



ANNUAL REPORT 2011

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CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Amber Rivamonte

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Melbourne Victoria 3000

BANKERS

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Ballarat Victoria 3350
Ord Minnett Limited
120 Collins Street
Melbourne Victoria 3000

LEGAL ADVISORS

Baker McKenzie
181 William Street
Melbourne Victoria 3000

OPERATION LOCATION



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ANNUAL REPORT 2011



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Introduction

Rex Minerals Ltd ("Rex" or "the Company") is an Australian minerals exploration and development company with large-scale copper-gold projects on the Yorke Peninsula, South Australia.

In 2008 Rex discovered the Hillside copper-gold project beneath shallow cover rocks approximately 12 kilometres from the port of Ardrossan. Since then the Company has completed three Mineral Resource estimates and in July 2011 released details of a conceptual two-stage mine development plan with output at stage two reaching 70,000 tonne per annum of copper. A pre-feasibility study and further infill Resource definition drilling are now underway at the Hillside project.

Hillside is the first project in the Company's plans to discover and develop multiple large-scale copper-gold deposits along the Pine Point Fault on the Yorke Peninsula.

Highlights

Growing Resource – In the space of 18 months, dedicated Resource definition drilling (with an average of 5 to 6 drill rigs) has produced three Resource updates to the market, with the latest results announced on 27 July 2011. The results recently announced defined an Indicated and Inferred Mineral Resource totalling 217 million tonnes @ 0.7% copper, 0.2g/t gold and 12.4% iron. This equates to 1.5 million tonnes of copper and 1.4 million ounces of gold, which is more than double the maiden Resource estimate which was made 12 months earlier.

Target Size – Rex has drilled an estimated 80% of the area defined at Hillside based on the magnetic feature that has been used to target copper mineralisation. The total target size for Hillside now stands at between 1.6 and 2.1 million tonnes of contained copper making it one of Australia's largest copper projects.

Economic Studies – A conceptual study, completed in July 2011, identified a number of mining options and cost parameters based on the existing Mineral Resource at Hillside. The study shows the potential for a project with a 12 year mine life and copper production increasing to over 70,000 tonnes per annum plus additional gold and magnetite by-products.

Equity Raising – The Company successfully raised \$87 million in October 2010, providing Rex with funding to deliver both a pre-feasibility, subsequent feasibility study and additional capacity to test the many large-scale copper-gold targets in close proximity to Hillside.

Goals for 2012

- > **Resource** – Complete Resource drilling at Hillside focussing on two key outcomes:
 - Detailed ore definition for the purpose of upgrading the Minerals Resource into a Reserve;
 - Expand on the existing Resource, targeting a range of 1.6Mt to 2.1Mt.
- > **New Discovery** – Effectively test the highest priority targets generated regionally on the Yorke Peninsula.
- > **Economics** – Complete the Hillside pre-feasibility study, targeting production of more than 70,000 tonnes per annum of copper and associated by-products of gold and magnetite for a minimum 10 year mine life.
- > **Financing** – Commence assessing financing options for Hillside.
- > **Organisation** – Plan for transition of the organisation from explorer to developer to producer.

LETTER FROM THE CHAIRMAN AND MANAGING DIRECTOR

For the year ended 30 June 2011

Dear Fellow Shareholder,

Rex Minerals Ltd ("Rex") has achieved a number of milestones this year which has left the Company strongly placed despite the financial volatility and turmoil which has troubled world markets in recent months.

Crucially, Rex retains 100% ownership of its flagship projects on South Australia's Yorke Peninsula and is fully funded all the way through to the bankable feasibility stage. The Hillside conceptual study recently announced by Rex represents the base line against which all future discoveries will be measured and potentially developed.

The importance of Rex's \$87 million capital raising in late 2010 has been underscored recently as world equity markets have become more volatile for raising funds. Funding options often change over time and Rex scaled its last capital raising to ensure the Company could finance its flagship projects all the way through to a development decision. As pre-feasibility studies and subsequent bankable feasibility studies are completed, more financing options will become available to the Company. Notwithstanding market volatility, we remain positive about the future for copper and iron ore as these metals are required for growth and gold is increasingly important as a portfolio diversifier.

Rex has been drilling out the Hillside deposit for 18 months and in that time has discovered 1.5 million tonnes of copper and 1.4 million ounces of gold. This is a remarkable discovery rate. Maintaining the gruelling work schedule required to deliver this outcome is a credit to the Rex team. It is the substantial Resource base and further exploration targets, which have been defined in the area near Hillside, that give Rex substantial opportunities for growth and development.

At Hillside, Rex is now at the stage where decisions regarding the future development plan need to be made. As part of this process, Rex completed a conceptual study, which is the first look at the opportunities and issues that need to be addressed before a more detailed mine plan (feasibility studies) can commence. The results from this work were very encouraging and highlighted a number of key features about Rex's flagship project. The initial mine plan identified a two stage process to reach over 70,000 tonnes per annum copper with a total mine life of 12 years. The metallurgical test work indicated that the copper-gold and magnetite concentrates which could be produced at Hillside are low in impurities and are potentially attractive to a large number of international customers. The study results also indicated that the Hillside project will have competitive cash costs, estimated to be close to the world average of \$1.12 after by-product credits (GFMS Copper Survey 2011 report).

It is important to recognise that this preliminary assessment of the mine plan at Hillside is restricted to the information that was available in the early part of 2011. Since that time, Rex has continued to identify further copper extensions at Hillside and already, growth opportunities above and beyond the conceptual study have been identified. Further exploration results and other opportunities will all become part of the Hillside pre-feasibility study which is due for completion in mid 2012.

Aside from the Hillside project, considerable evidence is building for multiple large-scale copper-gold deposits to exist in the region. The regional potential remains an exciting part of the growth opportunity for the Company and Rex will continue to pursue these opportunities whilst advancing the Hillside feasibility studies. We maintain our strategy of delivering value to shareholders with both exploration and development success.

On behalf of the board, we would like to thank our employees for their efforts and achievements during the year. We would also like to acknowledge the support of our suppliers and our shareholders for their continued confidence in Rex.

Rex is also 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 project develops.

Yours sincerely,



Paul Chapman
Chairman



Steven Olsen
Managing Director

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REVIEW OF OPERATIONS – for the year ended 30 June 2011

Rex Minerals Ltd ("Rex") has completed the following important milestones over the year.

October 2010	Capital raising of \$87 million at a share price of \$2.50.
December 2010	Announcement of updated Mineral Resource Estimate of 170Mt @ 0.7% copper and 0.2g/t gold.
December 2010	Announcement of metallurgical test work results which show high copper recoveries (94%) for the dominant ore type at Hillside.
June 2011	Completed Resource definition drilling for a new Mineral Resource estimate. Updated Inferred and Indicated Mineral Resource estimate of 217Mt @0.7% copper, 0.2g/t gold and 12.4% iron (announced on 27 July 2011).
June 2011	Completed work on conceptual mining studies. Results announced on 27 July 2011 defining a 12 year mine plan with production ramping up to over 70,000 tonnes of copper per annum, 50,000 ounces of gold and 1.3 million tonnes of iron ore.

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EXPLORATION PROJECTS – for the year ended 30 June 2011

HILLSIDE COPPER-GOLD PROJECT, YORKE PENINSULA, SOUTH AUSTRALIA

The Hillside project (Figure 1) was the first target to be drill tested by Rex on the Yorke Peninsula soon after its listing on the ASX in 2007. Early indications of significant copper mineralisation were intersected in June 2008 and the discovery of large-scale copper mineralisation confirmed in January 2009.



Figure 1: Location diagram of the Hillside Project and Rex's exploration licences on the Yorke Peninsula, South Australia.

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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

After the initial discovery of copper mineralisation at Hillside it was shown that the copper had a close relationship with the mineral magnetite, and that as a result, a detailed magnetic survey could be used to effectively “see through” the shallow cover rocks to uncover the extent of the copper mineralisation at Hillside. A detailed magnetic survey was subsequently completed in August 2009, and drill testing of the many detailed magnetic features from this survey at Hillside continued throughout the remainder of 2009.

In late 2009 Rex raised \$42 million leading to the commencement of a large resource drilling campaign at Hillside. The Resource definition drilling has been ongoing since January 2010, with the latest Mineral Resource estimate published on 27 July 2011. The current Minerals Resource estimate is summarised in Table 1 below.

Table 1: Hillside Inferred and Indicated Mineral Resource summary

Zone	Resource Category	Tonnes (Mt)	Copper (%)*	Gold (g/t)	Iron (%)	Contained Copper (t)	Contained Gold (oz)
Supergene Oxide	Indicated	3	0.6	0.2	11**	18,000	19,290
	Inferred	15	0.6	0.2	12.1	90,000	96,452
Supergene Sulphide	Indicated	1	0.7	0.3	12.9**	7,000	9,645
	Inferred	7	0.7	0.2	13.7	49,000	45,011
Primary Sulphide	Indicated	31	0.6	0.2	13.2**	186,000	199,335
	Inferred	160	0.7	0.2	12.3	1,120,000	1,028,824
Total		217	0.7	0.2	12.4	1,500,000	1,400,000

*Copper Resources reported above 0.2% cut-off grade.

*Grade is rounded to one significant figure in accordance with the guidance of the JORC Code 2004.

** Iron component of the Indicated Resource is classified as an Inferred Resource.

Please refer to the competent person's report at the end of this section.

Figure 2 shows the growth of the Hillside Resource between July 2010 and July 2011, as well as the total target range for the Hillside project. Average assay results have remained relatively consistent throughout the drilling campaign and the total target size at Hillside lies between 1.6Mt and 2.1Mt of copper (represented by a range of 260Mt to 300Mt at a grade range of 0.6% to 0.7% copper and similar gold grades)¹. The range identified as the total target for the Hillside Project is based on the sum of the existing Resource plus the exploration target range associated with the remaining magnetic anomaly that is yet to be drill tested.

Given the significant presence of magnetite throughout the Hillside deposit, metallurgical studies were completed to assess the potential for an iron ore product to be produced. The results were favourable and indicated that an iron ore concentrate could be produced cheaply with a high iron content (>65%) and with low impurities. Therefore, in July 2011, an assessment of the iron content for the Hillside deposit was given for the first time. However, the iron content itself is not very meaningful without understanding what percentage of iron is actually recoverable into an iron ore concentrate. To give these results some more meaning, an assessment of the copper equivalent grade is shown in Table 2, which allows for the recoverable copper, gold and iron, based on the metallurgical test work completed at Hillside. MinEx Consulting Pty Ltd were engaged to review the copper equivalent grade at Hillside in comparison with the copper equivalent grade for all large scale open pit Resources around the world. This comparison is shown in Figure 3.



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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

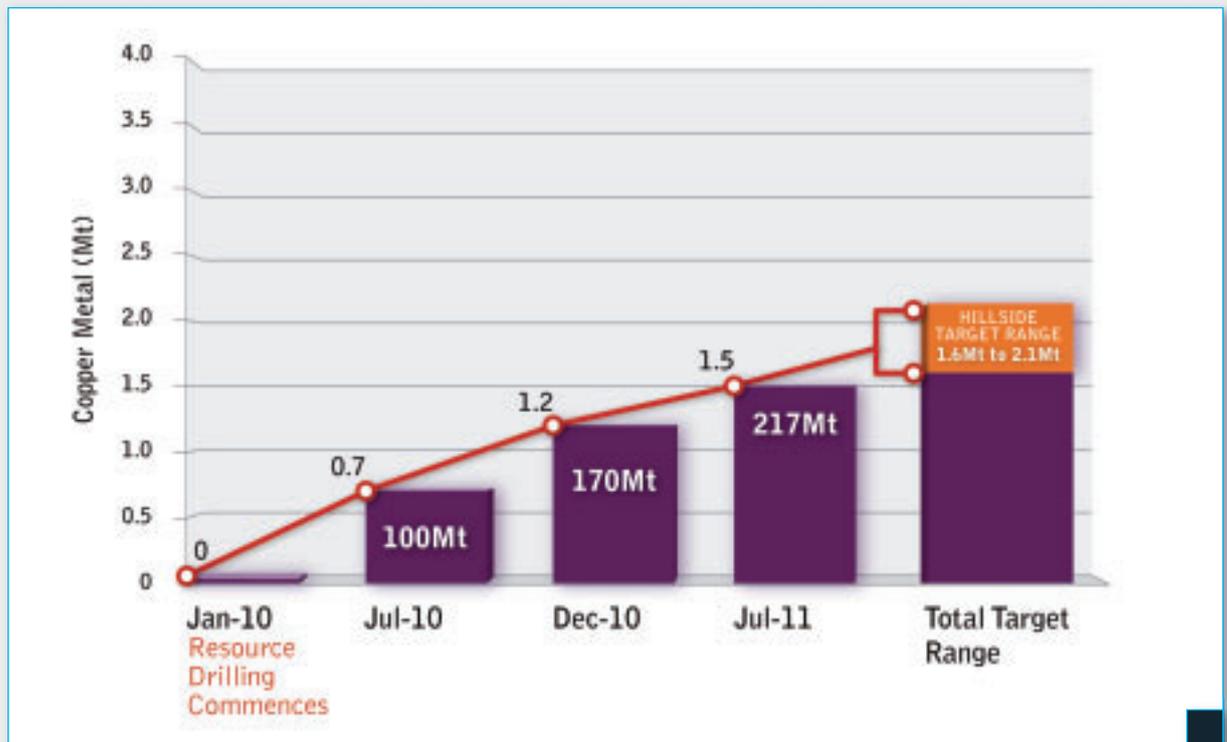


Figure 2: Hillside Resource growth in copper metal (Mt) and total target range¹.

