improvement in prices. The results from the Hillside EFS have positioned the Project as one of the more attractive new development projects globally. Rex has completed the Hillside EFS at a time when commodity prices in general are depressed. In this environment, the Hillside EFS indicates that the Project, if developed, could produce positive cash flows. However, the real value of the Project lies in its potential to start producing at a time when copper prices could exceed US\$3.50/lb. It is, therefore, worth highlighting the financial results from the EFS at both US\$3.00/lb (base case assumption) and US\$3.50/lb copper prices (Table 8).

Life of Mine (LOM) Key Metrics	US\$3.00/lb	US\$3.50/lb
Project Revenue	A\$4,264 million	A\$4,975 million
Operating Costs	A\$2,672 million	A\$2,700 million
Pre-tax project operating cash flows	A\$1,593 million	A\$2,275 million
Pre-production capital	A\$480 million (US\$360 million)	A\$480 million (US\$360 million)
C1 cash costs	US\$1.61/lb	US\$1.61/lb
Estimated average workforce numbers	~500	~500
Pre-tax NPV (8%)	A\$309 million	A\$651 million
Post-tax NPV (8%)	A\$235 million	A\$433 million
Internal Rate of Return (IRR)	14%	21%

Table 8: Life of Mine outcomes from the Hillside EFS

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> HILLSIDE PROJECT – ENVIRONMENTAL, SOCIAL AND COMMUNITY

The Department for State Development (DSD) issued Rex a mining lease (ML) 6438 on 16 September 2014 under the South Australian *Mining Act 1971*. This followed a comprehensive assessment of the environmental and social impacts and benefits of the Hillside Project incorporating an extensive process of community consultation, as detailed in the Mining Lease Proposal (MLP) submitted to DSD in August 2013. The MLP detailed the extent of mining operations, the process and outcome of community consultation, the potential impacts both beneficial and adverse, and the control/remediation measures governing mining and processing operations across the life of the mine to each of the specific phases of construction, operations, rehabilitation and post mine closure.

The Hillside's Community Reference Group, initiated in 2011, provided the initial platform for community consultation and has now transformed to the Hillside Community Voice (HCV), which will provide the basis for continuing community engagement through the course of the Hillside Project.

The key areas of concerns raised throughout this consultative process were dust, noise, potential impacts on adjacent agricultural land and the marine environment, and site rehabilitation measures and post mining land use options. The environmental management plans, closure plan and social management plans, which include the complaints register and resolution process, local employment plan and local business development plan, are currently being developed in consultation with the HCV and other external stakeholders such as the local council, government bodies and other industry and community representative groups.

The tangible output from community consultation to date has been a platform of mutual discovery and provided the opportunity to share knowledge and identify skills requirements and capacity building within and external to the community for prospective mutual benefit in the course of the Hillside Project development. For example, impact assessments have been presented and published on all key issues identified as priorities by the community.

This process, encapsulated in Rex's 'Community Engagement Plan' (CEP), which was approved by DSD on 12 June 2015, provides a more developed framework of how Rex will deliver on its commitment to meaningful community engagement through the course of the Hillside Project.

The identified socio-economic benefits of the Hillside Project lie incontrovertibly in the contribution to the region's and the State's broader economic development founded in increased direct and indirect employment opportunities, related growth in physical and social infrastructure and business enterprise providing goods and services, stimulus for population growth, and diversification of its current agricultural and tourism industries. For example, to date there have been over 1,900 expressions of interest (EOI's) for employment at Hillside with over 500 of those EOI's locally based which can be supported by existing and potentially expanded social infrastructure (housing, schools, health and community facilities), and physical infrastructure notably in transport and water and power utilities.



Rex and Narungga Nation representatives attend MMC lunch.

Rex is committed to working with the local Indigenous community to mutual benefit on a platform of respecting Indigenous culture, heritage, and special connections to lands and waters. Evidence of Indigenous cultural heritage is wide spread throughout the region and within the vicinity of the proposed Hillside Project area. A Native Title Claim has been lodged covering the entire Yorke Peninsula; however, no Native Title agreements are required in relation to the Mining Lease (ML) or Extractive Mineral Lease (EML).

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> **EXPLORATION – HILLSIDE AND BEYOND**

Rex believes that the potential to make another copper discovery on the Yorke Peninsula is high. Rex’s regional exploration strategy is designed to follow through with the theory that the underlying Yorke Peninsula rocks could host multiple large-scale copper-gold ore deposits. The Hillside Project was the first test of this theory and the Company considers there could be other similar, or possibly larger, deposits that remain hidden underneath a thin layer of cover rocks.

Rex has maintained a focus on target generation within the Company’s tenure on the Yorke Peninsula and beyond the immediate Hillside area, but is of the view that it has only scratched the surface in terms of prospect testing. The regional targeting rationale adopted by Rex has been to break down the many potential targets on the Yorke Peninsula and prioritise those that Rex feels have the potential for near-term growth opportunities that can leverage off the Hillside Project. Figure 4 highlights these priority targets.

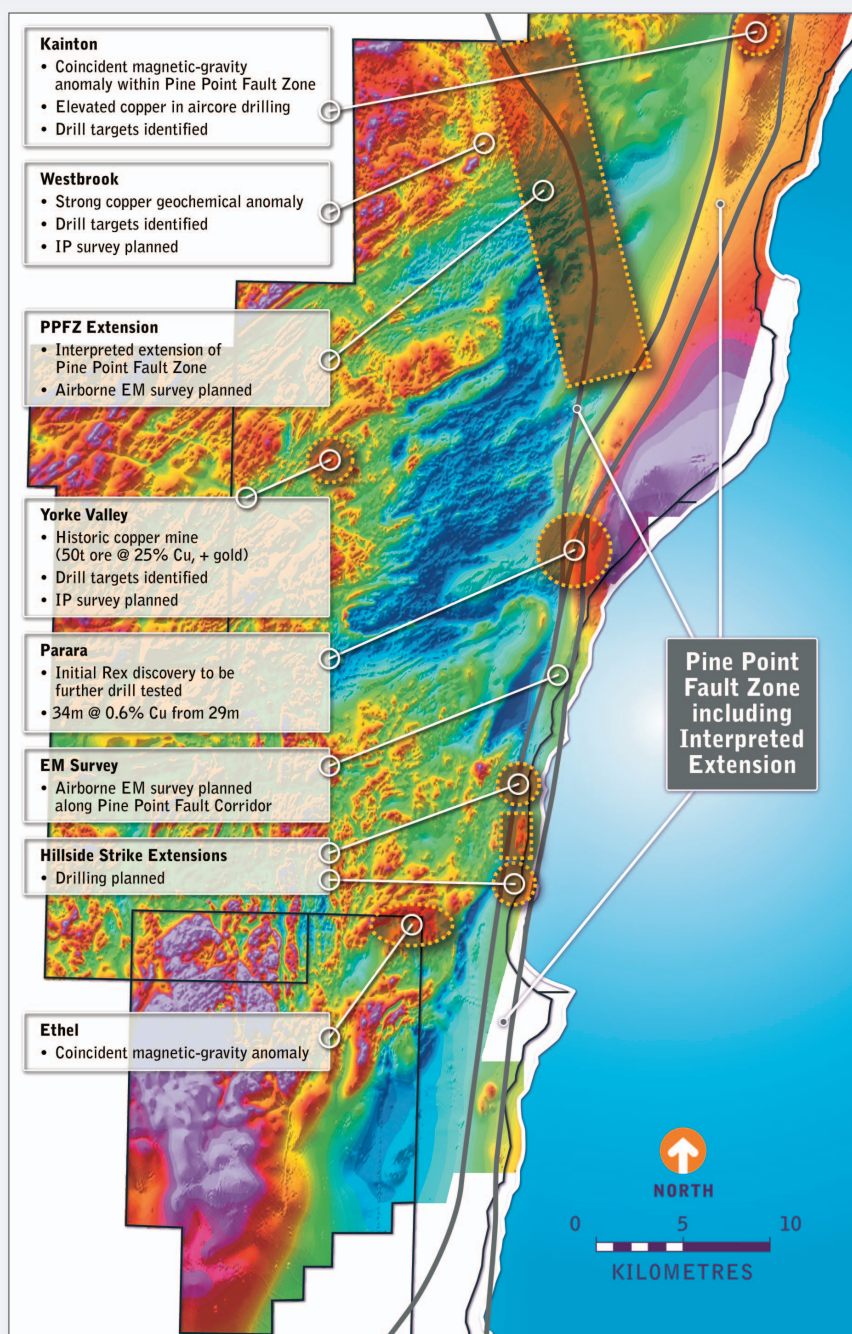


Figure 4: Priority exploration targets identified on the Yorke Peninsula

REX MINERALS LTD

REVIEW OF OPERATIONS for the year ended 30 June 2015

HILLSIDE PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA (CONTINUED)

> NOTES

Forward-Looking Statements

The results contained within this report contain "forward-looking statements." All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements."

Base Case Assumptions

Price and exchange rate assumptions for the life of the operation are shown in Table 9. Quotes for the pre-production capital cost estimates in the EFS assumed an exchange rate of AUD:USD \$0.75. A longer-term exchange rate assumption of \$0.70 was used for the life of the operation.

Commodity and Exchange Rate	Assumptions
Copper (US\$ real)	US\$3.00/lb
Gold (US\$ real)	US\$1,250/oz
Exchange Rate (AUD:USD)	\$0.70

Table 9: Hillside EFS Base Case Assumptions

Unless otherwise stated, all dollar amounts given are in Australian dollars and are not subject to inflation/escalation factors.

Competent Persons' Report – Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled by Mr Charles McHugh who is a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Rex Minerals Ltd. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McHugh consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Competent Persons' Report – Mineral Resources

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Patrick Say who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Rex Minerals Ltd. Mr Say has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Say consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

TENEMENT SCHEDULE for the year ended 30 June 2015

Tenement	Location	Lease Status	Area Type	Current Area	Grant Date
EL5056	Moonta South	Granted	km ²	416	02/08/2012
EL5055	Moonta South	Granted	km ²	1,262	02/08/2012
EL4514	Moonta South	Granted	km ²	24	10/06/2010
EL5508	Moonta South	Granted	km ²	151	05/11/2014
EL5133	Wandearah	Granted	km ²	96	01/08/2012
EL4779	Wandearah	Granted	km ²	81	13/10/2011
EL5070	Cowell	Granted	km ²	85	24/10/2012
ML6438	Hillside	Granted	Ha	2,998	16/09/2014
EML6439	Hillside	Granted	Ha	225	16/09/2014
MPL146	Hillside	Granted	Ha	94	16/09/2014



DIRECTORS' REPORT

REX MINERALS LTD 2015

ANNUAL REPORT

The Directors present their report together with the financial report of Rex Minerals Ltd (the Company) and its subsidiaries (the Group or Rex), for the financial year ended 30 June 2015 and the auditors' report thereon.

