



**REX**  
MINERALS LTD

(ABN 12 124 960 523)

*Rex Minerals Ltd  
and its controlled entities*

*31 December 2013  
Consolidated interim financial report*

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## Corporate Directory

### DIRECTORS

David Carland (Chairman)  
Mark Parry (Managing Director/CEO)  
Steven Olsen (Non-executive Director)  
Richard Laufmann (Non-executive Director)  
Alister Maitland (Non-executive Director)

### COMPANY SECRETARY

Amber Rivamonte

### PRINCIPAL & REGISTERED OFFICE

Level 19, 11 Waymouth Street  
Adelaide, South Australia 5000

### CONTACT DETAILS

PO Box 3435  
Rundle Mall, South Australia 5000

Tel: 08 8299 7100  
Fax: 08 8299 7199  
Email: [rex@rexminerals.com.au](mailto:rex@rexminerals.com.au)  
Website: [www.rexminerals.com.au](http://www.rexminerals.com.au)

### SHARE REGISTRARS

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford, Victoria 3067

### AUDITORS

KPMG  
151 Pirie Street  
Adelaide, South Australia 5000

### BANKERS

ANZ Banking Group Limited  
Level 21, 11 Waymouth Street  
Adelaide, South Australia 5000

Ord Minett Ltd  
120 Collins Street  
Melbourne, Victoria 3000

### LEGAL ADVISORS

Baker McKenzie  
181 William Street  
Melbourne, Victoria 3000

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## Directors' report

The Directors present their report together with the consolidated interim financial statements of Rex Minerals Ltd ("the Company" or "Rex") and its consolidated entities ("the Group") for the half-year ended 31 December 2013 (the "Half Year") and the auditor's review report thereon.

### Directors

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

<b>Name</b>	<b>Period of directorship</b>
<b>Non-executive</b>	
David Carland Chairman	Appointed 12 December 2013 Appointed Chairman 1 January 2014
Richard Laufmann Non-Executive Director	Appointed 16 May 2007
Alistair Maitland Non-Executive Director	Appointed 16 September 2011
Steven Olsen Non-Executive Director	Appointed 13 May 2007
Paul Chapman Chairman	Appointed 18 April 2007 Resigned 31 December 2013
<b>Executive</b>	
Mark Parry Managing Director/CEO	Appointed 15 October 2012

### Principal activities

The principal activity of the Group is minerals exploration, primarily for the discovery and development of copper-gold-iron deposits in South Australia. Rex has commenced the transition towards becoming a mining and mineral processing company through the progress of activities associated with achieving all regulatory approvals and funding for the development of the Hillside copper-gold-iron project.

### Operating results

The consolidated interim statement of comprehensive income shows a profit after tax of \$3,022,015 for the half-year ended 31 December 2013 (2012: loss \$2,201,470).