Table 2: Hillside Mineral Resource, grade, recovery and copper equivalent results

	Tonnes (Mt)	Grade	Recovery (%)	Copper Equivalent
Copper	217	0.7%	94%	0.66
Gold	217	0.2 g/t	77%	0.08
Iron	217	12.4%	52.9%	0.16#
Total				0.9

The iron Resource estimate is recovered iron in an iron ore concentrate

Price Assumptions: Copper price = 3.20 US\$/lb, Gold price = 1200 US\$/ounce, Magnetite price = 120 US\$/tonne (see Table 4 in Rex Conceptual Study announcement, 27 July 2011 for more detail on price assumptions).

Please refer to the competent person's report at the end of this section.





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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

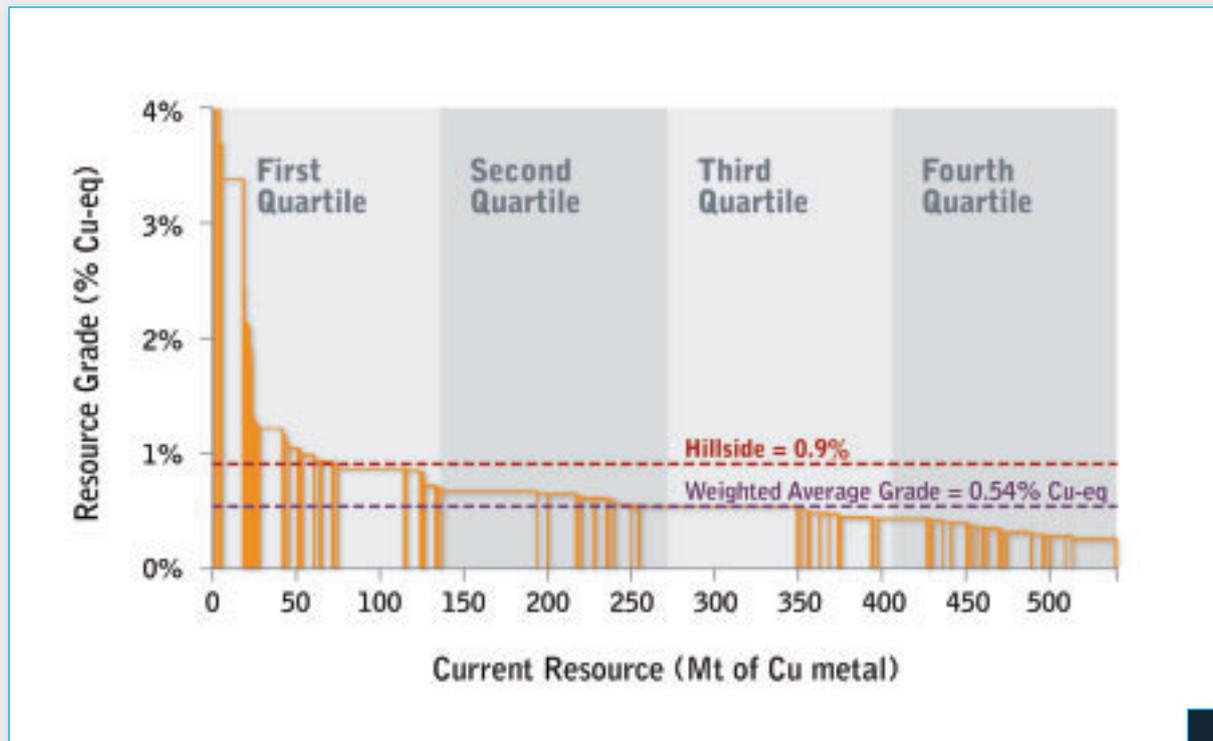


Figure 3: Size and grade of the remaining Resources for operating open pit copper mines in the World*, ranked by copper-equivalent (Cu-Eq) grade. Source: MinEx Consulting July 2011 based on September 2010 Resource data.

* Refers to operating mines (and mines currently under construction) with a remaining resource >500kt copper. Copper-equivalent grade based on \$3.20/lb copper and assumes 1% copper = 3.27% zinc = 0.32% molybdenum = 0.23% cobalt = 0.54 tonnes iron ore = 2.10 g/t gold = 144 g/t silver.

The Hillside project is one of the largest copper discoveries to have been made within Australia in the past decade. The project has a large Resource base that is anticipated to grow over the coming years. The current Hillside Mineral Resource estimate covers approximately 80% of a magnetic anomaly which has been used as the main targeting tool for the definition of copper at Hillside (Figure 4). Figure 5 shows the size of the current Mineral Resource at Hillside, along with the total target size¹ postulated by Rex compared with other major deposits.

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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

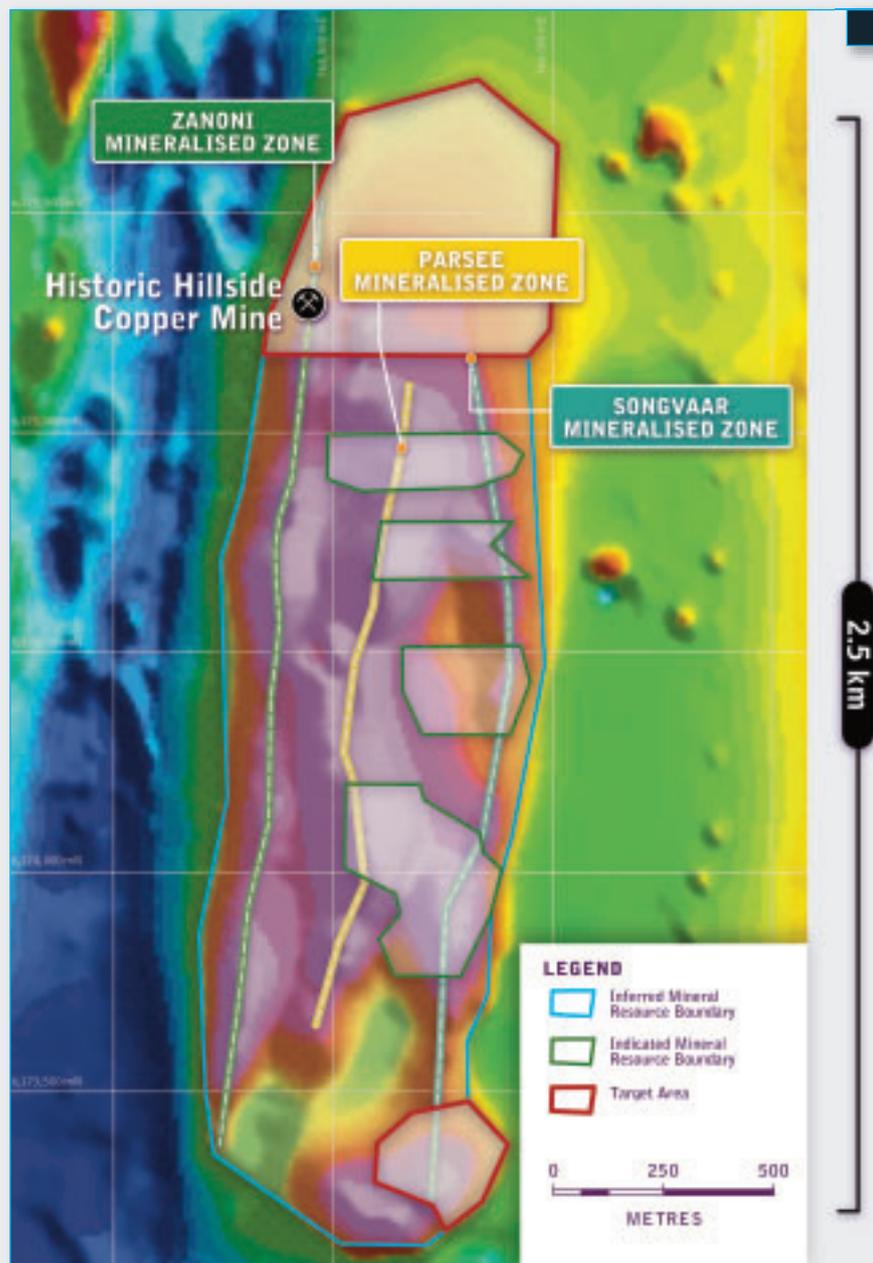


Figure 4: Magnetic map of the Hillside project, showing location of the Inferred and Indicated Resources and remaining area to be drill tested (Target Area).

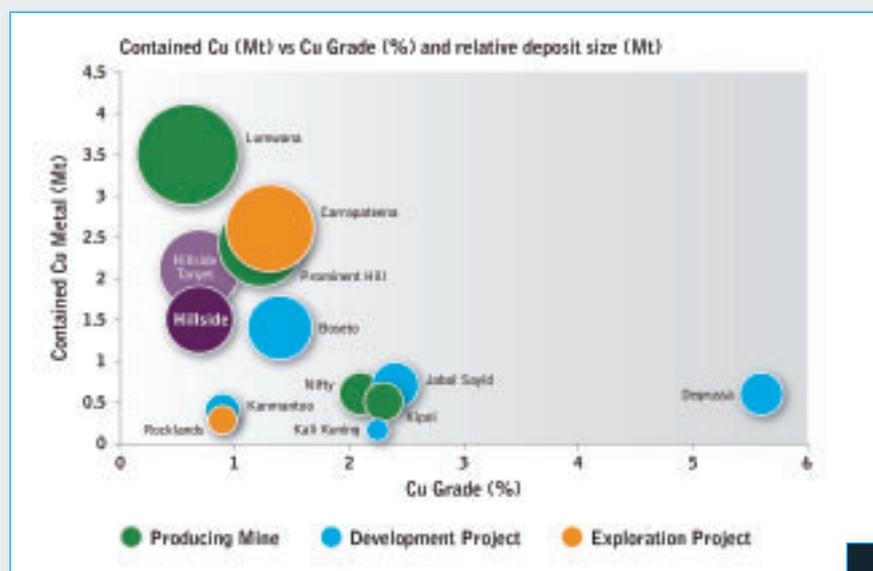


Figure 5: Hillside Total Resource and Total Target Size¹ in comparison to other major copper deposits.

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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

Hillside Copper-Gold Project – Feasibility Studies

In conjunction with the Resource drilling at Hillside, Rex has undertaken a number of research projects that have formed the basis of a conceptual study which is designed to identify the best development options for the Hillside project. The conceptual study is the first review of the potential opportunities and risks associated with a new mining operation². The results from this review provide a guide for a new mining operation, with further scope to optimise the base case estimates as more detail is gathered during the pre-feasibility study stage.

A detailed update from the conceptual study was announced by Rex on 27 July 2011 and includes such items as capital and operating infrastructure associated with a mine plan at Hillside. In essence, the optimal production rate identified during the study is approximately 15Mt per annum. Key metrics for the proposed open pit (Figure 6) at this mining rate are summarised in Table 3. In the conceptual study, Rex considered a number of options for staging the production rate up to this level to minimise the up-front capital. During the pre-feasibility study Rex will further investigate the production schedule identified in Table 3 along with options which allow for the project to run at the currently interpreted optimal production rate of 15Mt for a minimum of 10 years.

Early metallurgical test work identified that the Hillside deposit can produce a saleable copper-gold concentrate with high copper recoveries (94%), using a conventional floatation plant. The presence of significant magnetite and the proximal location of port facilities also prompted Rex to investigate the potential to produce a saleable iron-ore concentrate from the Hillside deposit. This would be similar to the process at the Ernest Henry copper-gold mine in Queensland. The results indicated that the processing and recovery of a magnetite concentrate could add significant value to the project. Therefore, the optimised mining and processing results at Hillside incorporate the ability to recover both a copper-gold concentrate and a magnetite (iron ore) concentrate.