1. DIRECTORS

The Board has four members. Non-Executive Directors are considered by the Board to be independent of management and free from any business relationship or other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement. Further information on the process for assessing independence materiality levels is located in the Board Charter, available on Rex's website.

The Board considers that a diversity of skills, backgrounds, knowledge, experience and gender is required in order to effectively govern the business. The Board and its Committees actively work to ensure that the Executive and Non-Executive Directors have the right balance of skills, experience, independence and Company knowledge necessary to discharge their responsibilities in accordance with the highest standards of governance. The Non-Executive Directors contribute international and operational experience; understanding of the sectors in which the Company operates; knowledge of world capital markets; and an understanding of the health, safety, environmental and community challenges that the Company faces. The Board works together as a whole to oversee strategy for the Group and monitor pursuit of the corporate objectives of the Company. In addition, the Board has extensive access to members of senior management. During the year, the Board completed a self evaluation of its performance, composition, skills, knowledge, experience, independence and diversity to ensure its administers its duties and responsibilities effectively.

Due to the departure of the former Managing Director, announced on the 8 August 2014, whilst the search was conducted for the position of Chief Executive, Dr David Carland performed the role of Executive Chairman. This concluded on 23 April 2015, when Mr Richard Laufmann was appointed to the position of Managing Director of the Company. During the period Dr Carland performed in the role of Executive Chairman, he did not receive any further payment in addition to his annual director fee, he did not have a separate employment agreement, nor did he perform the duties associated with day-to-day management of the Company. In light of the circumstances, the Board is of the opinion that Dr Carland's interim appointment did not compromise his independence as at 30 June 2015.

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<p>Dr David Carland Independent Non-Executive Chairman (PhD (Econometrics), MEc, BEc (Hons), MAICD)</p>	<p>Dr David Carland has over 30 years of investment banking and commercial experience in both the private sector and government. He is the co-founder and part owner of BurnVoir Corporate Finance Limited ("BurnVoir"), an independent specialist investment banking firm focusing on the energy, resource and infrastructure sectors.</p> <p>Prior to establishing BurnVoir, Dr Carland was executive vice president and head of energy and power at Bankers Trust and before that he was deputy managing director and head of corporate finance at UBS Australia.</p> <p>Dr Carland has held senior executive roles with the CRA Group (now Rio Tinto), including management of the commercial arrangements for the purchase of the Gladstone Power Station. His roles have seen him based in the US and London. Dr Carland was previously a non-executive director of Indophil Resources NL. Dr Carland was appointed a Director of Rex Minerals on 12 December 2013 and Chairman on 1 January 2014. He is a member of the Audit and Remuneration Committees.</p>
<p>Mr Alister Maitland Independent Non-Executive Director (B.Com, FAICD, FAIM, SF Fin)</p>	<p>Mr Alister Maitland is a former Executive Director of the ANZ Banking Group, with a background in international finance and banking experience that extended beyond Australasia to cover Asia, the Sub Continent, the Middle East, Europe and America. His professional experience has included global business expansion, internal and external consulting, treasury projects and international political agendas. As chief executive of ANZ Bank for New Zealand, he was responsible to the local board for the country's operations.</p> <p>Mr Maitland has been a non-executive director of a number of publicly listed ASX companies and government bodies, covering a wide range of activities including property services, mining, banking, asset management and health. He is a former chairman of Ballarat Goldfields NL, director of Lihir Gold Ltd and Malayan Banking Berhad (Maybank). Mr Maitland was appointed a Director of Rex Minerals on 16 September 2011, is Chairman of the Audit Committee and a member of the Remuneration Committee.</p>



REX MINERALS LTD

DIRECTORS' REPORT for the year ended 30 June 2015

1. DIRECTORS (CONTINUED)

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<p>Mr Mitchell Hooke Independent Non-Executive Director (B.Rur.Sc., U.N.E., M.A.I.A., MAICD)</p>	<p>Mr Mitchell Hooke is globally-recognised for his in-depth knowledge and strategic leadership in Australian and global public policy advocacy as well as delivering on practical operational issues in the development of economic, social and environmental policy and practice across the minerals industry, agriculture and food and grocery industries in Australia and internationally.</p> <p>Mr Hooke was the chief executive officer of the Minerals Council of Australia from mid-2002 until the end of 2013. He is the Chairman of Partners in Performance International and with a long and strong rural background, he is an Independent Director of Grain Producers Australia, the national not-for-profit body representing Australia's broadacre grain, pulse and oilseed producers. He is also a Non-Executive Director of coal-based technology company GTL Energy Ltd and was formerly a non-executive director of Elgin National Industries – a then private equity minerals resources engineering and construction management and mining equipment company based in the USA. Mr Hooke was appointed a Director of Rex Minerals on 4 August 2015. He is a member of the Audit and Remuneration Committees.</p>
<p>Mr Richard Laufmann Managing Director and Chief Executive Officer (B.Eng (Mining), MAusIMM, MAICD)</p>	<p>Mr Richard Laufmann is a mining engineer with a proven track record in the resources sector both in Australia and overseas.</p> <p>Mr Laufmann is a founding Director of Rex Minerals and was formally a Non-Executive Director (since 2007). He was appointed Managing Director of Rex on 23 April 2015. Mr Laufmann brings to the Rex management team broad experience in the resources sector, both corporate and operational. His most recent engagement was for seven years as CEO of Indophil Resources (until recently, an ASX listed company with a large copper-gold Joint Venture in the Philippines) and prior to that, five years as CEO of Ballarat Goldfields. Mr Laufmann also previously led WMC Resources Limited's Gold Business as general manager – operations and has extensive operational experience.</p>
<p>Mr Steven Olsen Former Executive Director (B.Sc.(Hons), M.Sc.(MinEx), Grad.Dip (F&I), MAusIMM)</p>	<p>Mr Steven Olsen has over 20 years' experience in the resources industry, with a background of 14 years working as a mine geologist and exploration geologist, (predominantly in Western Australia and Canada) on nickel and gold deposits.</p> <p>Mr Olsen has had considerable exploration success for both nickel and gold mineralisation throughout his career. Mr Olsen was the founding managing director (2007) of Rex until 2012 and continued on the Board until his recent resignation on 30 June 2015. He remains a consultant to Rex Minerals.</p>
<p>Mr Mark Parry Former Managing Director and CEO (Met Cert, BCom, HBS (AMP), GAICD)</p>	<p>Mr Parry departed the Company on 8 August 2014.</p>

2. COMPANY SECRETARY

Ms Rosalie Bolingbroke

B.Com (Commercial Law), Grad.Dip. (ACG), FGIA, FCIS, AIPA, JP

Ms Rosie Bolingbroke has had over 17 years of experience in company secretary roles, is a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce (Commercial Law) degree. Previously, Ms Bolingbroke was corporate secretary for Australian Central Credit Union Ltd (trading as People's Choice Credit Union) and prior to that, company secretary for global engineering, construction and services company, KBR's Australian group of subsidiaries. Her 22 years with KBR included providing corporate governance and para-legal support to its energy, infrastructure, minerals, government services and commercial divisions in Australia and the Asia Pacific region.

3. DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings ⁴	
	A	B	A	B	A	B
Dr David Carland	13	13	2	2	–	–
Mr Richard Laufmann	11	13	2	2	–	–
Mr Alister Maitland	13	13	2	2	–	–
Mr Mitchell Hooke ¹	–	–	–	–	–	–
Mr Steven Olsen ²	11	12	2	2	–	–
Mr Mark Parry ³	1	1	–	–	–	–

A – Number of meetings attended.

B – Number of meetings held during the year whilst the Director held office.

¹ Mr Hooke was appointed a Director on 4 August 2015.

² Mr Olsen resigned from the Board on 30 June 2015. He was not a member of the Audit or Remuneration Committees, but attended meetings as appropriate by invitation.

³ Mr Parry departed the Company on 8 August 2014.

⁴ Any matters for consideration by the Remuneration Committee were managed directly by the Board and accordingly no separate meetings were held by the Remuneration Committee during the year.

4. CORPORATE GOVERNANCE STATEMENT

Rex has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with Rex's needs. To the extent they are applicable; Rex has adopted the 3rd Edition of the Corporate Governance Principles and Recommendations published by ASX Corporate Governance Council. As Rex's activities develop in size, nature and scope, the size of the Board and implementation of additional corporate governance structures will be given further consideration.



4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The following table summarises Rex's position in regard to Corporate Governance as at 30 June 2015:

Recommendation	Comment
<p>1 Lay solid foundations for management and oversight.</p>	<p>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</p>
<p>1.1 A listed entity should disclose:</p> <ul style="list-style-type: none"> (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. 	<p>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 Managing Director are set out in Rex's Board Charter.</p> <p>The primary responsibility of the Board is to protect and advance the interest of Shareholders. To fulfil this role, the Board has overall responsibility for developing and approving Rex's corporate strategy and monitoring implementation of the strategy, appointing the Managing Director, monitoring senior executives' performance and approving Rex's risk and audit framework. The Board is also responsible for Rex's general corporate governance matters.</p> <p>The Managing Director has primary responsibility to the Board for the affairs of Rex. The Managing Director's responsibilities include implementing and monitoring (together with the Board) the strategic and financial plans for Rex, 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, Rex and otherwise carrying out the day to day management of Rex.</p> <p>A copy of Rex's Board Charter is available on Rex's website.</p>
<p>1.2 A listed entity should:</p> <ul style="list-style-type: none"> (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. 	<p>Given the size and structure of Rex, the Directors have not established a Nominations Committee (see 2.1) however; the Board considers that part of its responsibilities includes overseeing arrangements for the effective appointment of new Directors, including undertaking appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director.</p> <p>The Notice of Meeting for Rex's AGM provides shareholders with relevant information about each Director standing for election or re-election, including details of relevant skills and experience for each Director, as well as a statement by the Board whether it supports the election or re-election.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Rex has a written agreement with each Director and senior executive setting out the terms of their appointment.</p>
<p>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.</p>	<p>The Company Secretary has a direct reporting line to the chair of the Board.</p>

4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. 	<p>Rex's Code of Conduct sets out Rex's policy concerning diversity. In summary, Rex's policy concerning diversity is as follows:</p> <p>Rex recognises that diversity is an economic driver of competitiveness for companies and it 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, Rex engages in reviews and reporting to the Board about the proportion of women at Rex and strategies to address diversity. Rex intends to recruit the most qualified persons for each position and considers persons from a diverse pool of qualified candidates.</p> <p>The objectives for achieving gender diversity are as follows:</p> <p>Maintain female representation at 20% of the total workforce and senior management as Rex progresses through the next stages of Company development.</p> <p>During each Director selection and appointment process, the professional search firm supporting the Board will provide at least one credible and suitably experienced female candidate.</p> <p>This recommendation is satisfied.</p> <p>At 30 June 2015, women made up 38% of the total Rex workforce directly employed by the Company. There are currently no women on the Board of Rex. A copy of the Rex's Code of Conduct (which sets out Rex's policy concerning diversity) is available on Rex's website.</p>
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> (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. 	<p>The Directors consider that due to the size of Rex and its Board, such a formal review procedure is not appropriate at this point in time. 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 Report discloses whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> <p>As part of the process of continual evaluation of the Board and facilitated by external consultant Swann Global, the Board acted and significantly restructured itself and Committees during the reporting period, including:</p> <ul style="list-style-type: none"> > The departure of the former Managing Director; > Dr Carland performing the role as Executive Chairman for an interim period whilst the search was conducted for the position of Chief Executive; > The appointment of Mr Laufmann as Managing Director and Chief Executive; > Mr Laufmann's resignation from the Audit and Remuneration Committees on the conclusion of his role as Non-Executive Director; > The resignation of Mr Olsen as Executive Director; and > The new appointment of Mr Hooke as Non-Executive Director and Chairman of the Remuneration Committee.