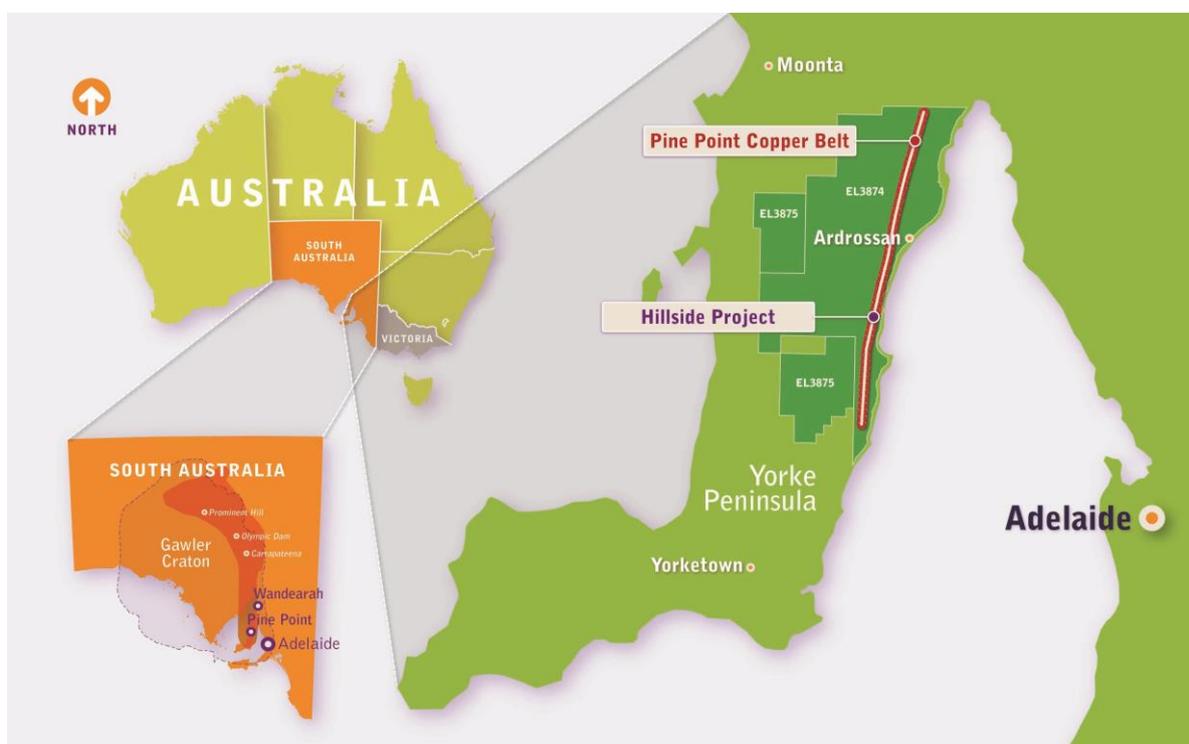
## Review of operations

### Introduction

Rex is an Australian minerals exploration and development company with a large scale copper-gold-iron project on the Yorke Peninsula, South Australia (“the Project” or “Hillside”). During the Half Year, Rex continued to progress work associated with the development of the Project including the development of a fixed price, turnkey, engineer, procure and construct (“EPC”) contract to build the processing plant and associated infrastructure for the Project. Rex also continued to progress the Bankable Feasibility Study (“BFS”) to support debt funding negotiations and undertook preliminary negotiations with potential funding partners including banks, export credit agencies and offtake partners.

### Hillside Project

The Hillside Project is situated 12km south of the township of Ardrossan on the Yorke Peninsula, South Australia (Figure 1).



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

### Hillside Project – Overview of Progress to Date

During the Half Year, significant project achievements included:

- A JORC compliant Ore Reserve Statement (announced 28 June 2013).
- Completion of metallurgical testing through pilot plant test work providing increased confidence in the estimates for the BFS of the copper recoveries and concentrate grades that will be produced.
- Further optimisation of the mine plan for the first 12 years of operation. The scope of this work included optimisation of the existing truck and shovel mine plan to ensure that material movements throughout the life of the mine are consistent and achievable. Additionally, Rex

looked at other potential improvements that could add value to the long-term mine plan, with the goal of further reducing operating costs.

- Development of the terms of the Early Contractor Involvement (“ECI”) in the Project which was awarded to Korea-based Hyundai and Australia-based AMEC (announced 9 January 2014).

### Funding of the Project

Rex is progressively working towards the completion of the Hillside BFS and the negotiation of the EPC contract to underpin the funding of the Project. Rex is seeking to have full funding in place to allow commencement of an 18 to 24 month construction schedule in order to see first copper produced in 2016.

While there have been changes in the external environment during the Half Year, particularly in commodity prices and exchange rates, Rex has worked on internal factors to reduce costs at Hillside, particularly over the first 10 years of the initial 12 year mine life.

### Hillside Project – Mining Lease Proposal for Public Comment

During the Half Year, the South Australian Government’s Department for Manufacturing, Innovation, Trade, Resources and Energy has advertised public notices inviting public comment on the Mining Lease proposal for the Project. This period of public review and comment concluded in mid-November 2013. Rex has since provided the South Australian Government with a series of timely, detailed responses in the final stages of the Mining Lease approval process.

The information included in the Mining Lease proposal is based on environmental and other studies completed over the past 18 months by Rex and its independent consultants, as well as valuable input from an independent Community Consultative Group (“CCG”). The CCG is made up of 20 members including those with interests in agriculture, natural resource management and the environment, small business, tourism, local government, emergency services, landholders and various local community members.

Rex continued to run an open and inclusive engagement process with the aim of integrating the development of the Hillside project with the current land use and future vision of the local community. Rex considers the approach taken prior to and during planning for the Mining Lease proposal as a critical part of the process towards the approval for mining at Hillside.