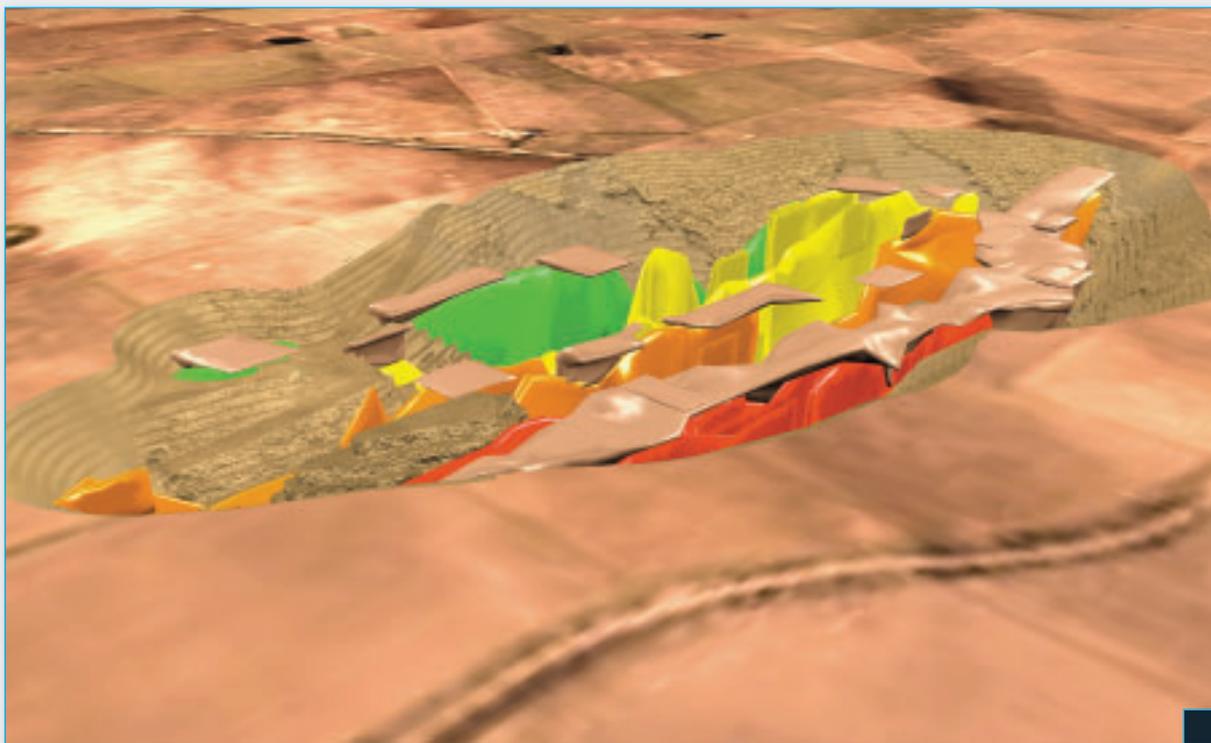


Figure 6: Proposed open pit (final stage two) defined in the Hillside conceptual study, with the modelled Mineral Resources shown within the open pit design.

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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

Table 3: Summary results from the conceptual study completed on the Hillside Project.

	Stage 1	Stage 2
Mine Plan	6 years	6+ years
Copper Production (pa)	40,000 to 45,000 tonnes	70,000 to 80,000 tonnes
Gold Production (pa)	35,000 to 45,000 ounces	50,000 to 70,000 ounces
Iron Ore Concentrate (pa)	700,000 to 900,000 tonnes	1.3 to 1.6 million tonnes
Processing Plant Capacity (pa)	7.5 to 9 million tonnes	15 to 18 million tonnes
Pre-Strip	44 million tonnes	69 million tonnes
Strip Ratio	3.9:1 to 4.2:1	4.2:1 to 4.8:1
Start up capital costs	AUD\$650 to \$800 million	Funded from stage one cash flow

Table 4: Summary of operating cost estimates (all in AUD\$) based on the Hillside conceptual study.

Cost Input	Stage 1	Stage 2
Mining Dilution	13% to 15%	13% to 15%
Mining cost	\$2.6/t	\$2.8/t
Processing Cost	\$11.6/t	\$9.9/t
Administration	\$2.7/t	\$1.5/t

The options for development identified in the conceptual study are only a small subset of the total portfolio of copper potential that Rex considers will be available for development in the future. Exploration drilling at Hillside since July 2011 has already identified significant opportunities to increase the level of production in the early stages of mining. In addition, drilling results from regional targets including Equis, Parara and other historical copper mines, indicate that copper mineralisation is extensive underneath the cover rocks throughout the region.

It remains the long held belief at Rex that the copper potential in the area could lead to the development of a mining operation that produces over 100,000 tonnes per annum of copper plus associated gold and magnetite for decades into the future. From the time Rex commenced drilling on the Yorke Peninsula in 2007 this has been the vision of the Company and our efforts to date have reinforced the potential to deliver this outcome.

Based on the framework established in the conceptual study, Rex has commenced the pre-feasibility study at Hillside. This work program is anticipated to take up to 12 months before progressing into a definitive feasibility study, where the key details will be defined and the approvals process will commence.

Rex anticipates that the approvals process and a definitive feasibility study will be completed in 2013 before the commencement of development for stage one. Construction is anticipated to take 18 months, with production targeted to commence in 2015.



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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

PINE POINT COPPER BELT, YORKE PENINSULA, SOUTH AUSTRALIA

Rex first commenced exploring the Yorke Peninsula with an interpretation that there could be multiple copper-gold deposits underneath a “hidden landscape”. This has initially proven to be correct with the Hillside discovery, which was the first effective test of this hypothesis.

The research undertaken at Hillside since its discovery has confirmed that it was formed at the same time as the Prominent Hill and Olympic Dam deposits adding further weight to the interpretation that there could be other similar deposit types in the basement rocks on the Yorke Peninsula.

These deposits have a very strong relationship with iron, which is typically in the form of either magnetite or haematite. It is for this reason that both magnetic and gravity surveys are a particularly important method of discovering the likely position of the largest deposits in the region. In recognition of this information, Rex completed some high resolution magnetic and gravity surveys in 2009 and 2010 to understand where potentially the largest deposits of this type (typically referred to as an Iron-Oxide-Copper-Gold or IOCG deposits) may occur. The results from this work indicated that there are many targets which have a larger response than Hillside and represent very exciting new targets for Rex, some of which are very close to Hillside, including Equis, Ethel and Ranald (see Table 5 and Figure 7).

Based on ranking the targets from the gravity and magnetic anomalies, Hillside would rank approximately sixth.

Table 5: Project ranking based on modelled gravity and magnetic information gathered by Rex in 2010.

Ranking	Target Name	Modelled Magnetic Size and Intensity	Modelled Gravity Size and Intensity
1	Equis Central	High	High
2	Ethel	High	High
3	Target 13	High	Med/High
4	Ranald East	High	Low
5	Parara North	Med/High	Med
6	Hillside	Med/High	Med
7	Parara Central	Med/High	Low
8	Parara South	Med	Med/High
9	Ranald 16	Med	Med
10	Equis South	Med	Med
11	Port Julia	Med	Med
12	Hillside West	Med	Med/Low

As part of the process for gaining access to drill test the targets on the Yorke Peninsula, Rex has been listening to and working with various landholders in the region. As a result, Rex has revised its access and compensation agreement and implemented additional innovative procedures to further reduce the impact that exploration may have on the land. Rex is committed to developing long term relationships in the region and will continue to maintain an open dialogue with landholders to ensure that Rex’s exploration activities will continue to benefit all stakeholders on the Yorke Peninsula.

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EXPLORATION PROJECTS (continued) – for the year ended 30 June 2011

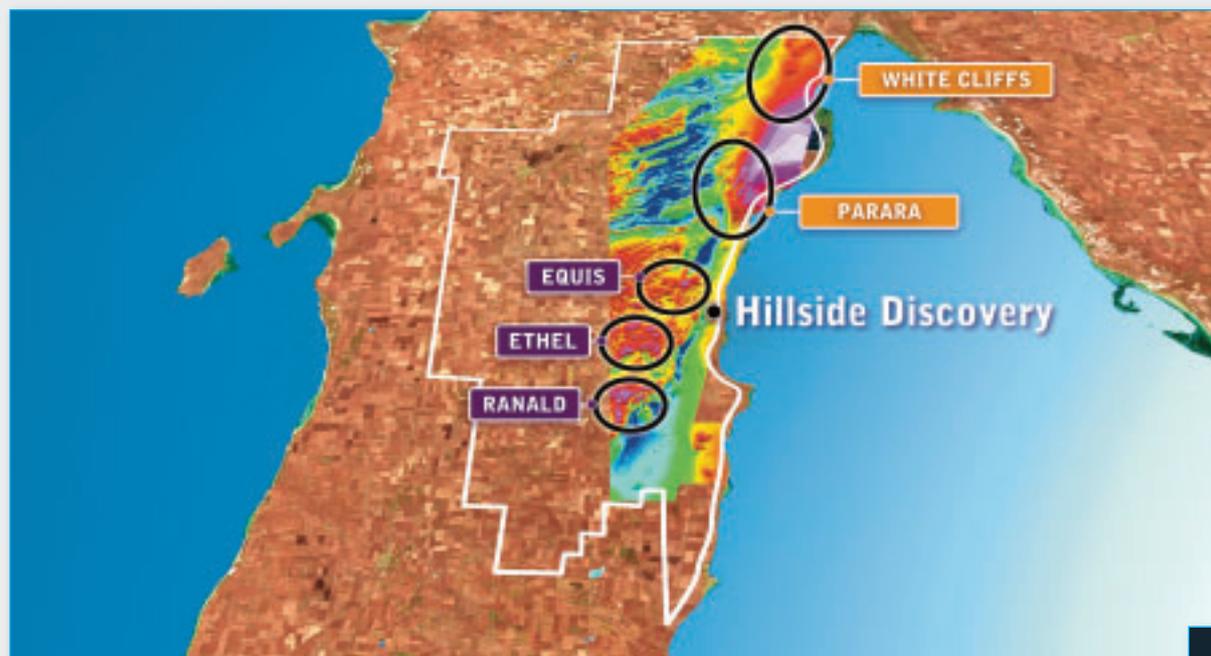


Figure 7: High priority copper-gold targets located on the Pine Point Copper Belt, many of which contain more substantial gravity and magnetic anomalies than Hillside.

COMPETENT PERSONS REPORT

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 2004 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 his information in the form and context in which it appears.

- ¹ The total potential and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that currently announced, and while Rex has confidence in this target range statement, it is uncertain if further exploration will result in the determination of additional Mineral Resources.
- ² The results contained within the 27 July 2011 announcement from the Hillside conceptual study 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 statement".

TENEMENT SCHEDULE – for the year ended 30 June 2011

Tenement	Locality	Lease Status	Area Type	Current Area	Grant Date
EL3875	Moonta South	Granted	km ²	416	02/08/2007
EL3874	Moonta South	Granted	km ²	1262	02/08/2007
EL4514	Moonta South	Granted	km ²	24	10/06/2010
EL3876	Wandearah	Granted	km ²	127	02/08/2007
EL3459	Wandearah	Granted*	km ²	81	29/11/2005
EL3418	Cowell	Granted*	km ²	85	16/09/2005

*These licences are currently being renewed with the Department of Primary Industries and Resources South Australia (PIRSA).




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DIRECTORS' REPORT

REX MINERALS LTD

DIRECTORS' REPORT – for the year ended 30 June 2011

The Directors present their report together with the financial report of Rex Minerals Limited ("the Company") and its subsidiaries (the "Group" or "Rex"), and the Group's interest in associates and jointly controlled entities for the financial year ended 30 June 2011 and the auditors' report thereon.

1. DIRECTORS

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
Mr Paul Chapman Independent Chairperson (B.Comm, ACA, Grad.Dip. Tax, MAICD, MAusIMM)	Mr Paul Chapman is a chartered accountant and has over 25 years resources experience gained in Australia and the US. He has worked in a number of commodity businesses including gold, nickel, manganese, bauxite/alumina and oil/gas. Mr Chapman has held senior management roles in public companies of various sizes and is Chairman of ASX listed explorer Encounter Resources Ltd and listed gold producer Silver Lake Resources Ltd. Director since 2007.
Mr Richard Laufmann Independent Non-Executive Director (B.Eng (Mining), MAusIMM, MAICD)	Mr Richard Laufmann is a mining engineer with a proven track record in the resources sector both in Australia and overseas. He was Managing Director of Ballarat Goldfields NL from 2002 until 2007, at which time Ballarat Goldfields merged with Lihir Gold Limited. Mr Laufmann also previously led WMC Resources Limited's Gold Business as General Manager – Operations. His extensive operational experience includes three years as General Manager of St Ives Gold in Western Australia. Mr Laufmann is currently the Managing Director of Indophil Resources, an ASX listed company operating in the Philippines. Director since 2007.
Mr Steven Olsen Managing Director (B.Sc.(Hons), M.Sc.(MinEx), Grad.Dip (F&I), MAusIMM)	Mr Steven Olsen has over 18 years experience in the resources industry with a background of fourteen years working as a mine geologist and exploration geologist, predominantly in Western Australia and Canada, on nickel and gold deposits. Mr Olsen has had continued exploration success for the discovery of nickel, gold and copper mineralisation throughout his career. Mr Olsen's qualifications include a B.Sc(Hons) from the University of Melbourne, Masters in Mineral Exploration from Queens University, Ontario and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. Mr Olsen is a Non-Executive Director of White Rock Minerals Ltd. Director since 2007.
Mr Alister Maitland Independent Non-Executive Director (B.Com, FAICD, FAIM, SF Fin)	Mr Maitland is a former Executive Director of the ANZ Banking Group. A background in international finance whose banking experience 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 countries operations. He 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 and director of Lihir Gold Ltd. Currently a Director of Malayan Banking Berhad (Maybank) headquartered in Kuala Lumpur. Director since 2011.