4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>1.7 A listed entity should:</p> <ul style="list-style-type: none"> (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. 	<p>Senior executive performance is assessed annually. Details of the evaluation process is disclosed in the Remuneration Report contained in the Annual Report.</p>
<p>2 Structure the Board to add value.</p>	<p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>
<p>2.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (1) has a least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (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. 	<p>The Board does not have a nomination committee. Given the size of Rex and the Board, the Directors consider that any efficiencies achieved by the establishment of a nomination committee would be minimal, thereby not making its establishment cost effective. Rex has Board processes in place to addresses matters that would otherwise be considered by a nomination committee.</p>
<p>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.</p>	<p>The Board adopts an internal process of annually evaluating the performance, skills and knowledge of the Board. Although the Board has not adopted a formal skills matrix in this regard, the following material is included in the Annual Report:</p> <ul style="list-style-type: none"> > the skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report; > a statement as to the mix of skills and diversity for which the Board is looking to achieve in membership of the Board; and > whether a performance evaluation for the Board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed.

4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>2.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> (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. 	<p>The following material is included in the Annual Report:</p> <ul style="list-style-type: none"> > the names of the Directors considered by the Board to constitute independent Directors and Rex's materiality thresholds; > the existence of any of the relationships listed in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (regarding director independence) and an explanation of why the Board considers a Director to be independent, notwithstanding the existence of those relationships; > a statement as to whether there is a procedure agreed by the Board for Directors to take independent professional advice at the expense of Rex; and > the period of office held by each Director in office at the date of the Annual Report.
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>This recommendation was not satisfied for majority of the reporting period. This is because current Non-Executive Chairman Dr David Carland performed the function of Executive Chairman for the interim period between the resignation of Rex's former CEO Mr Mark Parry, in August 2014 and the appointment of Mr Richard Laufmann as current CEO in April 2015.</p> <p>In April 2015, Dr Carland stepped down as Executive Chairman and resumed the role Non-Executive Chairman. However, although Dr Carland performed in an executive capacity during this interim period, the Board nevertheless considers Dr Carland to be an independent director. The reasons for this view are more fully set out in the Annual Report.</p> <p>Non-Executive Directors Mr Alister Maitland and Mr Mitchell Hooke (recently appointed) are also considered to be independent. Accordingly, Rex is currently compliant with this recommendation.</p>
<p>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.</p>	<p>Dr David Carland is currently the Non-Executive Chairman (and he is not the CEO). As noted above, Dr Carland is considered to be an independent director at 30 June 2015.</p>
<p>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.</p>	<p>New Directors are provided with a formal letter of appointment which contains information regarding:</p> <ul style="list-style-type: none"> > The rights, duties and responsibilities of Directors; and > The role of Board Committees. <p>To enable performance of their duties, all Directors (including new Directors):</p> <ul style="list-style-type: none"> > are provided with appropriate information in a timely manner and can request additional information at any time; > have access to the Company Secretary; and > have access to appropriate continuing professional development opportunities. In particular, the Board regularly receives presentations as part of ongoing Director education, including presentations from internal and external resources.



4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>3 Act ethically and responsibly.</p> <p>3.1 A listed entity should:</p> <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	<p>A listed entity should act ethically and responsibly.</p> <p>Rex's Code of Conduct sets out Rex's expectations for the conduct of Rex's Directors, senior executives and employees, including in relation to business conduct, personal and professional conduct (such as confidentiality, personal behaviour and respect for others).</p> <p>Rex also has in place a policy concerning trading in Rex securities. The Share Trading policy includes detailed requirements for Directors, officers and key management regarding when they can trade Rex securities.</p> <p>Copies of Rex's Code of Conduct and Share Trading Policy are available on its website.</p>
<p>4 Safeguard integrity in corporate reporting.</p> <p>4.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. 	<p>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p> <p>The Board has an Audit Committee. The members of the Audit Committee are Mr Alister Maitland, Dr David Carland and Mr Mitchell Hooke. Mr Maitland is an 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. See 2.4 regarding independence of directors.</p> <p>The following material is included in the Annual Report:</p> <ul style="list-style-type: none"> > 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 (contained within the Directors' Report). > A copy of the Audit Committee Charter is available on Rex's website.

4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>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.</p>	<p>In accordance with this recommendation, before it approves Rex's financial statements for a financial period, Rex ensures that it receives from its CEO and Acting 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.</p>
<p>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.</p>	<p>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.</p>

<p>5 Make timely and balanced disclosure.</p>	<p>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.</p>
<p>5.1 A listed entity should:</p> <ul style="list-style-type: none"> (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. 	<p>Rex has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance. Rex's Continuous Disclosure Policy sets out Rex's policies and procedures with regard to complying with its disclosure obligations under the Listing Rules.</p> <p>A copy of Rex's Continuous Disclosure policy is available on its website.</p>

<p>6 Respect the rights of security holders.</p>	<p>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.</p>
<p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Rex places a high priority on communications with its Shareholders. Although Rex does not have a standalone communications policy, Rex considers that its Continuous Disclosure Policy, together with disclosure through the following means, should be sufficient to promote effective communications with shareholders:</p> <ul style="list-style-type: none"> > announcements released through to the ASX company announcements platform; > proving a copy of its annual report to all requesting shareholders; > notice of meeting documentation to shareholders; > encouraging shareholder participation at AGMs; and > provision of all information regarding Rex 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, market releases and current activities.



4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Due to the size and complexity of its business, Rex has not established a formal investor relations program. However, Rex seeks to facilitate effective communication with investors through the communication channels described above (see 6.1).
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.	In relation to shareholder meetings, shareholders are invited to submit questions either before or during the meeting, with the Chairman answering as many as practical during the meeting. The Chairman also encourages shareholders at meetings to ask questions regarding Rex'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 all shareholder communication electronically through Rex's share registry. Rex's Share Register is managed and maintained by Computershare. Contact details can be found on Rex's website.

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: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (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 standalone committee to oversee risk, 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. 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 Rex is not being exposed to any new risks.

4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board reviews the Company's risk management framework on a regular basis to ensure it continues to be sound. The Annual Report contains details about whether such a review has been taken in the reporting period (see 7.4).</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>The Board does not consider a separate internal audit function is necessary at this stage. One of the Audit Committee responsibilities is to evaluate compliance with Rex's internal compliance and control systems.</p>
<p>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.</p>	<p>While Rex is exposed to a number of general risks, given Rex's present circumstances and stage of development, Rex does not consider that it currently has material exposure to any economic, environmental or social sustainability risks. However, this may change in the future as Rex moves towards development. During the year, as part of the EFS process, the Company completed a risk management review. The Board considered the following risks:</p> <ul style="list-style-type: none"> > Economic risks: General economic conditions such as movement in interest and inflation rates and currency exchange fluctuations. > 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 exposed to 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.



4. CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Recommendation	Comment
<p>8 Remunerate fairly and responsibly.</p>	<p>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.</p>
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (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 <p>(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.</p>	<p>Rex has 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). See 2.4 regarding independence of directors. The Directors consider that the Remuneration Committee is of sufficient size, independence and technical expertise to discharge its mandate effectively.</p> <p>The number of times the Committee sits is disclosed in the Annual Report.</p>
<p>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.</p>	<p>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.</p> <p>A copy of Rex's Remuneration Committee Charter is available on its website.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Rex's Share Trading Policy expressly prohibits relevant participants from entering into arrangements that limit the economic risk of participating in the Rex's incentive schemes prior to the relevant securities becoming fully vested.</p> <p>A copy of Rex's Share Trading Policy is available on its website.</p>

5. PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was minerals exploration and evaluation in Australia. Rex Minerals intends to make the best use of and fully exploit, the Hillside Resource and remains committed to the development of the Hillside Project. There were no significant changes in the nature of the Group's principal activities during the year.

The Group's principal objective is to create value through the discovery, development and mining of mineral resources. To progress with the Group's primary objective, the following targets have been set for 2016 and later financial years:

- > **Regulatory Approval** – Following acceptance of the Mining Lease, continuation of the work on the development of the PEPR and associated environmental and social management plans.
- > **Financing** – The Company is working to develop a financing package with the goal of maximising shareholder exposure to the future cash flows from the Hillside Project.
- > **Organisation** – Plan for an organisational transition from an explorer to a developer to a producer.
- > **Occupational and Community Safety and Health** – Develop and adapt safety systems and processes to enable a proactive approach to risk assessment and risk management as the Company transitions into construction and mining-related production.
- > **Infrastructure** – Finalise access to and upgrading of, infrastructure required to support the Hillside Project.
- > **Exploration and Evaluation** – Maintain near-mine and regional exploration, with the aim of identifying multiple large-scale copper deposits that can complement the Hillside Project on Rex's tenements on the Yorke Peninsula.

6. OPERATING AND FINANCIAL REVIEW

The income statement shows a loss after tax of \$8.7 million (2014: loss \$17.0 million – restated) for the year. The Group has no bank debt. As at 30 June 2015, the Group had a cash position of \$7.9 million (2014: \$2.59 million) and funds on deposit of \$3.0 million (2014: \$19.0 million). Operating activities resulted in a cash outflow for the year of \$10.7 million (2014: cash outflow of \$14.5 million – restated).

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group during the year ended 30 June 2015, not otherwise disclosed within this Annual Report.

8. DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

9. EVENTS SUBSEQUENT TO REPORTING DATE

On 4 August 2015, the Company announced that Mr Mitchell Hooke was appointed as a Non-Executive Director.

Other than the event described above, subsequent to 30 June 2015, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

10. LIKELY DEVELOPMENTS

Likely developments are the continued minerals exploration on the tenements owned or controlled by the Group and the advancement of the Hillside Project.