2. COMPANY SECRETARY

Ms Amber Rivamonte CPA, B.Bus (Acc) was appointed to the position of Company Secretary and CFO in July 2007. Ms Rivamonte was on 12 months leave during 2009 and returned from this leave in January 2010, to resume her role as Company Secretary. Ms Rivamonte is a CPA and has over 18 years experience in the financial management of publicly listed exploration companies. She has previously held the role of company secretary and chief financial officer for Ballarat Goldfields NL and company secretary for Indophil Resources NL. Ms Rivamonte is currently the Company Secretary of White Rock Minerals Ltd.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

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	
	A	B	A	B
Mr Paul Chapman	12	12	2	2
Mr Richard Laufmann	11	12	2	2
Mr Steven Olsen ¹	12	12	2	2
Mr Alister Maitland ²	–	–	–	–

A – Number of meetings attended

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

¹ Mr Olsen is not a member of the Audit Committee, but is invited and attends meetings as appropriate.

² Mr Maitland was appointed Director on 16 September 2011 and was not a Director during the financial year.

Subsequent to year end, a Remuneration Committee has been established following Rex's entry into the ASX 300, as a result no formal Remuneration Committee meetings were held during the period. However, the Rex Board had processes in place during the period which addressed matters which would otherwise be considered by a Remuneration Committee.



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 Principles of Good Corporate Governance Recommendations incorporating the 2010 Amendments as 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.

In addition to this and consistent with ASX Listing Rule requirements, Rex has a policy concerning trading in its shares by Directors and other designated persons. A copy of that Trading Policy is available on Rex's website.

4. CORPORATE GOVERNANCE STATEMENT (continued)

The following table summarises Rex's position in regard to Corporate Governance.

Recommendation	Comment
<p>4.1 Lay solid foundations for management and oversight</p>	
<p>4.1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.</p>	<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, including matters such as disclosures and the appointment and monitoring of any committees set up by the Board.</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>This recommendation is also satisfied in as much as should a new Director be appointed, Rex's Board Charter and other corporate governance documentation together with updated financial statements will be given to the new Directors together with a formal letter of appointment which will set out details in respect of, amongst other matters:</p> <ul style="list-style-type: none"> > Rex's financial, strategic, operational and risk management position; > each Director's rights, duties and responsibilities; and > the role of the Board and senior executives
<p>4.1.2 Companies should disclose the process for evaluating the performance of senior executives.</p>	<p>Rex's goals for the year are set out in the Annual Report and these are used as the basis for evaluating performance of senior executives. Performance evaluations are undertaken annually, in June, by the Managing Director. The Managing Director's performance evaluation is also undertaken annually, in June, by the Board.</p>
<p>4.1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.</p>	<p>It is intended that:</p> <ul style="list-style-type: none"> > an explanation of any departure from Recommendations 4.1.1, 4.1.2 or 4.1.3 will be included in the corporate governance statement in the Annual Report; and > the Annual Report will disclose whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

4. CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation	Comment
4.2 Structure the Board to add value	
4.2.1 A majority of the Board should be independent Directors.	This recommendation is satisfied.
4.2.2 The Chair should be an independent Director.	This recommendation is satisfied.
4.2.3 The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	This recommendation is satisfied.
4.2.4 The Board should establish a nomination committee.	The Board has not adopted a charter relevant to the specific functions of 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 which raise issues that would otherwise be considered by a nomination committee.
4.2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.	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 and has instead adopted a self evaluation process to measure its own performance. This recommendation is satisfied in as much as the details have been included in the Annual Report and the Board Charter.
4.2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.	<p>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; > 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 2.1 of the Guide (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; > a statement as to the mix of skills and diversity for which the Board is looking to achieve in membership of the Board; > the period of office held by each Director in office at the date of the Annual Report; > 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; and > an explanation of any departures from Recommendations 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5 or 4.2.6. <p>The following material is publicly available on Rex's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> > the Board's policy and procedure for the selection and appointment of directors.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

4. CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation	Comment
4.3 Promoting ethical and responsible decision making	
<p>4.3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> > the practices necessary to maintain confidence in the Company's integrity; > the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and > the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>This recommendation is satisfied. 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>4.3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.</p>	<p>This recommendation is satisfied. 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. The objectives for achieving diversity are included in the corporate governance statement in the Annual Report. In order to promote gender diversity, Rex will engage 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>4.3.3 Companies should disclose in each Annual Report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.</p>	<p>The objectives for achieving diversity are included in the corporate governance statement in the Annual Report.</p>
<p>4.3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.</p>	<p>This recommendation is satisfied. At 30 June 2011, women made up 28% of the total workforce; and 38% of senior executives. There are currently no women on the Board of Rex.</p>
<p>4.3.5 Companies should provide the information indicated in the Guide to reporting on Principle 3.</p>	<p>The following material is publicly available on Rex's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> > any applicable code of conduct which incorporates the diversity policy.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

4. CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation	Comment
4.4 Safeguard integrity in financial reporting	
4.4.1 The Board should establish an Audit Committee.	This recommendation is satisfied.
4.4.2 The Audit Committee should be structured so that it: <ul style="list-style-type: none"> > Consists only of non-executive Directors; > Consists of a majority of independent Directors; > Is chaired by an independent Chair who is not chair of the Board; > Has at least 3 members 	The members of the Audit Committee are Alister Maitland, Paul Chapman, and Richard Laufmann, who are all independent Directors. Alister 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.
4.4.3 The Audit Committee should have a formal charter.	This recommendation is satisfied.
4.4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4.	The following material is included in the corporate governance statement in the Annual Report: <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, or, where a company does not have an audit committee, how the functions of an audit committee are carried out > the number of meetings of the audit committee (contained within the Directors' Report) > explanation of any departures from Recommendations 4.4.1, 4.4.2, 4.4.3 or 4.4.4 The following material is made publicly available on Rex's website in a clearly marked corporate governance section: <ul style="list-style-type: none"> > the audit committee charter, including information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.
4.5 Make timely and balanced disclosure	
4.5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	This recommendation is satisfied. Rex has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance. Rex's Continuous Disclose Policy sets out Rex's policies and procedures with regard to the reporting of material price sensitive information to the ASX subject to confidentiality carve-out aspects and Rex's procedures in this regard.
4.5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5.	An explanation of any departures from Recommendations 4.5.1 or 4.5.2 are included in the corporate governance statement in the Annual Report. The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements are publicly available on Rex's website in a clearly marked corporate governance section.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

4. CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation	Comment
4.6 Respect the rights of shareholders	
<p>4.6.1 Companies should design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.</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; > notices of meetings to shareholders; and > provision of all relevant documentation released on Rex's website.
<p>4.6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6.</p>	<p>An explanation of any departure from Recommendations 4.6.1 or 4.6.2 are included in the corporate governance statement in the Annual Report.</p> <p>Rex describes its communications policy with Shareholders in the corporate governance statement in the Annual Report.</p>
4.7 Recognise and manage risk	
<p>4.7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.</p>	<p>Although there is no standalone risk management policy, 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.</p> <p>Rex Management has reported to the Board under Recommendation 4.7.2 on risk management.</p>
<p>4.7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.</p>	<p>This recommendation is satisfied.</p>
<p>4.7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p>	<p>This recommendation is satisfied.</p>

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

4. CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation	Comment
4.7 Recognise and manage risk (continued)	
<p>4.7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7.</p>	<p>The following material is included in the corporate governance statement in the Annual Report:</p> <ul style="list-style-type: none"> > explanation of any departures from Recommendations 4.7.1, 4.7.2, 4.7.3 or 4.7.4; > whether management has reported to the Board under Recommendation 4.7.2; and > whether the Board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 4.7.3.
4.8 Remunerate fairly and responsibly	
<p>4.8.1 The Board should establish a Remuneration Committee.</p>	<p>This recommendation is satisfied.</p>
<p>4.8.2 The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.</p>	<p>The members of the Remuneration Committee are Richard Laufmann, Paul Chapman and Alister Maitland, who are all independent Directors. Richard Laufmann is an independent Chair of the Remuneration Committee (and he is not Chair of the Board). The Directors consider that the Remuneration Committee is of sufficient size, independence and technical expertise to discharge its mandate effectively.</p>
<p>4.8.3 Companies should clearly distinguish the structure of Non-Executive Director's remuneration from that of Executive Directors and senior executives.</p>	<p>This recommendation is satisfied.</p>
<p>4.8.4 Companies should provide the information indicated in the Guide to reporting on Principle 8.</p>	<p>The following material or a clear cross-reference to the location of the material is included in the corporate governance statement in the Annual Report or elsewhere in the Annual Report (as appropriate):</p> <ul style="list-style-type: none"> > the names of the members of the remuneration committee and their attendance at meetings of the committee, or where the company does not have a remuneration committee, how the functions of a remuneration committee are carried out. > the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; and > an explanation of any departures from Recommendations 4.8.1, 4.8.2, 4.8.3 or 4.8.4.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

5. PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was minerals exploration in Australia. There were no significant changes in the nature of the Group's principal activities during the year.

Rex is focussed on the exploration and development of large-scale copper-gold projects on the Yorke Peninsula, South Australia. Rex's strategy is to discover large-scale copper-gold deposits which can lead to the development of a new long-life and low-cost mining operation on the Yorke Peninsula.

Rex has made an initial discovery at the Hillside copper-gold deposit and completed a conceptual study to assess a potential development plan for this deposit. Rex is progressing the Hillside deposit to the level of a pre-feasibility study in conjunction with maintaining a regional exploration program for further discoveries and enhancement of the future mine development plans on the Yorke Peninsula.

Rex applies its extensive technical experience and existing drilling capacity to progress its projects, laying solid foundations for long term growth, enabling Rex to uncover the substantial deposits of copper that Rex interprets to exist under shallow cover rocks on the Yorke Peninsula.

5.1 Objectives

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 2012 and later financial years.

- > **Resource** – Complete drilling at Hillside focussing on two key outcomes:
 - Detailed ore definition for the purpose of upgrading the Minerals Resource into a Reserve; and
 - Expand on the existing Resource, targeting a range of 1.6Mt to 2.1Mt.
- > **New Discovery** – Effectively test the highest priority targets generated regionally on the Yorke Peninsula.
- > **Economics** – Complete the Hillside pre-feasibility study targeting production of more than 70,000 tonnes of copper per annum and associated by-products of gold and magnetite for a minimum 10 year mine life.
- > **Financing** – Commence assessing financing options for Hillside.
- > **Organisation** – Plan for the transition of the organisation from explorer to developer to producer.

6. OPERATING AND FINANCIAL REVIEW

The income statement shows a profit after tax of \$593,266 (2010: \$2,327,007) for the year. The Group has no bank debt. As at 30 June 2011 the Group had a cash position of \$45,084,267 (2010: \$31,474,941) and funds on deposit of \$34,000,000 (2010: nil). Operating activities incurred a cash inflow for the year of \$230,899 (2010: cash inflow of \$273,168).

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 13 October 2010, Rex announced an underwritten equity raising of approximately \$85 million via a share placement at \$2.50 per share. This equity raising was successfully completed in two stages during October and December 2010. At this time a Share Purchase Plan was also announced, with existing shareholders being eligible for up to \$5,000 worth of shares, at \$2.50 per share. The Share Purchase Plan was completed in November 2010.

In the opinion of the Directors there were no further significant changes in the state of affairs of the Group during the year ended 30 June 2011.

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 16 September 2011 Mr Alister Maitland was appointed Non-Executive Director of Rex Minerals.

Other than the event described above, subsequent to 30 June 2011 there has not arisen in the interval between the end of the financial year and the date of this report any other item, any 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.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

10. LIKELY DEVELOPMENTS

Likely developments are the continued minerals exploration on the tenements owned or controlled by the Group.

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.

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
Mr Paul Chapman	3,524,000	–
Mr Richard Laufmann	3,500,000	–
Mr Alister Maitland	202,000	–
Mr Steven Olsen	6,002,000	–

12. SHARE OPTIONS

12.1 Options granted to Directors and Officers of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following Directors and to the following of the five most highly remunerated Officers of the Company as part of their remuneration:

All options were granted during the financial year. No options have been granted since the end of the financial year.

	Number of options granted	Exercise price	Expiry date
Directors			
Mr Paul Chapman	–	–	–
Mr Richard Laufmann	–	–	–
Mr Steven Olsen	–	–	–
Executives			
Ms Amber Rivamonte	80,000	\$3.00	30 April 2014
Ms Janet Mason	80,000	\$3.00	30 April 2014
Mr Patrick Say	80,000	\$3.00	30 April 2014

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

12.2 Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price*	Number of shares
31 May 2012	\$0.552	60,000
31 October 2012	\$2.052	240,000
24 May 2013	\$1.220	561,000
30 April 2014	\$3.000	1,600,000
Total		2,461,000

**For options issued prior to 15 June 2010, the exercise prices are shown post the reduction arising from the demerger. Exercise prices were reduced in accordance with the ASX listing rules by \$0.148 per share as a result of the demerger.*

All options expire on the expiry date, unless the options have not been exercised and the employee leaves the Company then the options will lapse if they are not exercised within 60 days of departure.

12.3 Shares issued on exercise of options

During or since the end of the financial year the Company issued ordinary shares as a result of the exercise of options as follows (there are no amounts unpaid on the shares issued):

Number of shares	Amount paid on each share
2,350,000	\$0.102
1,000,000	\$0.152
150,000	\$0.217
120,000	\$0.552
39,000	\$1.222
3,659,000	

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 Company's auditor, did not provide any non-audit services to the Company or any of its controlled entities (2010: nil).

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

15. REMUNERATION REPORT – AUDITED

15.1 Principles of compensation

Remuneration is referred to as compensation through this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including Directors of the Company and Senior Executives. Key management personnel comprise the Directors of the Company and Senior Executives for the Company and the Group including the five most highly remunerated Company and Group Executives.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. Compensation levels have been determined by considering the number of employees, market capitalisation, net profit and revenue. They are also based on remuneration of Top 500 ASX listed companies. The Board obtains independent advice of the appropriateness of compensation packages of both the Company and the Group given trends in comparative companies and the objectives of the Company's compensation strategy.

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the geological finds and the following indices in respect of the current financial year and previous financial years.

	2011	2010	2009	2008	IPO Sept 2007
Net profit/(loss) attributable to equity holders of the parent	\$593,266	\$2,327,007	\$(1,851,166)	\$(857,987)	\$ –
Closing share price	\$2.31	\$1.250	\$0.555	\$0.260	\$0.250

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

15.1.1 Fixed compensation

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

Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the Directors' and Senior Executives' compensation is competitive in the market place.

15.1.2 Performance linked compensation

Performance linked compensation includes both short-term and long-term incentives, and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives.

15.1.3 Short-term incentive bonus

The short-term incentive (STI) is a discretionary bonus provided in the form of cash, which is calculated based on an assessment of key performance indicators, including share price performance, business growth, exploration success and safety, environment and community issues.

15.1.4 Long-term incentive

The long-term incentive (LTI) is provided as options over ordinary shares of the Company. Options granted to employees currently vest immediately and only lapse in the event of the employee leaving the Company or the expiry date, whichever occurs earlier. Due to the nature of the Company at this time; the Board believes this is appropriate, having regard to the exercise price of options being set at a premium to the current share price.

15. REMUNERATION REPORT – AUDITED (continued)

15.1.5 Service agreements

It is the Group's policy that employment contracts for key management personnel, excluding the Chief Executive Officer are unlimited in term but capable of termination on 3 months' notice and that the Group retains the right to terminate the contract immediately, by making payment equal to 3 months' pay in lieu of notice.

The Group has entered into contracts with each key management person, excluding the Chief Executive Officer, that are capable of termination on three months' notice. The Group retains the right to terminate a contract immediately by making payment equal to three month's pay in lieu of notice. The key management personnel 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 the key management personnel but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, 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 Chief Executive Officer undertakes performance reviews with all key management personnel annually in June.

Mr Steven Olsen, Chief Executive Officer, has a contract of employment dated 1 July 2010 with the Company which terminates on the 30 June 2013. The contract specifies the duties and obligations to be fulfilled by the Chief Executive Officer and provides that the Board and Chief Executive Officer will consult and agree objectives for achievement each year.

The Chief Executive Officer has no entitlement to termination payment in the event of removal for misconduct or gross negligence.

Discretionary bonus payments are allowable under the current management employment contracts including the Chief Executive Officer for meeting and/or exceeding performance milestones and upon approval by the Board.

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2007 AGM, is not to exceed \$300,000 per annum and is set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Directors' base fees are presently \$280,000 per annum.

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

15.2 Directors' and Executive Officers' remuneration (Group)

Details of the nature and amount of each major element of remuneration of each Director of the Company, each of the named Company Executives and relevant Group Executives who receive the highest remuneration and other key management personnel appear in the Table on Page 30.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

15.2 Directors' and Executive Officers' remuneration (Group) (continued)

		Short – term				Post-employment		Share-based payments		Total \$	Proportion of remuneration performance related %	Value of options as proportion of remuneration %
		Salary & fees \$	STI cash bonus \$ ^(A)	Non-monetary benefits \$	Total \$	Super-annuation benefits \$	Term-innovation benefits \$	Fair Value Options \$ ^(B)				
Directors												
Non-Executive Directors¹												
Mr Paul Chapman (Chairperson)	2011	97,500	–	–	97,500	8,775	–	–	106,275	–	–	
	2010	62,500	–	–	62,500	5,625	–	–	68,125	–	–	
Mr Richard Laufmann	2011	70,000	–	–	70,000	6,300	–	–	76,300	–	–	
	2010	52,500	–	–	52,500	4,725	–	–	57,225	–	–	
Executive Directors												
Mr Steven Olsen – Managing Director	2011	355,000	70,000	–	425,000	31,950	–	–	456,950	15.3	–	
	2010	263,000	30,000	–	293,000	23,670	–	–	316,670	9.5	–	
Executives												
Ms Amber Rivamonte – Company Secretary ²	2011	90,000	25,000	–	115,000	8,100	–	–	166,300	15.0	26.0	
	2010	45,000	–	–	45,000	4,050	–	–	69,714	–	29.6	
Ms Janet Mason – Chief Financial Officer ³	2011	54,160	30,000	–	84,160	4,874	–	–	132,234	22.7	32.7	
	2010	153,452	7,500	–	160,952	13,811	–	–	195,427	3.8	10.6	
Mr Patrick Say – Geology Manager ⁴	2011	205,000	10,000	–	215,000	18,450	–	–	276,650	3.6	15.6	
	2010	–	–	–	–	–	–	–	–	–	–	
Former												
Mr Brian Phillips ⁵	2010	20,508	–	–	20,508	1,846	–	–	22,354	–	–	
Mr Geoffrey Lowe – Director Exploration ⁶	2010	203,361	35,000	20,000	258,361	18,302	–	–	276,663	12.7	–	
Total compensation: key management personnel (Group)	2011	871,660	135,000	–	1,006,660	78,449	–	–	1,214,709			
	2010	800,321	72,500	20,000	892,821	72,029	–	–	1,006,178			

¹ Mr Alister Maitland was appointed to the Board 16 September 2011.

² Ms Amber Rivamonte was on leave for 6 months during 2010.

³ Ms Janet Mason was on leave for 7 months during 2011. During this period Ms Rivamonte was Acting Chief Financial Officer.

⁴ Mr Patrick Say was appointed Geology Manager 1 July 2010.

⁵ Mr Brian Phillips was appointed Director on 12 February 2010 and resigned 15 June 2010.

⁶ Mr Geoffrey Lowe was previously Exploration Manager and was appointed Director on 12 February 2010 and resigned 15 June 2010.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

15. REMUNERATION REPORT – AUDITED (CONTINUED)

15.2 Directors' and Executive Officers' remuneration (Group) (continued)

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

- A. The short-term incentive bonus is for performance during the respective financial year using the criteria set out in the Remuneration Report. The amount was finally determined after performance reviews were completed and approved by the Board. No amounts vest in future years in respect of the bonuses paid.
- B. The fair value of the unlisted options granted has been calculated at the date of grant based upon the Black Scholes option pricing model. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised in this reporting period.

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant Date	Option life	Fair value per option	Exercise price	Price of shares on grant date	Expected volatility	Risk free interest rate
6 May 2011	2.49 years	\$0.54	\$3.00	\$2.51	38%	4.96%

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

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that vested during the reporting period are as follows:

	Number of options granted during 2011	Grant and vesting date	Fair value per option at grant date (\$)	Exercise price per option (\$)	Expiry date	Number of options vested during 2011
Directors						
Mr Paul Chapman	–	–	–	–	–	–
Mr Richard Laufmann	–	–	–	–	–	–
Mr Steven Olsen	–	–	–	–	–	–
Executives						
Ms Amber Rivamonte	80,000	6 May 2011	\$0.54	\$3.00	30 April 2014	80,000
Ms Janet Mason	80,000	6 May 2011	\$0.54	\$3.00	30 April 2014	80,000
Mr Patrick Say	80,000	6 May 2011	\$0.54	\$3.00	30 April 2014	80,000

	Number of options granted during 2010	Grant and vesting date	Fair value per option at grant date (\$)	Exercise price per option (\$)	Expiry date	Number of options vested during 2010
Directors						
Mr Paul Chapman	–	–	–	–	–	–
Mr Richard Laufmann	–	–	–	–	–	–
Mr Brian Phillips	–	–	–	–	–	–
Mr Steven Olsen	–	–	–	–	–	–
Mr Geoffrey Lowe	–	–	–	–	–	200,000
Executives						
Ms Amber Rivamonte	73,800	3 June 2010	\$0.28	\$1.22	24 May 2013	273,800
Ms Janet Mason	73,800	3 June 2010	\$0.28	\$1.22	24 May 2013	113,800

No options have been granted since the end of the financial year. The options were provided at no cost to the recipients.

REX MINERALS LTD

DIRECTORS' REPORT (continued) – for the year ended 30 June 2011

15. REMUNERATION REPORT – AUDITED (continued)

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 a key management person) have been altered or modified by the issuing entity during the current period.

As per the ASX Listing rule Clause 7.22.3 which deals with the effect on options from a return of share capital, the exercise price of each Rex option on issue reduced by 14.8 cents on 15 June 2010. This price reduction did not impact on the fair value of the options.

15.3.3 Exercise of options granted as compensation

During the reporting period, there were no shares issued to key management personnel 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 each key management person, and each of the five named Company Executives and Group Executives is detailed below.

	Granted in year \$ (A)	Value of Options Exercised in year \$ (B)	Lapsed in year \$ (C)
Directors			
Mr Paul Chapman	–	–	–
Mr Richard Laufmann	–	–	–
Mr Steven Olsen	–	–	–
Executives			
Ms Amber Rivamonte	43,200	–	–
Ms Janet Mason	43,200	–	–
Mr Patrick Say	43,200	–	–
Total	129,600	–	–

- (A) The value of options granted in the year is the fair value of the options calculated at grant date using the Black Scholes option pricing model as described in note 23. The total value of the options granted is included in the table above. This amount is allocated to remuneration upon grant.
- (B) The value of options exercised during the year is calculated at grant date using the Black Scholes option pricing model as described in note 23.
- (C) No options lapsed during the year.

16. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 61 and forms part of the Directors' report for the year ended 30 June 2011.

Dated at Melbourne this 22nd day of September 2011

Signed in accordance with a resolution of the Directors:



Steven Olsen
Managing Director



FINANCIAL STATEMENTS



REX MINERALS LTD**STATEMENT OF FINANCIAL POSITION – as at 30 June 2011**

		Group	Group
	Note	2011	2010
		\$	\$
Current Assets			
Cash and cash equivalents	7(i)	45,084,267	31,474,941
Term deposits	7(ii)	34,000,000	–
Receivables	8	884,677	229,478
Other assets	9	9,420	22,263
Total current assets		79,978,364	31,726,682
Non-current assets			
Other assets	9	–	1,000,000
Exploration and evaluation expenditure	10	51,958,831	22,278,777
Property, plant and equipment	12	11,102,663	373,671
Total non-current assets		63,061,494	23,652,448
Total assets		143,039,858	55,379,130
Current Liabilities			
Trade payables	13	3,168,171	1,808,670
Employee benefits	14	269,438	141,989
Total current liabilities		3,437,609	1,950,659
Total liabilities		3,437,609	1,950,659
Net assets		139,602,249	53,428,471
Equity			
Issued capital	15(i)	137,665,189	52,948,677
Reserves	15(iii)	1,137,690	520,080
Retained earnings /(Accumulated losses)		799,370	(40,286)
Total equity		139,602,249	53,428,471

The notes on pages 38 to 59 are an integral part of these financial statements.

REX MINERALS LTD**STATEMENT OF COMPREHENSIVE INCOME – for the year ended 30 June 2011**

		Group	Group
	Note	2011	2010
		\$	\$
Finance income	16	3,816,443	1,433,666
Other income	17	–	85
Administrative expenses		(1,502,038)	(727,549)
Depreciation expense		(62,359)	(76,137)
Employee benefits expense	18	(1,426,162)	(668,928)
Marketing expenses		(232,415)	(155,147)
Loss on sale of fixed assets		(203)	–
Profit on demerger of investment	19	–	2,521,017
Profit before tax		593,266	2,327,007
Income tax (expense)/benefit	20	–	–
Total profit for the period after tax		593,266	2,327,007
Total comprehensive income attributable to members of Rex Minerals Ltd		593,266	2,327,007
Earnings per share attributable to ordinary equity holders			
Basic earnings per share (cents)	21	0.43	2.48
Diluted earnings per share (cents)	21	0.42	2.36

The notes on pages 38 to 59 are an integral part of these financial statements.

REX MINERALS LTD

STATEMENT OF CHANGES IN EQUITY – for the year ended 30 June 2011

	Attributable to equity holders of the Group			
	Share Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2009	24,711,046	552,130	(2,699,202)	22,563,974
Issue of ordinary shares	45,212,617	–	–	45,212,617
Share based payments compensation	–	299,859	–	299,859
Transfer from share based payments reserve	–	(331,909)	331,909	–
Capital reduction via share distribution	(16,974,986)	–	–	(16,974,986)
Total comprehensive income for the period	–	–	2,327,007	2,327,007
Balance at 30 June 2010	52,948,677	520,080	(40,286)	53,428,471
Balance at 1 July 2010	52,948,677	520,080	(40,286)	53,428,471
Issue of ordinary shares	84,716,512	–	–	84,716,512
Share based payments compensation	–	864,000	–	864,000
Transfer from share based payments reserve	–	(246,390)	246,390	–
Total comprehensive income for the period	–	–	593,266	593,266
Balance at 30 June 2011	137,665,189	1,137,690	799,370	139,602,249

The notes on pages 38 to 59 are an integral part of these financial statements.