Other than that which is disclosed throughout the Annual Report, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

REX MINERALS LTD

DIRECTORS' REPORT for the year ended 30 June 2015

11. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Rex Minerals Limited	
	Ordinary shares	Options over ordinary shares
Dr David Carland	268,330	–
Mr Richard Laufmann	3,541,666	–
Mr Alister Maitland	202,000	–
Mr Mitchell Hooke	105,143	–

12. SHARE OPTIONS

12.1 Options granted to Directors and Officers of the Company

During the financial year, the Company did not grant any options over unissued ordinary shares in the Company to the Directors and Key Management Personnel as part of their remuneration.

12.2 Unissued shares under option

At the date of this report there were no unissued ordinary shares of the Company under option.

12.3 Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options.

13. INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company provides insurance to cover legal liability and expenses for the Directors and Executive Officers of the Company. The Directors and Officers Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the Officers in their capacity as Officers. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and certain Officers to indemnify these individuals against any claims and related expenses, which arise as a result of their work in their respective capacities.

The Company has not provided any insurance or indemnity for the auditor of the Company.

14. NON-AUDIT SERVICES

During the year KPMG, the Group's auditor, has performed other services which are listed in the table below in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with and did not compromise, the auditor independence requirements of the Corporations Act 2001. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in 'APES 110 Code of Ethics for Professional Accountants', as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of amounts paid to the auditor of the Group, KPMG and its related practices for audit and non-audit services during the year, are set out below.

	2015 \$	2014 \$
KPMG Australia		
Audit and review of financial statements	47,500	47,500
Other services		
Review of Research and Development Claim	103,800	106,535
Assistance with Customs Matters	1,000	37,920

15. REMUNERATION REPORT – AUDITED

For the year ended 30 June 2015, any matters for consideration for the Remuneration Committee were managed directly by the Board and accordingly no separate meetings were held by the Remuneration Committee for the year.

During the year, Rex implemented a cost reduction plan and has restructured the Company to enable it to focus on its core objectives of delivering the Extended Feasibility Study, new development plan and assessing financing alternatives. A formal review of all employee positions was undertaken as part of delivering this cost reduction plan. As a consequence, there was a significant reduction in employee positions, no increases to base compensation for employees or executives and no STI cash bonuses were paid or are payable.

15.1 Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key Management Personnel (KMP) comprise the Directors of the Company and Senior Executives for the Group. KMP have authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Compensation packages may include a mix of fixed and variable compensation and short-term and long-term performance-based incentives.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any Fringe Benefits Tax (FBT) charges related to employee benefits including motor vehicles), as well as leave entitlements and employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Remuneration Committee through a process that considers individual, segment and overall performance of the Group. Market research provides analysis and guidance to ensure the Directors' and senior executives' compensation is competitive in the market place. A senior executive's compensation is also reviewed on promotion. There have been no changes to base compensation for continuing Executives since 2012.

Performance linked compensation

Performance linked compensation includes both short-term and long-term incentives and is designed to reward senior executives for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash, while the long-term incentive (LTI) is provided as options over ordinary shares of the Company pursuant to the terms and conditions of the options.

Short-term incentive bonus

The STI is a discretionary bonus provided in the form of cash. At the end of the financial year, the Remuneration Committee assesses the performance of the Group and individuals. The Remuneration Committee recommends the cash incentive to be paid to the individuals for approval by the Board. The Board retains the discretion to vary the final cash incentive if performance is considered to be deserving of either a greater or lesser amount. During the year, no STI cash bonuses were paid or payable.

Long-term incentive

The LTI is provided as options over ordinary shares of the Group. Options granted to employees only lapse in the event of the employee leaving the Group or the expiry date, whichever occurs earlier. Due to the nature of the Company at this time, the Board believes this incentive is appropriate, having regard to the exercise price of options being set at a premium to the share price at grant date. During the year, no LTI incentives were granted.

Consequences of performance on shareholder wealth

The variable components of the Group's executives' remuneration (the short and long term incentives) seek to encourage alignment of management performance and shareholders' interests by linking remuneration to the performance of the Group. Whilst the Remuneration Committee takes into consideration the indices detailed below, the Board acknowledges that as an exploration company, the use of such indices does not fully reflect the Group's performance.

	2015	2014*	2013*	2012*	2011*
Net loss attributable to equity holders of the parent (\$'000)	(8,734)	(17,014)	(39,454)	(46,690)	(29,087)
Closing share price at financial year's end	\$0.105	\$0.305	\$0.338	\$0.785	\$2.31

* Restated



15. REMUNERATION REPORT – AUDITED (CONTINUED)

15.1 Principles of compensation (Continued)

Service agreements

The Group has entered into contracts with KMP which are consistent with the Group's policy. The Group retains the right to terminate a contract immediately by making payment equal to between three and six month's pay in lieu of notice. The KMP are also entitled to receive, on termination of employment, their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The employment contract outlines the components of compensation paid to KMP, but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year and are aligned with market developments, any change in the scope of the role performed by the Senior Executive and any changes required to meet the principles of the compensation policy.

The following summarises the service agreements with KMP:

Executive Director

• **Mr Richard Laufmann – Managing Director**

Mr Laufmann has a contract of employment dated 23 April 2015 with the Company which may be terminated by either party by giving two months' notice. Under the terms of his contract, Mr Laufmann receives a fixed annual salary of \$250,000 plus superannuation with no STI plan. It is proposed that Mr Laufmann be issued unlisted options, as an LTI, the details of which will be subject to shareholder approval.

Mr Laufmann is a founding Director of Rex Minerals and had been a Non-Executive Director since 2007. Mr Laufmann concluded his Non-Executive Director duties on his appointment as Managing Director on 23 April 2015.

Executives

• **Mr Patrick Say – Chief Geologist**

Mr Say was appointed as Chief Geologist on 1 July 2012. Mr Say may resign from the Company by giving four weeks' notice and the Group may terminate his employment by providing four weeks' notice.

In the event that Mr Say's employment is terminated following redundancy, he is entitled to a payment equivalent to three months' salary. No STI cash bonus was paid or payable for the year ending 30 June 2015.

Former Executives

• **Mr Mark Parry – Chief Executive Officer**

Mr Parry departed the Company, effective 8 August 2014. Mr Parry had a contract of employment dated 24 September 2012 with the Company for base remuneration of \$550,000 (inclusive of statutory superannuation). Mr Parry was eligible to be considered for a STI of up to 25% of his base remuneration in any given financial year.

• **Ms Rachel Rees – Chief Financial Officer**

Ms Rees was made redundant and finished with the Company on 31 August 2014. Ms Rees was entitled to a payment equivalent to a minimum of six months' salary as part of her employment contract on redundancy.

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2011 AGM, is not to exceed \$500,000 per annum and is set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Non-Executive Directors' base fees are presently \$80,000 per annum, while the Chairman's base fee is \$120,000.

The Chairman and Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board activities and membership of committees.

15. REMUNERATION REPORT – AUDITED (CONTINUED)
15.2 Directors' and Executive Officers' remuneration

Details of the nature and amount of each major element of remuneration of each Director of the Company and other KMP for 2015 are as follows:

2015	Short term				Post-employment	Long term	Termination benefits \$	Share based payments		2015 Bonus Proportion of remuneration performance related %
	Salary & fees \$ (A)	STI Cash bonus for 2015 Financial Year \$ (B)	Non-monetary benefits \$	Total \$				Super-annuation benefits \$	Long service leave \$ (C)	
Non-Executive Directors										
Dr David Carland (Chairman)	120,000	-	-	120,000	11,400	-	-	-	-	-
Mr Alister Maitland	80,000	-	-	80,000	7,600	-	-	-	-	-
Executive Director										
Mr Richard Laufmann – Managing Director/CEO ¹	118,321	-	-	118,321	10,877	2,328	-	-	-	-
Executives										
Mr Patrick Say – Chief Geologist	261,904	-	-	261,904	24,691	7,792	-	-	-	-
Former Executives										
Mr Steven Olsen – Executive Director ²	80,000	-	-	80,000	7,600	-	-	-	-	-
Mr Mark Parry – Managing Director/CEO ³	48,055	-	527	48,582	35,000	(26,864)	336,156	-	-	-
Ms Rachel Rees – Chief Financial Officer ⁴	54,744	-	860	55,604	18,917	(7,365)	214,261	-	-	-
2015 Total Compensation KMP:	763,024	-	1,387	764,411	116,085	(24,109)	550,417	-	1,406,804	-

Notes in relation to the table of Directors' and Executive Officers' remuneration

1. Mr Laufmann was a Non-Executive Director and received fees of \$64,820 in line with other Accounting Standards, which includes cash salary and accrued annual leave entitlements.
2. Mr Olsen resigned from the Board effective 30 June 2015.
3. Mr Parry departed the Company effective 8 August 2014.
4. Ms Rees was made redundant and finished 31 August 2014.



REX MINERALS LTD

DIRECTORS' REPORT for the year ended 30 June 2015

15. REMUNERATION REPORT – AUDITED (CONTINUED)

15.2 Directors' and Executive Officers' remuneration (Continued)

Details of the nature and amount of each major element of remuneration of each Director of the Company and other KMP for 2014 are as follows:

2014	Short term										Long term	Termination benefits \$	Share based payments		2013 Bonus	2014 Bonus		
	Salary & fees \$ (A)	STI Cash Bonus for 2014 Financial Year \$ (B)	STI Cash Bonus for 2013 Financial Year \$ (C)	Sign on Incentives \$	Non-monetary benefits \$	Total \$	Super-annuation benefits \$	Long service leave \$ (D)	Fair Value Options \$	Total \$			Proportion of remuneration performance related %	Proportion of remuneration performance related %				
Non-Executive Directors																		
Dr David Carland – (Chairman) ¹	64,308	-	-	-	-	64,308	5,948	-	-	-	-	-	-	70,256	-	-	-	
Mr Richard Laufmann	80,000	-	-	-	-	80,000	7,400	-	-	-	-	-	-	87,400	-	-	-	
Mr Alister Maitland	80,000	-	-	-	-	80,000	7,400	-	-	-	-	-	-	87,400	-	-	-	
Mr Steven Olsen ²	161,751	-	-	-	-	161,751	23,775	-	-	-	-	-	-	185,526	-	-	-	
Executive Director																		
Mr Mark Parry – Managing Director/CEO ³	547,188	-	-	150,000	2,386	699,574	25,000	15,739	-	-	-	-	-	740,313	-	-	-	
Executives																		
Ms Rachel Rees – Chief Financial Officer ⁴	265,390	-	-	-	2,386	267,776	20,541	7,365	-	-	-	-	-	295,682	-	-	-	
Mr Patrick Say – Chief Geologist	260,890	-	50,000	-	-	310,890	28,666	7,792	-	-	-	-	-	347,348	-	-	14.4%	
Former																		
Mr Paul Chapman ⁵	60,000	-	-	-	-	60,000	5,550	-	-	-	-	-	-	65,550	-	-	-	
Ms Amber Rivamonte – Company Secretary ⁶	45,186	-	50,000	-	-	95,186	30,295	(42,859)	239,800	-	-	-	-	322,422	-	-	15.5%	
Ms Janet Mason – Financial Controller ⁷	34,763	-	-	-	-	34,763	2,987	-	-	-	-	-	-	37,750	-	-	-	
2014 Total Compensation KMP:	1,599,476	-	100,000	150,000	4,772	1,854,248	157,562	(11,963)	239,800	-	2,239,647	-	-	2,239,647	-	-	-	