REX MINERALS LTD**STATEMENT OF CASH FLOWS – for the year ended 30 June 2011**

		Group	Group
	Note	2011	2010
		\$	\$
Cash flows from operating activities			
Cash paid to suppliers and employees		(3,159,025)	(1,059,798)
Interest received		3,389,924	1,332,966
Net cash from/(used in) operating activities	22	230,899	273,168
Cash flows from investing activities			
Exploration and evaluation payments		(27,435,325)	(13,637,366)
Acquisition of property, plant and equipment		(8,511,209)	(2,260,219)
Proceeds from sale of property, plant and equipment		50	17,000
Investments in term deposits	7(ii)	(34,000,000)	–
Cash outflow on demerger of White Rock Minerals		–	(6,795,404)
Net cash from/(used in) investing activities		(69,946,484)	(22,675,989)
Cash flows from financing activities			
Proceeds from issue of share capital		88,235,648	43,419,950
Payment of transaction costs		(4,910,737)	(1,828,255)
Net cash from/(used in) financing activities		83,324,911	41,591,695
Net increase in cash and cash equivalents		13,609,326	19,188,874
Cash and cash equivalents at beginning of the period		31,474,941	12,286,067
Cash and cash equivalents at period end	7(i)	45,084,267	31,474,941

The notes on pages 38 to 59 are an integral part of these financial statements.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Rex Minerals Limited (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is 209 Dana Street, Ballarat, Victoria, 3350. The Group financial statements as at and for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group primarily is 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 22 September 2011.

(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.

(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:

- > note 10 Exploration and evaluation expenditure
- > note 14 Employee benefits
- > note 23 Share-based payments
- > note 25, 26, 27 Commitments and contingencies

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.

(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. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Non-derivative financial instruments comprise investments in equity, 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.

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

(ii) Receivables – sale of non-current assets

The net gain (loss) on the sale of goods is included as revenue or expense at the date control of the assets passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(iii) Cash and cash equivalents

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

(iv) Term Deposits

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

(v) 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.

(c) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment are recognised in profit or loss as incurred.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (Continued)

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

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

- > plant and equipment 5 – 10 years
- > buildings 10 – 20 years

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

(d) Exploration and evaluation

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- > the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- > activities in the area of interest have not, at the reporting date, reached a stage which permits 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 are continuing.

Exploration and evaluation assets are assessed for impairment if:

- > sufficient data exists to determine technical feasibility and commercial viability; and
- > facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(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. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

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. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, and deferred tax 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. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

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").

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Non-financial assets (Continued)

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.

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) Share-based payments

Equity-based compensation will be recognised as an expense in respect of the services received, or as capitalised exploration expenditure as appropriate.

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

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Income taxes (Continued)

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.

(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.

(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, which comprise share options granted to employees.

(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. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

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

(l) Demerger accounting treatment

(i) Acquisition of entity under common control

The acquisition of an entity under common control is completed at carrying value. That is, the assets and liabilities acquired are recognised at the carrying amounts previously recognised in the consolidated financial statements.

(ii) Demerger of wholly owned subsidiary

The demerger of White Rock Minerals Limited was accounted for in accordance with Interpretation 17 Distributions of Non-Cash Assets to Owners. Per this accounting guidance the distribution to Rex Minerals Limited shareholders, of ordinary shares in White Rock Minerals Limited, was measured at fair value at the date of demerger, based upon an independent external valuation. The difference between the book value of the White Rock Minerals assets at the demerger date and the fair value of the distribution to shareholders was recognised in the Income Statement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2011, and have not been applied in preparing these consolidated financial statements:

- > **AASB 9 Financial Instruments** – could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early, which becomes mandatory for the Group's 2014 consolidated financial statements and the extent of the impact has not been determined.
- > **IAS 19 Employee Benefits** – is amended focussing on, but is not limited to the accounting for defined benefit plans. In addition, it changes the definition of short-term and other long term employee benefits and some disclosure requirements. The amendments, which become mandatory for the Group's 30 June 2013 financial statements, are not expected to have a significant impact on the financial statements.
- > **AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements** – removes the requirements to include individual key management personnel disclosures in the notes to the financial statements. Companies will still need to provide these disclosures in the Remuneration Report under s.300A of the **Corporations Act 2001**. The amendments, which will become mandatory of the Group's 30 June 2014 financial statements, are not expected to have any impact on the financial statements, other than reduced disclosures.
- > **AASB 1054 Australian Additional Disclosures** – this standard removes many of the additional disclosures previously required under standards to align the requirements of accounting standards for publically accountable for-profit entities in Australia and New Zealand. The amendments will become mandatory for the Group's 30 June 2012 financial statements, with retrospective application required. The amendments are not expected to have any 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 value 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

Equity-based compensation will be recognised as an expense in respect of the services received, or as capitalised exploration expenditure as appropriate.

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

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 from customers and investment securities.

(iii) Guarantees

Group policy is to provide financial guarantees only to wholly-owned subsidiaries.

(iv) 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.

(v) 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.

6. SEGMENT REPORTING

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

7. CASH ASSETS

(i) Cash and cash equivalents

	Group	Group
	2011	2010
	\$	\$
Bank balances and short term deposits	45,084,267	31,474,941
Cash and cash equivalents in the statement of cash flows	45,084,267	31,474,941

(ii) Term deposits

	Group	Group
	2011	2010
	\$	\$
Term deposits (i)	34,000,000	-
Total term deposits	34,000,000	-

(i) Term deposits comprise cash balances with an original maturity of more than three months.

The Group's total cash and funds on deposit (\$79,084,267) is exposed to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 24.

REX MINERALS LTD**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. RECEIVABLES**

	Group	Group
	2011	2010
	\$	\$
Current		
Other receivables	884,677	229,478
Total current receivables	884,677	229,478

9. OTHER ASSETS

	Group	Group
	2011	2010
	\$	\$
Current		
Prepayments	9,420	22,263
Non-current		
Prepaid deposit (i)	–	1,000,000
Total other assets	9,420	1,022,263

(i) Deposit paid for the purchase of property, plant and equipment.

10. EXPLORATION AND EVALUATION EXPENDITURE

	Group	Group
	2011	2010
	\$	\$
Cost		
Balance at 1 July	22,278,777	9,127,523
Acquisitions	–	2,895,544
Additions	29,680,054	17,636,478
Disposals	–	(7,380,768)
Balance at 30 June	51,958,831	22,278,777
Carrying amounts		
At 1 July	22,278,777	9,127,523
At 30 June	51,958,831	22,278,777

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

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. UNRECOGNISED DEFERRED TAX ASSETS

	Group	Group
	2011	2010
	\$	\$
Net deferred tax assets have not been recognised in respect of the following		
Tax losses and exploration deductions	18,697,263	11,633,257
Total tax assets / (liabilities) not recognised	18,697,263	11,633,257

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.

12. PROPERTY, PLANT AND EQUIPMENT

	Group	Group	Group
	Land and	Plant and	Total
	Buildings	Equipment	
2011	\$	\$	\$
Cost			
Balance at 1 July 2010	16,953	478,721	495,674
Acquisitions	9,961,329	945,228	10,906,557
Disposals	–	(3,747)	(3,747)
Balance at 30 June 2011	9,978,282	1,420,202	11,398,484
Depreciation and impairment losses			
Balance at 1 July 2010	114	121,889	122,003
Depreciation charged to the income statement	342	62,017	62,359
Depreciation charged to exploration projects	366	114,587	114,953
Disposals	–	(3,494)	(3,494)
Balance at 30 June 2011	822	294,999	295,821
Carrying amounts			
At 1 July 2010	16,839	356,832	373,671
At 30 June 2011	9,977,460	1,125,203	11,102,663

REX MINERALS LTD**NOTES TO THE FINANCIAL STATEMENTS (continued)****12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Group	Group	Group
	Land and Buildings	Plant and Equipment	Total
2010	\$	\$	\$
Cost			
Balance at 1 July 2009	2,273	227,184	229,457
Acquisitions	43,725	1,245,050	1,288,775
Disposals	(29,045)	(993,513)	(1,022,558)
Balance at 30 June 2010	16,953	478,721	495,674
Depreciation and impairment losses			
Balance at 1 July 2009	–	63,821	63,821
Depreciation charged to the income statement	114	76,023	76,137
Depreciation charged to exploration projects	–	12,954	12,954
Disposals	–	(30,909)	(30,909)
Balance at 30 June 2010	114	121,889	122,003
Carrying amounts			
At 1 July 2009	2,273	163,363	165,636
At 30 June 2010	16,839	356,832	373,671

13. TRADE PAYABLES

	Group	Group
	2011	2010
	\$	\$
Current		
Other trade payables and accrued expenses	3,168,171	1,808,670
Total current trade and other payables	3,168,171	1,808,670

14. EMPLOYEE BENEFITS

	Group	Group
	2011	2010
	\$	\$
Current		
Liability for annual leave	269,438	141,989
Total employee benefits	269,438	141,989

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. ISSUED CAPITAL

(i) Movements in shares on issue:

	Date of Issue	Number of Shares	Issue Price	\$	\$
Opening balance at 1 July 2010		114,389,460			52,948,677
Exercise of Employee Options – funds received	02/08/2010	100,000	0.102	10,200	
Exercise of Employee Options – funds received	02/08/2010	60,000	0.552	33,120	
Exercise of Employee Options – funds received	03/09/2010	60,000	0.552	33,120	
Exercise of Employee Options – funds received	01/10/2010	90,000	0.217	19,530	
Exercise of Employee Options – funds received	01/10/2010	500,000	0.102	51,000	
Issue of Ordinary Shares – Placement	19/10/2010	17,000,000	2.500	42,500,000	
Less costs of the Placement					(2,340,000)
Exercise of Employee Options – funds received	05/11/2010	6,000	1.222	7,332	
Issue of Ordinary Shares – Share Purchase Plan	24/11/2010	1,079,000	2.500	2,697,500	
Issue of Ordinary Shares – Placement	03/12/2010	17,000,000	2.500	42,500,000	
Less costs of the Placement					(2,570,736)
Exercise of Employee Options – funds received	06/01/2011	12,300	1.222	15,031	
Exercise of Employee Options – funds received	13/01/2011	20,700	1.222	25,295	
Issue of Ordinary Shares – property purchase	31/03/2011	311,419	2.890	900,000	
Exercise of Employee Options – funds received	31/03/2011	60,000	0.217	13,020	
Exercise of Founding Options – funds received	14/04/2011	750,000	0.102	76,500	
Exercise of Options – funds received	20/05/2011	1,000,000	0.152	152,000	
Exercise of Founding Options – funds received	17/06/2011	1,000,000	0.102	102,000	
Issue of Ordinary Shares – property purchase	24/06/2011	196,640	2.500	491,600	
Closing balance at 30 June 2011		153,635,519			137,665,189

	Date of Issue	Number of Shares	Issue Price	\$	\$
Opening balance at 1 July 2009		80,340,000			24,711,046
Exercise of Options – funds received	18/09/2009	500,000	0.30	150,000	
Exercise of Employee Options – funds received	18/09/2009	30,000	0.365	10,950	
Issue of Ordinary Shares – Drake Resources	21/10/2009	2,000,000	0.757	1,515,000	
Issue of Ordinary Shares – Entitlement Issue	27/10/2009	12,444,094	1.70	21,154,960	
Less costs of the Entitlement Issue					(944,430)
Issue of Ordinary Shares – Entitlement issue	25/11/2009	12,416,906	1.70	21,108,740	
Less costs of the Entitlement Issue					(883,826)
Issue of Ordinary Shares – Titeline	23/12/2009	1,114,152	0.70	779,907	
Exercise of Employee Options – funds received	29/01/2010	120,000	0.41	49,200	
Exercise of Employee Options – funds received	29/01/2010	600,000	0.25	150,000	
Exercise of Founding Options – funds received	29/01/2010	1,000,000	0.25	250,000	
Issue of Ordinary Shares – Titeline	05/03/2010	1,894,308	0.70	1,326,016	
Exercise of Options – funds received	07/05/2010	1,000,000	0.25	250,000	
Exercise of Employee Options – funds received	07/05/2010	120,000	0.70	84,000	
Exercise of Employee Options – funds received	20/05/2010	60,000	0.41	24,600	
Exercise of Founding Options – funds received	20/05/2010	500,000	0.25	125,000	
Exercise of Founding Options – funds received	21/05/2010	250,000	0.25	62,500	
Capital reduction via demerger					(16,974,986)
Closing balance at 30 June 2010		114,389,460			52,948,677

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. ISSUED CAPITAL (CONTINUED)

(ii) Movements in options on issue:

	Date of Issue	Number of Options	Exercise Price	Expiry Date
			\$	
Opening balance at 1 July 2010		4,520,000		
Exercise of Options – founding	06/06/2007	(1,750,000)	0.102	30/06/2011
Exercise of Options – employees	31/07/2007	(600,000)	0.102	30/06/2011
Exercise of Options	12/09/2007	(1,000,000)	0.152	30/06/2011
Exercise of Options – employees	03/12/2007	(150,000)	0.217	30/06/2011
Exercise of Options – employees	19/06/2009	(120,000)	0.552	31/05/2012
Exercise of Options – employees	04/06/2010	(39,000)	1.222	24/05/2013
Issue of Options – employees	06/05/2011	1,600,000	3.000	30/04/2014
Closing balance as at 30 June 2011		2,461,000		

	Date of Issue	Number of Options	Exercise Price	Expiry Date
			\$	
Opening balance as at 1 July 2009		7,860,000		
Exercise of Options	18/09/2009	(500,000)	0.30	30/06/2011
Exercise of Options – employees	18/09/2009	(30,000)	0.37	30/06/2011
Issue of Options – employees	04/12/2009	240,000	2.20	31/10/2012
Exercise of Options – employees	29/01/2010	(600,000)	0.25	30/06/2011
Exercise of Options – employees	29/01/2010	(120,000)	0.41	30/06/2011
Exercise of Options – founding	29/01/2010	(1,000,000)	0.25	30/06/2011
Exercise of Options	07/05/2010	(1,000,000)	0.25	30/06/2011
Exercise of Options – employees	07/05/2010	(120,000)	0.70	31/05/2012
Exercise of Options – founding	20/05/2010	(500,000)	0.25	30/06/2011
Exercise of Options – employees	20/05/2010	(60,000)	0.41	30/06/2011
Exercise of Options – founding	21/05/2010	(250,000)	0.25	30/06/2011
Issue of Options – employees	03/06/2010	600,000	1.22	24/05/2013
Closing balance as at 30 June 2010		4,520,000		

(iii) Movements in share based payment reserve:

	\$
Opening balance at 1 July 2010	520,080
Employee share based payments – to employees	864,000
Transferred to Retained earnings/(Accumulated losses)	(246,390)
Closing balance at 30 June 2011	1,137,690
Opening balance at 1 July 2009	552,130
Employee share based payments – to employees	271,200
Options issued – for contract drilling services	28,659
Transferred to Retained earnings/(Accumulated losses)	(331,909)
Closing balance at 30 June 2010	520,080

16. FINANCE INCOME AND EXPENSE

	Group 2011	Group 2010
	\$	\$
Finance income – interest income on bank deposits	3,816,443	1,433,666
Finance expense	–	–
Net finance income and expense	3,816,443	1,433,666

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. OTHER INCOME

	Group 2011 \$	Group 2010 \$
Net gain on sale of property, plant and equipment	–	85
Total other income	–	85

18. EMPLOYEE BENEFITS EXPENSE

	Group 2011 \$	Group 2010 \$
Wages and salaries	1,104,313	550,069
Share based payments expense	194,400	59,808
Increase in liability for annual leave	127,449	59,051
Total employee benefits expense	1,426,162	668,928

19. CONTROLLED ENTITY DISPOSAL

2011:

No entities were disposed of during the period.

2010:

On 15 June 2010, White Rock Minerals Ltd was demerged from the Rex Group, following approval by Rex Shareholders at a General Meeting held on 3 June 2010. Existing Rex Shareholders received shares in White Rock on a 1:3 basis. Prior to the demerger being completed, on 15 June 2010, White Rock acquired Rex's wholly owned subsidiary Rex Minerals (NSW) Pty Ltd (now named White Rock Minerals (MTC) Pty Ltd), which includes the Mt Carrington project in northern NSW. The Mt Carrington project is, as a result, no longer part of the Rex Group.

	Group 2011 \$	Group 2010 \$
Consideration		
Cash Received	–	–
Disposal Costs	–	(98,212)
Inflow/(outflow) of cash	–	(98,212)
Other consideration (i)		
Distribution of White Rock shares	–	16,974,986
Net Consideration	–	16,876,774
Carrying value of net assets of controlled entity disposed of: (ii)	–	–
Cash assets	–	6,795,404
Property, plant and equipment	–	974,985
Exploration and evaluation expenditure	–	7,380,768
Provisions	–	(795,400)
	–	14,355,757
Profit/(Loss) on disposal of controlled entity	–	2,521,017

- (i) The distribution of the White Rock shares occurred at fair value, based on an independent valuation undertaken in June 2010 for Rex.
- (ii) The carrying value of the assets of the controlled entities disposed of, are all recorded at cost.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. INCOME TAX EXPENSE

NUMERICAL RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFIT

	Group 2011 \$	Group 2010 \$
Profit/(Loss) for the period	593,266	2,327,007
Income tax using the domestic corporation tax rate of 30% (2009: 30%)	177,980	698,102
Increase in income tax due to:		
Non-deductible expenses	262,186	91,522
Decrease in income tax expense due to:		
Non-assessable profit on demerger	–	(785,769)
Recognition and consumption of losses not previously recognised	(440,166)	(3,855)
Total income tax expense/(benefit) on pre-tax net profit	–	–

21. EARNINGS PER SHARE

	Group 2011 cents	Group 2010 cents
Earnings Per Share		
Basic EPS	0.43	2.48
Diluted EPS per share – cents	0.42	2.36

(a) **Basic earnings per share**

The calculation of basic earnings/(loss) per share (EPS) at 30 June 2011 was based on the profit attributable to ordinary equity holders of \$593,266 (2010: \$2,327,007) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2011 of 137,764,389 (2010: 93,887,179).

(b) **Diluted earnings per share**

The calculation of diluted earnings/(loss) per share (EPS) at 30 June 2011 was based on the profit attributable to ordinary equity holders of \$593,266 (2010: \$2,327,007) and a weighted average number of ordinary shares outstanding after adjustment for unexercised options during the financial year ended 30 June 2011 of 140,225,389 (2010: 98,407,179).

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Group 2011 \$	Group 2010 \$
Cash flows from operating activities		
Profit/(Loss) for the period	593,266	2,327,007
Adjustments for non cash items:		
Depreciation	62,359	76,137
Share based payment transactions	194,400	59,808
Adjustments for other items:		
Proceeds from sale of property plant and equipment	(50)	(17,000)
Profit on demerger before disposal costs	–	(2,619,229)
Operating profit/(loss) before changes in working capital and provisions	849,975	(173,276)
(Increase)/decrease in trade and other receivables	(562,969)	(30,577)
(Decrease)/increase in trade and other payables	(183,556)	417,970
(Decrease)/increase in employee benefits	127,449	59,051
Net cash (used in)/from operating activities	230,899	273,168

During the financial year, the Group had the following non-cash investing and financing activities which are not reflected in the statement of cash flows (refer note 15):

- (a) Issue of options to employees, some of which have been capitalised as exploration expenditure.
- (b) Issue of shares as part of the purchase consideration for land.

23. SHARE BASED PAYMENTS

The Company established a share option plan that entitles employees (other than Directors) to options to purchase shares in the Company.

The following options were granted during the financial year ending 30 June 2011:

Employees Entitled	Grant Date	Number of Options	Expiry Date
Key management personnel (A)	06/05/2011	240,000	30/04/2014
Other employees (A)	06/05/2011	1,360,000	30/04/2014
Total		1,600,000	

The following options were granted during the financial year ending 30 June 2010:

Employees Entitled	Grant Date	Number of Options	Expiry Date
Key management personnel (B)	3/6/2010	147,600	24/05/2013
Other employees (C)	3/12/2009	240,000	31/10/2012
Other employees (B)	3/6/2010	452,400	24/05/2013
Total		840,000	

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. SHARE BASED PAYMENTS (CONTINUED)

Key management personnel and employee options (A) are exercisable at a price of \$3.00 each, have no vesting period and expire on 30 April 2014. Key management personnel and employee options (B) are exercisable at a price of \$1.22 each, have no vesting period and expire on 24 May 2013. Employee options (C) are exercisable at a price of \$2.052 each, have no vesting period and expire on 31 October 2012. Each option entitles the holder to subscribe for 1 ordinary share in the Company.

All options vest on the grant date. Options expire on the expiry date, unless the options have not been exercised and the employee leaves the Company then the options will lapse if they are not exercised within 60 days of departure. These options do not entitle the holder to participate in any share issue of the Company or any other related entity.

(a) Fair value of share options and assumptions

The fair value of the unlisted options have been calculated at the date of the grant based upon the Black Scholes option pricing model. As the options vest on grant, the fair value of the options is allocated to the reporting period in which they are granted.

Employees entitled	(A)	(B)	(C)
Fair value at grant date	\$0.54	\$0.28	\$0.43
Share price at date of grant	\$2.51	\$1.067	\$1.84
Exercise price	\$3.00	\$1.22	\$2.052
Expected volatility	38%	40%	40%
Option life (years)	2.49	2.81	2.66
Risk free interest rate	4.96%	4.67%	4.61%

The common method for valuing options is the Black Scholes option pricing model. Black Scholes option pricing model looks at the past share price as an indicator of the future share price. Black Scholes option pricing model assumes that high volatility in the share prices is an indicator for a higher valuation as there is a greater chance of the share price moving significantly (upwards or downwards). The model also assumes that the options are exercised at or near the expiry date of the options.

(b) Employee expenses

	Group 2011 \$	Group 2010 \$
Share options granted in 2010 – recognised in income statement	–	59,808
Share options granted in 2010 – capitalised to exploration projects	–	211,392
Share options granted in 2011 – recognised in income statement	194,400	–
Share options granted in 2011 – capitalised to exploration projects	669,600	–
Total recognised as employee costs	864,000	271,200

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. FINANCIAL INSTRUMENTS

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

(a) **Credit risk**

Management monitors the exposure to credit risk on an ongoing basis. 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 net fair values.

(c) **Liquidity risk**

The following are the contractual maturities of financial liabilities excluding derivatives.

Financial liabilities Group	Carrying amount	Contractual cash flows	1 year or less	1-2 years
	\$	\$	\$	\$
2011				
Trade and other payables	3,168,171	(3,168,171)	(3,168,171)	–
	3,168,171	(3,168,171)	(3,168,171)	–
2010				
Trade and other payables	1,808,670	(1,808,670)	(1,808,670)	–
	1,808,670	(1,808,670)	(1,808,670)	–

(d) **Interest rate risk**

The Group's exposure to market interest rates relates primarily to the Group's short-term deposits (less than 12 months). At balance date, the Group had the following financial assets exposed to interest rate risk:

	Group 2011 \$	Group 2010 \$
Cash and cash equivalents	45,084,267	31,474,941
Term Deposits	34,000,000	–
Total Cash and Term Deposits	79,084,267	31,474,941

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

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. FINANCIAL INSTRUMENTS (CONTINUED)

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date. At 30 June 2011, 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)	
	2011 \$	2010 \$	2011 \$	2010 \$
Group				
+1% (100 basis points)	747,097	336,808	–	–
- 1% (100 basis points)	(747,097)	(336,808)	–	–

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 Income Statement.

(e) Impairment losses

None of the Group's receivables are post due (2010: nil).

25. EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements. 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.

	Group	Group
	2011 \$	2010 \$
Not later than one year	682,000	682,000
Later than one year but not later than five years	2,728,000	2,728,000

26. CAPITAL EXPENDITURE COMMITMENTS

	Group	Group
	2011 \$	2010 \$
Not later than one year	–	3,600,000
Later than one year but not later than five years	–	–

27. 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.

There are no other contingent liabilities or assets at the date of this report.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Name	Position held	Appointment detail
Non-Executive Directors		
Mr Paul Chapman	Chairperson	Appointed 18 April 2007
Mr Richard Laufmann	Chairperson – Audit Committee	Appointed 16 May 2007
Executive Director		
Mr Steven Olsen	Managing Director	Appointed 13 May 2007
Executives		
Ms Amber Rivamonte	Company Secretary	Appointed 16 July 2007
Ms Janet Mason	CFO	Appointed 19 December 2008
Mr Patrick Say	Geology Manager	Appointed 1 July 2010

Mr Alister Maitland was appointed to the Board 16 September 2011.

There have been no other changes to key management personnel between 1 July 2011 and the date of this report.

Mr Brian Phillips and Mr Geoffrey Lowe were key management personnel during the prior period.

The key management personnel compensation included in "Employee Benefits Expenses" (see note 18) and "Exploration and Evaluation" (see note 10) are as follows:

	Group 2011 \$	Group 2010 \$
Short term employee benefits	1,006,660	892,821
Post employment benefits	78,449	72,029
Share based payments	129,600	41,328
	1,214,709	1,006,178

(a) Key management personnel compensation disclosures

Information regarding individual Directors and Executives compensation and some equity instrument disclosures as permitted by Corporation Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors' Report on pages 17 to 32.