Notes in relation to the table of Directors' and Executive Officers' remuneration

- A. Salary and fees includes amounts earned by KMP measured in accordance with Australian Accounting Standards, which includes cash salary and accrued annual leave entitlements.
- B. No Bonuses were accrued or payable in relation to the 2014 financial year.
- C. The STI paid in 2014 for Executives is for performance during 2013 financial year using the criteria set out in the Remuneration Report. The amount was determined after performance reviews were completed and approved by the Board. Represents the net accrual for long service leave which will only be paid in cash if KMP meet the required service conditions in accordance with state based legislation.
- D. Dr Carland commenced with the Company on 12 December 2013.
- Mr Olsen concluded his Executive role on 30 September 2013, but remained with the Board as a Non-Executive Director and received fees of \$60,000, in line with other Non-Executive Directors.
- The incentive payment paid to Mr Parry in 2014 was a sign on benefit in lieu of benefits foregone. Mr Parry departed the Company on 8 August 2014.
- Ms Rees commenced with the Company on 9 September 2013 and was made redundant in August 2014.
- Mr Chapman resigned as Chairman and Non-Executive Director effective 31 December 2013.
- Ms Rivamonte was made redundant with the closure of the Ballarat office on 30 September 2013 and was no longer KMP from that date.
- Ms Mason finished her role as Acting Chief Financial Officer on 8 September 2013 and was no longer KMP from that date.

15. REMUNERATION REPORT – AUDITED (CONTINUED)

15.3 Equity Instruments

All options refer to options over ordinary shares of Rex Minerals Ltd, which are exercisable on a one-for-one basis.

15.3.1 Options and rights over equity instruments granted as compensation

No options over ordinary shares in the Company were granted or vested as compensation to KMP during the reporting period. No options have been granted since the end of the financial year.

15.3.2 Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to KMP) have been altered or modified by the issuing entity during the current period.

15.3.3 Exercise of options granted as compensation

During the reporting period, there were no shares issued to KMP on the exercise of options previously granted as compensation.

15.3.4 Analysis of movements in options

The movement during the reporting period, by value, of options over ordinary shares in the Company held by KMP, is detailed below:

	Granted in year \$	Value of Options Exercised in year \$	Lapsed in year	
			No. of Options	Year of Grant
Directors				
Dr David Carland	–	–	–	–
Mr Richard Laufmann	–	–	–	–
Mr Alister Maitland	–	–	–	–
Executives				
Mr Patrick Say	–	–	160,000	2012
Former				
Mr Steven Olsen	–	–	–	–
Mr Mark Parry	–	–	3,000,000	2012
Ms Rachel Rees	–	–	–	–
Total	–	–	3,160,000	–

15.4 Key management personnel transactions

15.4.1 Other transactions with key management personnel

A number of key management personnel hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of those transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.



REX MINERALS LTD

DIRECTORS' REPORT for the year ended 30 June 2015

15. REMUNERATION REPORT – AUDITED (CONTINUED)

15.4 Key management personnel transactions (Continued)

15.4.2 Movements in shares

The movement during the reporting period in the number of ordinary share in Rex Minerals Ltd held, directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

	Held at 1 July 2014 or date appointed	Received on exercise of options	Other changes*	Held at 30 June 2015
Directors				
Dr David Carland	268,330	–	–	268,330
Mr Richard Laufmann	3,541,666	–	–	3,541,666
Mr Alister Maitland	202,000	–	–	202,000
Executives				
Mr Patrick Say	138,667	–	–	138,667
Former				
Mr Steven Olsen	6,027,000	–	–	6,027,000
Mr Mark Parry	–	–	–	n/a
Ms Rachel Rees	24,727	–	–	n/a

*Other changes represent shares that were purchased or sold during the year.

16. ROUNDING

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

17. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 60 and forms part of the Directors' Report for the year ended 30 June 2015.

Dated at Melbourne this 9th day of September 2015

Signed in accordance with a resolution of the Directors:



Richard Laufmann
Managing Director

REX MINERALS LTD**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** as at 30 June

			Restated*	
	Note	2015 \$000	2014 \$000	1 July 2013 \$000
Current Assets				
Cash and cash equivalents	8	7,930	2,590	24,816
Term deposits	8	3,000	19,000	–
Trade and other receivables		290	491	3,310
Prepayments		51	173	44
Total current assets		11,271	22,254	28,170
Non-current assets				
Exploration and evaluation expenditure		1,645	1,645	1,645
Property, plant and equipment	10	15,711	16,165	15,668
Water infrastructure		4,076	4,076	3,631
Total non-current assets		21,432	21,886	20,944
Total assets		32,703	44,140	49,114
Current liabilities				
Trade and other payables	11	884	3,396	3,505
Employee benefits		132	273	404
Provisions		83	36	320
Total current liabilities		1,099	3,705	4,229
Non-current liabilities				
Trade and other payables	11	576	652	–
Employee benefits		80	101	69
Total non-current liabilities		656	753	69
Total liabilities		1,755	4,458	4,298
Net assets		30,948	39,682	44,816
Equity				
Issued capital	12(i)	189,566	189,566	177,686
Reserves	12(iii)	–	890	1,421
Accumulated losses		(158,618)	(150,774)	(134,291)
Total equity		30,948	39,682	44,816

The notes on pages 39 to 58 are an integral part of these financial statements.

*The comparative statement for the year ended 30 June 2014 and opening balance at 1 July 2013 have been restated to show the effects of the voluntary change in accounting policy. Refer to Note 6.

REX MINERALS LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June

			Restated*
	Note	2015 \$000	2014 \$000
Finance income		444	686
Other income		12	–
Administrative expenses		(1,469)	(3,006)
Depreciation expense	10	(445)	(434)
Employee benefits expense	13	(3,432)	(5,103)
Marketing expenses		(347)	(510)
Exploration and evaluation		(3,497)	(14,748)
Loss on disposal of fixed assets		–	(9)
Loss before tax		(8,734)	(23,124)
Income tax benefit	14	–	6,110
Total loss for the period after tax		(8,734)	(17,014)
Other comprehensive income		–	–
Total comprehensive loss attributable to members of Rex Minerals Ltd		(8,734)	(17,014)
Earnings per share attributable to members of Rex Minerals Ltd			
Basic earnings per share (cents)	15	(3.96)	(8.66)
Diluted earnings per share (cents)	15	(3.96)	(8.66)

The notes on pages 39 to 58 are an integral part of these financial statements.

*The comparative statement for the year ended 30 June 2014 has been restated to show the effects of the voluntary change in accounting policy. Refer to Note 6.

REX MINERALS LTD**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 June

Attributable to equity holders of the Group					
	Note	Share Capital	Share Based Payments Reserve	Accumulated losses	Total Equity
Restated balance at 1 July 2014		189,566	890	(150,774)	39,682
Transfer from share based payments reserve	12	–	(890)	890	–
Total comprehensive loss for the period		–	–	(8,734)	(8,734)
Balance at 30 June 2015		189,566	–	(158,618)	30,948
Balance at 1 July 2013		177,686	1,421	(137)	178,970
Effect of accounting policy change	6	–	–	(134,154)	(134,154)
Restated balance at 1 July 2013		177,686	1,421	(134,291)	44,816
Issue of ordinary shares	12	12,645	–	–	12,645
Transaction costs on share issue	12	(765)	–	–	(765)
Transfer from share based payments reserve	12	–	(531)	531	–
Restated total comprehensive loss for the period		–	–	(17,014)	(17,014)
Restated balance at 30 June 2014		189,566	890	(150,774)	39,682

The notes on pages 39 to 58 are an integral part of these financial statements.

REX MINERALS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 June

	Note	2015 \$000	Restated* 2014 \$000
Cash flows from operating activities			
Cash paid to suppliers and employees		(3,799)	(6,580)
Exploration and evaluation payments		(7,448)	(17,647)
Interest received		566	555
Research and development benefit received		–	9,191
Net cash used in operating activities	16	(10,681)	(14,481)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1)	(242)
Payment for water infrastructure		–	(400)
Proceeds from sale of property, plant and equipment		22	17
Investments in term deposits	8(ii)	16,000	(19,000)
Net cash from/(used in) investing activities		16,021	(19,625)
Cash flows from financing activities			
Proceeds from issue of share capital	12	–	12,645
Payment of transaction costs	12	–	(765)
Net cash from financing activities		–	11,880
Net increase /(decrease) in cash and cash equivalents		5,340	(22,226)
Cash and cash equivalents at beginning of the period		2,590	24,816
Cash and cash equivalents at period end	8(i)	7,930	2,590

The notes on pages 39 to 58 are an integral part of these financial statements.

*The comparative statement for the year ended 30 June 2014 has been restated to show the effects of the voluntary change in accounting policy. Refer to Note 6.

1. REPORTING ENTITY

Rex Minerals Ltd (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Level 19, 11 Waymouth Street, Adelaide, South Australia 5000. The Group financial statements as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a for profit entity primarily involved in minerals exploration in Australia.

2. BASIS OF PREPARATION**(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 9 September 2015.

(b) Basis of measurement

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

(c) Functional and presentation currency

These Group financial statements are presented in Australian dollars, which is the functional currency of all entities in the Group.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes and their related accounting policies:

> notes 19 and 20 Commitments and contingencies

(e) Change in accounting policy

The Company has made a voluntary change to its accounting policy relating to exploration and evaluation expenditure. The new accounting policy was adopted for the year ended 30 June 2015 with effect from 1 July 2014 and has been applied retrospectively.

The new exploration and evaluation expenditure accounting policy is to charge exploration and evaluation expenditure, excluding the costs of acquiring licences, against profit and loss as incurred.

The previous accounting policy was to capitalise and carry forward exploration and evaluation expenditure as an asset where the rights to the tenure of the area of interest were current and the expenditures were expected to be recouped or activities in the area of interest had not, at the reporting date, reached a stage that permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest were continuing.

The Company is of the view that the change in policy will result in the financial report providing more relevant and no less reliable information because capitalisation of costs will only begin once a decision to proceed with development has been made.

AASB 6 Exploration for and Evaluation of Mineral Resources allows both the previous and new accounting policies of the Company.

Details in relation to the impact of this change in accounting policy on comparative financial information are disclosed in Note 6.