No key management personnel 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.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(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 each key management person, including their related parties, is as follows:

2011	Note	Held at 1 July 2010	Exercised during year	Granted as comp- ensation	Vested during year	Held at 30 June 2011	Vested and Exercisable at 30 June 2011
Directors							
Mr Paul Chapman	(i)	250,000	250,000	–	–	–	–
Mr Richard Laufmann	(ii)	1,000,000	1,000,000	–	–	–	–
Mr Steven Olsen	(iii)	500,000	500,000	–	–	–	–
Executives							
Ms Amber Rivamonte		73,800	–	80,000	80,000	153,800	153,800
Ms Janet Mason		73,800	–	80,000	80,000	153,800	153,800
Mr Patrick Say		73,800	–	80,000	80,000	153,800	153,800

2010	Note	Held at 1 July 2009	Exercised during year	Granted as comp- ensation	Vested during year	Held at 30 June 2010	Vested and Exercisable at 30 June 2010
Directors							
Mr Paul Chapman	(i)	1,000,000	750,000	–	–	500,000	250,000
Mr Richard Laufmann	(ii)	1,000,000	–	–	–	1,000,000	1,000,000
Mr Brian Phillips		–	–	–	–	–	–
Mr Steven Olsen	(iii)	1,500,000	1,000,000	–	–	500,000	500,000
Mr Geoffrey Lowe		600,000	–	–	200,000	600,000	600,000
Executives							
Ms Amber Rivamonte		600,000	600,000	73,800	273,800	73,800	73,800
Ms Janet Mason		120,000	120,000	73,800	113,800	73,800	73,800

Options over ordinary shares that were held by related parties of key management personnel are disclosed below.

- (i) Held indirectly through Stone Ponies Nominees Pty Ltd as trustee for the Chapman Superannuation Fund and the Chapman Investment Fund. All of these options were acquired in 2007 as founding options and not granted as compensation to key management personnel.
- (ii) Held indirectly through Natalie Laufmann. All of these options were acquired in 2007 as founding options and not granted as compensation to key management personnel.
- (iii) Held indirectly through S&S Olsen Pty Ltd as trustee for the Olsen Family Trust. All of these options were acquired in 2007 as founding options and not granted as compensation to key management personnel.

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(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 key management person, including their related parties, is as follows:

2011	Note	Held at 1 July 2010	Purchases	Received on Exercise of options	Sales	Held at 30 June 2011
Directors						
Mr Paul Chapman	(i)	3,270,000	4,000	250,000	–	3,524,000
Mr Richard Laufmann	(ii)	2,500,000	–	1,000,000	–	3,500,000
Mr Steven Olsen	(iii)	5,500,000	2,000	500,000	–	6,002,000
Executives						
Ms Amber Rivamonte		850,000	–	–	–	850,000
Ms Janet Mason		130,000	–	–	–	130,000
Mr Patrick Say		120,000	–	–	–	120,000

2010	Note	Held at 1 July 2009	Purchases	Received on Exercise of options	Sales	Held at 30 June 2010
Directors						
Mr Paul Chapman	(i)	2,500,000	20,000	750,000	–	3,270,000
Mr Richard Laufmann	(ii)	2,500,000	–	–	–	2,500,000
Mr Brian Phillips	(iv)	311,409	80,000	–	70,000	321,409
Mr Steven Olsen	(iii)	4,500,000	–	1,000,000	–	5,500,000
Mr Geoffrey Lowe		10,000	–	–	10,000	–
Executives						
Ms Amber Rivamonte		250,000	–	600,000	–	850,000
Ms Janet Mason		10,000	–	120,000	–	130,000

Shares that were held by related parties of key management personnel are disclosed below.

- (i) Held indirectly through Stone Poneys Nominees Pty Ltd as trustee for the Chapman Superannuation Fund and the Chapman Investment Fund. 2,500,000 shares are founder shares and were acquired at \$0.01 each.
- (ii) Held indirectly through Natalie Laufmann. 2,500,000 shares are founder shares and were acquired at \$0.01 each.
- (iii) Held indirectly through S&S Olsen Pty Ltd as trustee for the Olsen Family Trust. 4,500,000 shares are founder shares and were acquired at \$0.01 each
- (iv) Held indirectly through Thylacine Pty Ltd as trustee for the Brian Phillips Superannuation Fund.

(d) Director related entities

There were no other transactions with Director related entities.

29. RELATED PARTIES

(a) Identity of related parties

The Group has a related party relationship with its subsidiaries (see note 30), and with its key management personnel (see note 28).

(b) Subsidiaries

Loans are made by the Company to wholly owned subsidiaries. Loans outstanding between the Company and its subsidiaries have no fixed date of repayment but are repayable at call, and are non-interest bearing. During the year ended 30 June 2011, such loans totalled \$59,786,815 (2010: \$22,032,883).

REX MINERALS LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. GROUP ENTITIES

	Country of Incorporation	Ownership Interest 2011	Ownership Interest 2010
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%

The subsidiaries are small proprietary companies and are not required to prepare financial statements. Consequently no individual audit reports have been issued for them.

31. PARENT ENTITY DISCLOSURES

As at, and throughout, the period ending 30 June 2011 the parent company of the Group was Rex Minerals Ltd.

	Group 2011 \$	Group 2010 \$
Result of the parent entity		
Profit for the period	593,266	2,327,007
Other comprehensive income	–	–
Total comprehensive income for the period	593,266	2,327,007
Financial position of the parent entity at year end		
Current assets	79,978,364	31,726,682
Total assets	140,184,642	54,055,415
Current liabilities	581,993	626,543
Total liabilities	581,993	626,543
Total equity of the parent entity comprising of:		
Share capital	137,665,189	52,948,677
Reserves	1,137,690	520,080
Retained earnings	799,770	(39,885)
Total equity	139,602,649	53,428,871

32. SUBSEQUENT EVENTS

On 16 September 2011 Mr Alister Maitland was appointed Non-Executive Director of Rex Minerals Ltd.

There have been no additional subsequent events to 30 June 2011 to disclose at the date of this report.

33. AUDITORS' REMUNERATION

	Group 2011 \$	Group 2010 \$
KPMG Australia		
Audit services	40,000	34,500
Other services	–	–

REX MINERALS LTD

DIRECTORS' DECLARATION

- 1 In the opinion of the directors of Rex Minerals Limited (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 2011 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 chief financial officer for the financial year ended 30 June 2011.
- 3 The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Steven Olsen
Managing Director

Dated at Melbourne this 22nd day of September 2011

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 2011 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.

A handwritten signature in black ink, appearing to read 'Alison Kitchen', written over a printed KPMG logo.

Alison Kitchen
Partner

Melbourne

22 September 2011

**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 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33 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 LIMITED



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 2011 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, identified within the directors' report, for the year ended 30 June 2011. 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 2011, complies with Section 300A of the *Corporations Act 2001*.


KPMG
KPMG

Alison Kitchen
Partner

Melbourne

22 September 2011

REX MINERALS LTD

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 7 September 2011

Name of Ordinary Shareholder	Number of Shares	% of Shares Held
Grand South Development	11,785,777	7.67%
BlackRock Investment Management (Australia) Limited	9,008,313	5.86%
JP Morgan Chase & Co	8,846,082	5.76%
Greenstone Property Pty Ltd	8,008,460	5.20%

b) Listing of 20 largest shareholders as at 7 September 2011

Rank	Name	Designation	Number of Shares Held	% of Issued Capital
1	J P Morgan Nominees Australia Ltd		27,018,202	17.59%
2	National Nominees Ltd		20,254,862	13.18%
3	Grand South Development Limited		11,785,777	7.67%
4	HSBC Custody Nominees Aust Ltd		6,098,945	3.97%
5	Greenstone Property Pty Ltd		6,008,460	3.91%
6	S & S Olsen PL		6,002,000	3.91%
7	Natalie Laufmann		3,500,000	2.28%
8	Citicorp Nom PL		2,809,705	1.83%
9	Greenstone Property Pty Ltd		2,000,000	1.30%
10	Stone Poneys Nominees PL	Chapman S/F A/C	1,772,000	1.15%
11	Stone Poneys Nominees PL	Chapman Inv Fund	1,752,000	1.14%
12	Bond Street Custodians Ltd	Macquarie Smaller	1,503,765	0.98%
13	Avoca Resources Ltd		1,000,000	0.65%
14	Philippa Jean Laufmann	Laufmann Family A/C	910,000	0.59%
15	James Ronald Selkirk		900,000	0.59%
16	Amber Rivamonte		850,000	0.55%
17	Bond Street Custodians Ltd	Macquarie Alpha Op	817,081	0.53%
18	UBS Wealth Mgmt Aust Nom		777,752	0.51%
19	RBC Dexis Investor Services	BK Cust Account	577,357	0.38%
20	Elliott Brian W & LJ	BW Elliott Fam S/F	553,034	0.36%
Total			96,890,940	63.07%

c) Distribution of shareholders as at 7 September 2011

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	829	485,497	0.32%
1,001 – 5,000	1,843	5,338,523	3.47%
5,001 – 10,000	803	6,331,308	4.12%
10,001 – 100,000	870	25,090,711	16.33%
100,001 – over	118	116,389,480	75.76%
Total	4,463	153,635,519	100.00%

d) Number of shareholders holding less than a marketable parcel as at 7 September 2011

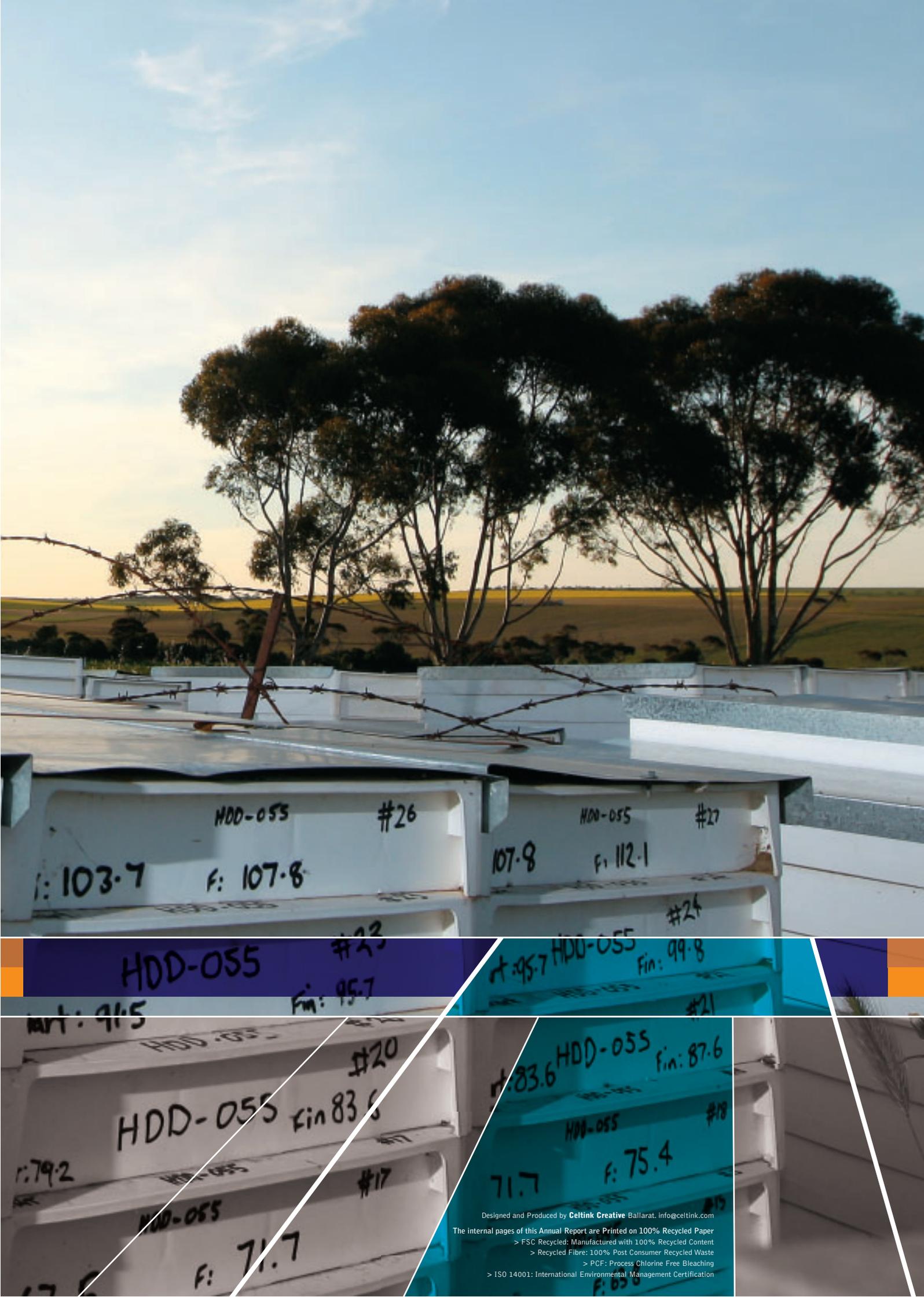
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e) Voting rights

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.



HDD-055 #26
103.7 F: 107.8

HDD-055 #27
107.8 F: 112.1

HDD-055 #23
91.5 F: 95.7

HDD-055 #24
95.7 F: 99.8

HDD-055 #20
79.2 F: 83.6

HDD-055 #17
71.7

HDD-055 #21
83.6 F: 87.6

HDD-055 #18
71.7 F: 75.4

HDD-055 #19
85.6

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