3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements, and have been applied consistently by Group entities. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period.

The adoption of these new and revised Australian Accounting Standards has had no significant impact on the Group's accounting policies.

(a) Basis of consolidation**(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Group financial statements.

(b) Financial instruments**(i) Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(A) Receivables – other debtors

Other debtors are measured at amortised cost using the effective interest method, less impairment losses. Other debtors are reviewed on an ongoing basis for any indicators of impairment.

An impairment loss is recognised for debts which are known to be uncollectible. An impairment allowance is raised for any doubtful accounts.

(B) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(C) Term Deposits

Term Deposits comprise cash balances and call deposits with an original maturity of more than three months.

(D) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Group prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Share capital**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Property, plant and equipment****(i) Recognition and measurement**

Items of property, plant and equipment (PP&E) are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing part of an item of PP&E is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of PP&E are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss for items of PP&E on a straight-line basis over the estimated useful lives of each part of an item of PP&E.

The estimated useful lives for the current and comparative periods are as follows:

> plant and equipment	3 – 10 years
> buildings	10 – 20 years

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Exploration and evaluation

Exploration and evaluation expenditure, excluding the costs of acquisition, are expensed within the profit and loss as incurred.

Costs incurred in acquiring rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects are capitalised as incurred and assessed for impairment triggers annually.

(e) Impairment**(i) Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Impairment (Continued)****(ii) Non-financial assets (Continued)**

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Employee benefits**(i) Wages, salaries and annual leave**

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within twelve months of the reporting date represent obligations resulting from employee's services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(ii) Long term benefits

The Group's obligation in respect of long service leave is measured as the present value of the future benefit expected to be paid to employees that has been earned in return for their service in the current and prior periods. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Australian corporate bond rates, following the determination that Australia now has a market for high quality corporate bonds.

(iii) Share-based payments

Equity-based compensation is recognised as an expense in respect of the services received.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(g) Revenue Recognition

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Revenues are recognised at fair value of the consideration received net of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

(h) Tax**(i) Income taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Tax (Continued)****(i) Income taxes (Continued)**

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Research and development benefits are recognised in the year the claim is lodged.

(ii) Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Rex Minerals Ltd. The tax-consolidated group has entered into tax funding and tax sharing agreements.

(iii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(j) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(k) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the consolidated entity's chief operating decision maker.

An operating segment is a component of the Group that engages in exploration activities which incurs expenses. An operating segment's expenditures are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance.

Segment expenditure that is reported to the Managing Director includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period on exploration and to acquire property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(l) Restoration and rehabilitation provision**

Obligations to restore and rehabilitate certain areas of property may arise from time to time as a result of the Group's activities. A provision for rehabilitation and restoration is recognised in respect of the estimated cost of rehabilitation, decommissioning and restoration of areas of disturbance existing at reporting date, but not yet rehabilitated. Rehabilitation activities include dismantling infrastructure, removal and treatment of waste material, and land rehabilitation, including recontouring, topsoiling and revegetation of the disturbed area. Provisions for the cost of the rehabilitation program are recognised at the time that environmental disturbance occurs (or is acquired).

A corresponding asset is recognised in Property, Plant and Equipment or Exploration and Evaluation Assets only to the extent that it is probable that future economic benefits associated with the rehabilitation, will flow to the entity. Determining the cost of rehabilitation and restoration of the area of disturbance requires the use of significant estimates and assumptions, including, the timing of the cash flows and expected life of the relevant area of interest, the application of relevant environmental legislation, and the future expected costs of rehabilitation, decommissioning and restoration. Changes in the estimates and assumptions used to determine the cost of rehabilitation, decommissioning and restoration could have a material impact on the carrying value of the site restoration provision and related asset. The provision is reviewed at each reporting date and updated based on the facts and circumstances available at the time.

(m) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements:

- > AASB 9 Financial Instruments becomes mandatory for the Group's 2016 financial statements and could change the classification and measurement of financial assets and financial liabilities.
- > AASB 15 Revenue from Contracts with Customers which will be effective for the Group's 2018 financial statements.
- > Amendments to AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets detail acceptable methods of depreciation and amortisation. These amendments will be effective for the Group's 2017 financial statements.

The new standards are not expected to have significant impact on the financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair values for financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) Share-based payments

The fair value of options granted to employees as compensation is independently measured using a Black-Scholes option pricing model. Measurement inputs include the exercise price of the options, the term of the options, the vesting and performance criteria, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share (based on an evaluation of the Company's historical volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), the expected dividend yield and the risk-free interest rate (based on government bonds) for the term of the option.

5. FINANCIAL RISK MANAGEMENT

(i) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, or issue new shares. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities and currently has no external borrowings.

The Group encourages employees to be shareholders through the Employee Share Option Plan.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash balances.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To this end actual cash flows and forecast future cash flows are reported to and monitored by the Board on a periodic basis.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

6. IMPACTS ARISING FROM CHANGE IN ACCOUNTING POLICY

The following tables summarise the impacts on the Group's consolidated financial statements of the change to the exploration and evaluation policy set out in Note 2(e).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	1 July 2013 \$000	Increase/ (Decrease) \$000	1 July 2013 (Restated) \$000
Non-current assets			
Exploration and evaluation expenditure	135,799	(134,154)	1,645
Total non-current assets	155,098	(134,154)	20,944
Total assets	183,268	(134,154)	49,114
Net assets	178,970	(134,154)	44,816
Equity			
Accumulated losses	(137)	(134,154)	(134,291)
Total equity	178,970	(134,154)	44,816

	30 June 2014 \$000	Increase/ (Decrease) \$000	30 June 2014 (Restated) \$000
Non-current assets			
Exploration and evaluation expenditure	153,344	(151,699)	1,645
Total non-current assets	173,585	(151,699)	21,886
Total assets	195,839	(151,699)	44,140
Net assets	191,381	(151,699)	39,682
Equity			
Reserves	3,912	(3,022)	890
Accumulated losses	(2,097)	(148,677)	(150,774)
Total equity	191,381	(151,699)	39,682

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – 30 JUNE 2014

	30 June 2014 \$000	Profit Adjustment \$000	2014 (Restated) \$000
Depreciation expense	(159)	(275)	(434)
Employee benefits expense	(2,581)	(2,522)	(5,103)
Exploration and evaluation expenses	–	(14,748)	(14,748)
Others	(2,839)	–	(2,839)
Profit/(loss) before tax	(5,579)	(17,545)	(23,124)
Income tax (expense)/benefit	6,110	–	6,110
Total profit/(loss) for the period after tax	531	(17,545)	(17,014)
Total comprehensive income/(loss) attributable to members of Rex Minerals Ltd	531	(17,545)	(17,014)
Earnings per share attributable to members of Rex Minerals Ltd			
Basic earnings per share (cents)	0.27	(8.93)	(8.66)
Diluted earnings per share (cents)	0.27	(8.93)	(8.66)

NOTES TO THE FINANCIAL STATEMENTS
6. IMPACTS ARISING FROM CHANGE IN ACCOUNTING POLICY (CONTINUED)

CONSOLIDATED STATEMENT OF CASH FLOWS – 30 JUNE 2014

	2014 \$000	Increase/ (Decrease) \$000	2014 (Restated) \$000
Cash flows from operating activities			
Exploration and evaluation payments	–	(17,647)	(17,647)
Net cash from/(used in) operating activities	3,166	(17,647)	(14,481)
Cash flows from investing activities			
Exploration and evaluation payments	(17,647)	17,647	–
Net cash from/(used in) investing activities	(37,272)	17,647	(19,625)
Net increase /(decrease) in cash and cash equivalents	(22,226)	–	(22,226)
Cash and cash equivalents at beginning of the period	24,816	–	24,816
Cash and cash equivalents at period end	2,590	–	2,590

In relation to the current year, the voluntary change in accounting policy has resulted in recognition of an exploration and evaluation expense of \$3,496 thousand, employee benefit expense of \$1,630 thousand and depreciation expense of \$259 thousand.

Had the change in accounting policy not been adopted for the current year, the result would have been capitalisation of the \$5,385 thousand to the exploration and evaluation asset.

7. SEGMENT REPORTING

The consolidated entity operates in one geographical segment, being South Australia and one industry, mineral mining and exploration.

8. CASH ASSETS

(i) Cash and cash equivalents

	2015 \$000	2014 \$000
Bank balances and short term deposits	7,930	2,590
Cash and cash equivalents in the statement of cash flows	7,930	2,590

(ii) Term deposits

	2015 \$000	2014 \$000
Term deposits*	3,000	19,000
Total term deposits	3,000	19,000

*Term Deposits comprise cash balances with an original maturity of more than three months.

The Group's total cash and funds on deposit \$10,930,000 (2014: \$21,590,000) is exposed to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 17.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS (DTA) AND DEFERRED TAX LIABILITIES (DTL)

	2015 \$000	Restated* 2014 \$000
Exploration and evaluation assets	(494)	(494)
Property, plant and equipment	(181)	(284)
Provisions	217	222
Equity costs	278	760
Net DTA/DTL	(180)	204
Tax losses recognised to the extent of the DTL	180	–
DTA not recognised	–	(204)
	–	–

*See Note 2(e)

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available, against which the Company can utilise the benefits.

10. PROPERTY, PLANT AND EQUIPMENT

2015	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Cost			
Balance at 1 July 2014	15,084	2,347	17,431
Additions	–	1	1
Disposals	–	(92)	(92)
Balance at 30 June 2015	15,084	2,256	17,340
Depreciation and impairment losses			
Balance at 1 July 2014	54	1,212	1,266
Depreciation	88	357	445
Disposals	–	(82)	(82)
Balance at 30 June 2015	142	1,487	1,629
Carrying amounts			
At 1 July 2014	15,030	1,135	16,165
At 30 June 2015	14,942	769	15,711

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and Buildings	Plant and Equipment	Total
2014	\$000	\$000	\$000
Cost			
Balance at 1 July 2013	14,309	2,287	16,596
Additions	775	182	957
Disposals	–	(122)	(122)
Balance at 30 June 2014	15,084	2,347	17,431
Depreciation and impairment losses			
Balance at 1 July 2013	9	919	928
Depreciation	45	389	434
Disposals	–	(96)	(96)
Balance at 30 June 2014	54	1,212	1,266
Carrying amounts			
At 1 July 2013	14,300	1,368	15,668
At 30 June 2014	15,030	1,135	16,165

11. TRADE AND OTHER PAYABLES

	2015 \$000	2014 \$000
Current		
Trade payables	60	342
Accrued expenses	824	3,054
Total current trade and other payables	884	3,396
Non-current		
Accrued expenses	576	652
Total non-current trade and other payables	576	652
Total trade and other payables	1,460	4,048

12. EQUITY

(i) Movements in shares on issue:

	Date of Issue	Number of Shares	Issue Price \$	\$000
Opening balance at 1 July 2014		220,519,784		189,566
Closing balance at 30 June 2015		220,519,784		189,566
<hr/>				
	Date of Issue	Number of Shares	Issue Price \$	\$000
Opening balance at 1 July 2013		188,907,284		177,686
Capital Raising – Placement	12/03/2014	28,000,000	0.40	11,200
Less costs of Placement				(640)
Capital Raising – Placement	22/04/2014	3,612,500	0.40	1,445
Less costs of Placement				(125)
Closing balance at 30 June 2014		220,519,784		189,566

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

12. EQUITY (CONTINUED)

(ii) Movements in options on issue:

	Date of Issue	Number of Options	Exercise Price \$	Expiry Date
Opening balance as at 1 July 2014		3,840,000		
Lapse of Options – employees	24/09/2012	(3,000,000)	0.91	31/08/2017
Lapse of Options – employees	24/05/2012	(200,000)	1.20	30/04/2015
Lapse of Options – employees	24/05/2012	(640,000)	1.20	30/04/2015
Closing balance as at 30 June 2015		–		

	Date of Issue	Number of Options	Exercise Price \$	Expiry Date
Opening balance as at 1 July 2013		5,040,000		
Lapse of Options – employees	06/05/2011	(200,000)	3.00	30/04/2014
Lapse of Options – employees	24/05/2012	(240,000)	1.20	30/04/2015
Lapse of Options – employees	06/05/2011	(640,000)	3.00	30/04/2014
Lapse of Options – employees	24/05/2012	(120,000)	1.20	30/04/2015
Closing balance as at 30 June 2014		3,840,000		

(iii) Movements in share based payment reserve:

	\$000
Opening balance at 1 July 2014	890
Employee share based payments	–
Transferred to Retained earnings	(890)
Closing balance at 30 June 2015	–
Opening balance at 1 July 2013	1,421
Employee share based payments	–
Transferred to Retained earnings	(531)
Closing balance at 30 June 2014	890

This share based payment reserve is used to recognise the fair value of options issued to employees for options granted which have not been exercised.

13. EMPLOYEE BENEFITS EXPENSE

	2015 \$000	Restated* 2014 \$000
Wages and salaries	3,594	5,202
Increase/(decrease) in liability for annual leave	(141)	(131)
Increase/(decrease) in liability for long service leave	(21)	32
Total employee benefits expense	3,432	5,103

* See Note 6

NOTES TO THE FINANCIAL STATEMENTS
14. INCOME TAX EXPENSE
NUMERICAL RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFIT

	2015 \$000	Restated* 2014 \$000
Profit/(Loss) before tax for the period	(8,734)	(23,124)
Income tax using the domestic corporation tax rate of 30% (2014: 30%)	(2,620)	(6,937)
Decrease in income tax due to:		
Non-deductible expenses	1	6
Research and development benefit	–	(6,110)
Adjustment from prior year	–	(1,883)
Increase in income tax expense due to:		
Net effect of tax losses not recognised	2,619	8,814
Total income tax expense/(benefit) on pre-tax net profit	–	(6,110)

* See Note 6

15. EARNINGS PER SHARE

	2015 cents	Restated* 2014 cents
Earnings Per Share		
Basic EPS	(3.96)	(8.66)
Diluted EPS	(3.96)	(8.66)

* See Note 6

(a) Basic earnings per share

The calculation of basic earnings/(loss) per share (EPS) at 30 June 2015 was based on the loss attributable to ordinary equity holders of \$8,734 thousand (2014: \$17,014 thousand – restated) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2015 of 220,519,784 (2014: 196,512,675).

(b) Diluted earnings per share

The calculation of diluted earnings/(loss) per share (EPS) at 30 June 2015 is the same as basic diluted earnings/(loss) per share. In accordance with AASB 133 – Earnings per share, as potential ordinary shares may result in a situation where their conversion results in a decrease in the earnings/(loss) per share, no dilutive effect has been taken into account.



REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

16. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2015 \$000	Restated* 2014 \$000
Cash flows from operating activities		
Profit/(Loss) before tax for the period	(8,734)	(23,124)
Adjustments for non cash items:		
Depreciation	445	434
Adjustments for other items:		
(Profit)/loss on disposal of property plant and equipment	(12)	9
Operating loss before changes in working capital and provisions	(8,301)	(22,681)
(Increase)/decrease in trade and other receivables	323	2,690
(Decrease)/increase in trade and other payables	(2,588)	(216)
(Decrease)/increase in employee benefits	(162)	(99)
(Decrease)/increase in provisions	47	(285)
Research and development benefit received	–	6,110
Net cash (used in)/from operating activities	(10,681)	(14,481)

* See Note 6

17. FINANCIAL INSTRUMENTS

Exposure to credit risk and interest rate risks arise in the normal course of the Group's business.

(a) **Credit risk**

Management monitors the exposure to credit risk on an ongoing basis through monitoring the Group's counterparties. The Group does not require collateral in respect of financial assets.

At reporting date, cash is held with a number of reputable financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) **Fair value**

The financial assets and financial liabilities included in assets and liabilities approximate their net fair values.

(c) **Liquidity risk**

The following are the contractual maturities of financial liabilities.

Financial liabilities Group	Carrying amount \$000	Contractual cash flows \$000	1 year or less \$000	1–2 years \$000
2015				
Trade and other payables	1,460	(884)	(884)	(576)
	1,460	(884)	(884)	(576)
2014				
Trade and other payables	4,048	(3,396)	(3,396)	(652)
	4,048	(3,396)	(3,396)	(652)

17. FINANCIAL INSTRUMENTS (CONTINUED)
(d) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's short-term deposits. At balance date, the Group had the following financial assets exposed to interest rate risk:

	2015 \$000	2014 \$000
Cash and cash equivalents	7,930	2,590
Term deposits	3,000	19,000
Total cash and term deposits	10,930	21,590

At balance date, the Group has no financial liabilities exposed to variable interest rate risks.

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date. At 30 June 2015, if interest rates had moved, as illustrated in the table below, with all other variables constant, profit and or loss and equity would have been affected as follows:

	Profit or Loss higher/(lower)		Equity higher/(lower)	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Group				
+1% (100 basis points)	291	159	–	–
- 1% (100 basis points)	(291)	(159)	–	–

The movements in profit or loss are due to higher/lower interest earnings on cash balances and term deposits. The movements in equity are directly linked to movements in the Consolidated statement of profit or loss and other comprehensive income.

(e) Impairment losses

None of the Group's receivables are past due (2014: nil).

18. OPERATING LEASES

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015 \$000	2014 \$000
Not later than one year	380	367
Later than one year but not later than five years	1,630	1,595
Greater than five years	1,487	1,902

The Group leases an office space under an operating lease. The lease runs for a period of 10 years, with an option to renew the lease after that date. Lease payments are increased by a fixed percentage every year and adjusted to the prevailing market rate after 5 years.

During the year an amount of an amount of \$424 thousand was recognised as an expense in profit and loss in respect of the office lease (2014: \$218 thousand).

19. EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements under the various exploration licences which are held. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The various State governments have the authority to defer, waive or amend the minimum expenditure requirements.

	2015 \$000	2014 \$000
Not later than one year	1,095	1,650
Later than one year but not later than five years	5,023	4,460

20. CONTINGENCIES

The Directors are of the opinion that there are no matters for which provision is required in relation to any contingencies, as it is not probable that a future sacrifice of economic benefit will be required or the amount is not capable of reliable measurement.

The Group's bankers have provided guarantees amounting to \$20,000 to certain Government bodies as security over the Group's performance of rehabilitation obligations on certain tenements. Under the agreement, the Group has indemnified the bank in relation to these guarantees. The guarantees are backed by deposits amounting to \$20,000 as at 30 June 2015 (2014: \$30,000).

The Group's bankers have provided a guarantee amounting to \$198,903 to the Landlord regarding the new office at Level 19, 11 Waymouth Street, Adelaide, South Australia as security over the Group's obligations regarding the lease held. Under the agreement, the Group has indemnified the bank in relation to this guarantee. The guarantee is backed by a deposit amounting to \$198,903 as at 30 June 2015 (2014: \$198,903).

21. RELATED PARTIES

21.1 Key management personnel (KMP) disclosures

The following were KMP of the Group at any time during the reporting period and unless otherwise indicated were KMP for the period ending 30 June 2015.

Name	Position held	Appointment detail
Non-Executive Directors		
Dr David Carland	Chairman	Appointed Chairman 1 January 2014 Appointed 12 December 2013
Mr Alister Maitland	Chairman – Audit Committee	Appointed 16 September 2011
Executive Director		
Mr Richard Laufmann	Managing Director Chairman – Remuneration Committee	Appointed Managing Director 23 April 2015 and resigned from Remuneration and Audit Committees. Appointed a Director 16 May 2007
Executives		
Mr Patrick Say	Chief Geologist	Appointed Chief Geologist 1 July 2012
Former		
Mr Steven Olsen	Executive Director	Appointed 13 May 2007 Resigned 30 June 2015
Mr Mark Parry	Managing Director/CEO	Appointed 15 October 2012 Departed 8 August 2014
Ms Rachel Rees	Chief Financial Officer	Appointed 9 September 2013 Redundant 31 August 2014

On 4 August 2015, Mr Mitchell Hooke was appointed as Non-Executive Director and is the Chairman of the Remuneration Committee.

Other than the above, there have been no other changes to KMP between 1 July 2015 and the date of this report.

21. RELATED PARTIES (CONTINUED)
21.1 Key management personnel (KMP) disclosures (Continued)

The KMP compensation included in "Employee Benefits Expenses" (see note 13) is as follows:

	2015 \$	2014 \$
Short term employee benefits	764,411	1,854,248
Post employment benefits	116,085	157,562
Share based payments	–	–
Other long term benefits	(24,109)	(11,963)
Termination Benefits	550,417	239,800
	1,406,804	2,239,647

(a) KMP compensation disclosures

Information regarding individual Directors and Executives compensation and some equity instrument disclosures as permitted by Corporation Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report on pages 29-34.

No member of the KMP has entered into a material contract or related party transactions with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

(b) Options over equity instruments

The movement during the reporting period in the number of options over ordinary shares in Rex Minerals Ltd held, directly, indirectly or beneficially, by KMP, including their related parties, is as follows:

2015	Note	Held at 1 July 2014	Exercised during year	Granted as compensation	Vested during year	Lapsed during the year	Vested and	
							Held at 30 June 2015	Exercisable at 30 June 2015
Directors								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Executives								
		160,000	–	–	–	160,000	–	–
Former								
		–	–	–	–	–	–	–
		3,000,000	–	–	–	3,000,000	–	–
		–	–	–	–	–	–	–

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

21. RELATED PARTIES (CONTINUED)

21.1 Key management personnel (KMP) disclosures (Continued)

(b) Options over equity instruments (Continued)

2014	Note	Held at 1 July 2013	Exercised during year	Granted as compen- sation	Vested during year	Lapsed during the year	Held at 30 June 2014	Vested and Exercisable at 30 June 2014
Directors								
Dr David Carland		–	–	–	–	–	–	–
Mr Richard Laufmann		–	–	–	–	–	–	–
Mr Alister Maitland		–	–	–	–	–	–	–
Mr Steven Olsen		–	–	–	–	–	–	–
Mr Mark Parry		3,000,000	–	–	–	–	3,000,000	3,000,000
Executives								
Ms Rachel Rees		–	–	–	–	–	–	–
Mr Patrick Say		240,000	–	–	–	80,000	160,000	160,000
Former								
Mr Paul Chapman		–	–	–	–	–	–	–
Ms Amber Rivamonte		240,000	–	–	–	80,000	160,000	160,000
Ms Janet Mason		160,000	–	–	–	80,000	80,000	80,000

(c) Movements in shares

The movement during the reporting period in the number of ordinary shares in Rex Minerals Ltd held, directly, indirectly or beneficially, by KMP, including their related parties, is as follows:

2015	Note	Held at 1 July 2014 or date appointed as a director	Purchases	Received on Exercise of options	Sales	Held at 30 June 2015
Directors						
Dr David Carland	(i)	268,330	–	–	–	268,330
Mr Richard Laufmann	(ii)	3,541,666	–	–	–	3,541,666
Mr Alister Maitland	(iii)	202,000	–	–	–	202,000
Executives						
Mr Patrick Say	(iv)	138,667	–	–	–	138,667
Former						
Mr Steven Olsen	(v)	6,027,000	–	–	–	6,027,000
Mr Mark Parry		–	–	–	–	n/a
Ms Rachel Rees	(vi)	24,727	–	–	–	n/a

21. RELATED PARTIES (CONTINUED)
21.1 Key management personnel (KMP) disclosures (Continued)
(c) Movements in shares (Continued)

2014	Note	Held at 1 July 2013 or date appointed as a director	Purchases	Received on Exercise of options	Sales	Held at 30 June 2014
Directors						
Dr David Carland	(i)	–	268,330	–	–	268,330
Mr Richard Laufmann	(ii)	3,541,666	–	–	–	3,541,666
Mr Alister Maitland	(iii)	202,000	–	–	–	202,000
Mr Steven Olsen	(v)	6,027,000	–	–	–	6,027,000
Mr Mark Parry		–	–	–	–	–
Executives						
Ms Rachel Rees	(vi)	–	24,727	–	–	24,727
Mr Patrick Say	(iv)	138,667	–	–	–	138,667
Former						
Mr Paul Chapman	(vii)	3,644,833	–	–	–	3,644,833
Ms Amber Rivamonte		850,000	–	–	–	850,000
Ms Janet Mason		130,000	–	–	–	130,000

Shares that were held by related parties of KMP are disclosed below.

- (i) 268,330 held indirectly through Program Images Pty Ltd as trustee for The Carland Super Fund.
- (ii) 3,500,000 held indirectly through Natalie Laufmann. 41,666 held by Laufmann Long Term Investments Pty Ltd.
- (iii) 202,000 held indirectly through the Alister Maitland Superannuation Fund.
- (iv) 16,667 held indirectly through Say Family Super Fund.
- (v) 5,752,000 held indirectly through S&S Olsen Pty Ltd as trustee for the Olsen Family Trust. 275,000 held through SSO Super Pty Ltd as Trustee for the SSO Super fund.
- (vi) 24,727 held indirectly through Cascade Trading Trust.
- (vii) 1,876,166 held indirectly through Stone Poneys Nominees Pty Ltd as trustee for the Chapman Superannuation Fund 1,768,667 held indirectly through Stone Poneys Nominees Pty Ltd as trustee for the Chapman Investment Fund.

21.2 Director related entities

A number of KMP hold positions in other entities that result in them having joint control over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to KMP and entities over which they have joint control were as follows:

Key management person	Transaction	Note	Transaction values year ended 30 June		Balance outstanding as at 30 June		
			2015	2014	2015	2014	
Dr David Carland	Corporate Advisory	(i)	240,000	280,000	–	40,000	
Mr Steven Olsen	Management Services	(ii)	670,500	450,000	–	45,000	
Total and current liabilities						–	85,000

- (i) The Group used the advisory services of BurnVair Corporate Finance Limited in relation to funding options for the project, a company jointly controlled by Dr David Carland. The contract terms are based on normal market rates for this type of service and amounts are payable under normal payment terms. The term of the contract ended on 31 December 2014.
- (ii) The Group used Cedar River Services Pty Ltd, a company of which Mr Olsen is a principal, to provide employees, including Mr Olsen to perform numerous management services. These included the duties associated with day-to-day management of the Company due to the departure of the former Managing Director, announced on 8 August 2014, whilst the search was conducted for the position of Chief Executive. The services provided also included business development, investor relations, financial management services, company secretarial and Chair of the Advisory Board to complete the Hillside EFS. This arrangement was no longer required when Mr Richard Laufmann was appointed to the position of Managing Director and the Advisory Board was dissolved on the completion of its core objectives and the EFS. Mr Olsen resigned as an Executive Director on 30 June 2015. The contract terms are based on normal market rates for these types of services and amounts are payable under normal payment terms and the term of the contract ended on 30 June 2015.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

22. GROUP ENTITIES

	Country of Incorporation	Ownership Interest 2015	Ownership Interest 2014
Parent entity			
Rex Minerals Ltd	Australia		
Subsidiaries			
Rex Minerals (SA) Pty Ltd	Australia	100%	100%
Rex Minerals (Iron Ore) Pty Ltd	Australia	100%	100%
Rex Hillside (Property) Pty Ltd	Australia	100%	100%

23. PARENT ENTITY DISCLOSURES

As at, and throughout, the period ending 30 June 2015 the parent company of the Group was Rex Minerals Ltd.

	2015 \$000	2014 \$000
Result of the parent entity		
Profit/(loss) for the period	(166,798)	531
Other comprehensive income	–	–
Total comprehensive income/(loss) for the period	(166,798)	531
Financial position of the parent entity at year end		
Current assets	11,271	22,154
Total assets	26,216	193,637
Current liabilities	977	1,503
Total liabilities	1,633	2,256
Total equity of the parent entity comprising of:		
Share capital	189,566	189,566
Reserves	–	890
Retained earnings/(Accumulated losses)	(164,983)	925
Total equity	24,583	191,381

Parent entity contingencies

The Parent entity's contingencies are the same as the Group's contingencies as detailed in Note 20.

24. SUBSEQUENT EVENTS

On 4 August 2015, the Company announced that Mr Mitchell Hooke was appointed as a Non-Executive Director. In addition to the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

25. AUDITORS' REMUNERATION

	2015 \$	2014 \$
KPMG Australia		
Audit services	47,500	47,500
Other services	104,800	144,455

During the current year KPMG, the Company's auditor, provided non-audit services to the Group in the form of specialist R&D Tax Incentive services to submit the Group's research and development claims and assistance with customs matters.

DIRECTORS' DECLARATION

- 1 In the opinion of the Directors of Rex Minerals Ltd (the Company):
 - (a) the consolidated financial statements and notes and the Remuneration report, identified within the Directors' report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Acting Chief Financial Officer for the financial year ended 30 June 2015.
- 3 The Directors draw attention to Note 2 to the consolidated financial statement, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Melbourne this 9th day of September 2015

Signed in accordance with a resolution of the Directors:



Richard Laufmann
Managing Director



REX MINERALS LTD

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001



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 audit for the financial year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Scott Fleming
Partner

Adelaide

9 September 2015

**Independent auditor's report to the members of Rex Minerals Limited****Report on the financial report**

We have audited the accompanying financial report of Rex Minerals Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 25 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

REX MINERALS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REX MINERALS LTD



Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in Section 15 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Rex Minerals Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to be 'KPMG' or similar, written in a cursive style.

KPMG

A handwritten signature in black ink, appearing to be 'S. Fleming', written in a cursive style.

Scott Fleming
Partner

Adelaide

9 September 2015

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

a) Substantial shareholders lodged with the Company as at 31 July 2015

Name of Ordinary Shareholder	Number of Shares	% of Shares Held
Acorn Capital Ltd	20,380,807	9.24%
Grand South Development Ltd	11,785,777	5.34%

b) Listing of 20 largest shareholders as at 31 July 2015

Rank	Name	Designation	Number of Shares Held	% of Issued Capital
1	Grand South Development Limited		11,785,777	5.34%
2	J P Morgan Nominees Australia Ltd		10,878,100	4.93%
3	HSBC Custody Nominees	Australia	9,797,029	4.44%
4	National Nominees Ltd		8,349,853	3.79%
5	S & S Olsen Pty Ltd		5,752,000	2.61%
6	Greenstone Property Pty Ltd	Titeline Property A/C	5,344,531	2.42%
7	Panjeta Investment Group Pty Ltd		4,740,000	2.15%
8	Natalie Laufmann		3,500,000	1.59%
9	Greenstone Property Pty Ltd		2,825,000	1.28%
10	HSBC Custody Nominees (Australia) Ltd	NT-Commonwealth Super Corp A/C	2,614,535	1.19%
11	Citicorp Nominees Pty Ltd	Colonial First State Inv A/C	2,455,747	1.11%
12	HSBC Custody Nominees	Australia	2,165,876	0.98%
13	UBS Wealth Management Australia Nominees Pty Ltd		2,163,061	0.98%
14	Mr Ram Shanker Kangatharan		2,160,000	0.98%
15	Ms Fei Chen		2,106,200	0.96%
16	UOB Kay Hian (Hong Kong) Limited	Clients A/C	1,916,979	0.87%
17	Stone Poneys Nominees Pty Ltd	Chapman S/F A/C	1,876,166	0.85%
18	Stone Poneys Nominees Pty Ltd	Chapman Inv Fund A/C	1,768,667	0.80%
19	United Overseas Service Management Ltd		1,513,399	0.69%
20	James Gardiner		1,300,000	0.59%
Total			85,013,920	38.55%

c) Distribution of shareholders as at 31 July 2015

Range	Total Holders	% of Units	Issued Capital
1-1,000	733	356,463	0.16%
1,001-5,000	1,574	4,520,880	2.05%
5,001-10,000	841	6,744,750	3.06%
10,001-100,000	1,484	49,854,572	22.61%
100,001 - over	289	159,043,119	72.12%
Total	4,921	220,519,784	100.00%

d) Number of shareholders holding less than a marketable parcel as at 31 July 2015

2,121

e) Voting rights

On a show of hands every shareholder of fully paid ordinary shares present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

f) Stock exchange listing

Rex Minerals Ltd is listed on the Australian Stock Exchange. The Company's ASX code is RXM.



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