During the Half Year, Rex continued to engage with the community through the CCG and with individuals and special interest groups through a range of communication forums, including face to face meetings, question and answer sessions and the dissemination of information and fact sheets related directly to concerns and issues being raised.

### Hillside Project – Hyundai – AMEC ECI

On the 9 January 2014, Rex announced that Korea-based Hyundai and AMEC have been awarded ECI in the Project. Hyundai and AMEC will produce a project execution strategy, a project schedule and a final price for the EPC contract. The output from the ECI provides Rex with dual options for the EPC contract given the work that China Nonferrous Metal Industry’s Foreign Engineering and

Construction Co. Ltd is undertaking on advancing the fixed price EPC contract under the MOU with Rex.

#### Hillside Project – Pilot Plant Test Work

The pilot plant test work undertaken as part of the BFS by Rex during the Half Year indicated improved copper recoveries and concentrate grades.

The pilot plant test work indicated that the copper grade in concentrate will average 23% and is low in all impurities. The indicated copper recovery had also increased from 88% to 91%. The pilot plant test work also confirmed the quality of the high grade, low impurity magnetite concentrate (>68% Fe). The results also indicated low impurities in both the copper and iron ore concentrates.

These results will be incorporated into the BFS.



**Figure 1:** Copper-gold concentrate exiting floatation cell

#### Hillside Project – Drilling Results

The Hillside Mineral Resource and Ore Reserve (announced 28 June 2013) confirmed the quality of the Hillside Mineral Resource. Consequently, Rex concluded its drilling program in early July and did not undertake any further Project-based drilling activities during the Half Year.

#### Regional Exploration Status – Pine Point Copper Belt

During the Half Year, Rex did not undertake any regional-based drilling activities.

However, Rex did undertake a significant desktop research program covering a number of high priority prospects on the Yorke Peninsula. These prospects represent the next key target areas for Rex to explore and could assist Rex in achieving its goal of a 20 plus year mine life on the Yorke Peninsula. These prospect reviews identified notable areas of anomalous copper and gold and have presented Rex with the basis for a solid regional exploration strategy.

### Corporate

During the Half Year, Rex appointed Ms Rachel Rees as Chief Financial Officer. Ms Rees is a Chartered Accountant with extensive commercial, strategic and risk management, corporate governance and financial management experience. Ms Rees has a track record of success over more than 20 years across a broad range of industries including development of the Honeymoon mine from feasibility study to production.

Rex received a significant Research and Development tax refund which totalled \$6.1M during the Half Year.

As noted, Rex undertook only minimal drilling activities during the Half Year in order to preserve cash reserves until the BFS is complete and funding for the Hillside project has been secured.

Rex announced that Mr Paul Chapman resigned as Chairman, effective 31 December 2013. Mr Chapman was the founding Chairman of Rex on its establishment in 2007 and has acted in that role through its initial public offering and its progression as it moved into development and towards production. Mr Chapman was part of a core group who helped acquire, explore and prove up the Hillside copper-gold-iron project and take it from a few early drill holes to become Australia's largest undeveloped open pit copper project. Mr Chapman has and remains a very strong supporter of the Rex team and Hillside.

Rex announced the appointment of Dr David Carland to the Rex Board from 12 December 2013 and his appointment as Chairman of Rex, effective 1 January 2014. Dr Carland (PhD (Econometrics); MEd; BEc (Hons); MAICD) has over 30 years of investment banking and commercial experience in both the private sector and government. He is the co-founder and part owner of BurnVoor Corporate Finance Limited, an independent specialist investment banking firm focusing on the energy, resource and infrastructure sectors.

#### **Competent Persons' Report – Ore Reserves**

*The information in this report that relates to Ore Reserves is based on information compiled by Mr Colin McVie and Mr Ben Brown who are Members of the Australasian Institute of Mining and Metallurgy and are full time employees of Mining Plus Pty Ltd. Mr McVie and Mr Brown have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McVie and Mr Brown consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

#### **Competent Persons' Report – Mineral Resources**

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

**Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 20 and forms part of the Directors' Report for the half-year ended 31 December 2013.

Signed in accordance with a resolution of the Directors:



Mark Parry  
Managing Director

Dated at Melbourne this 19<sup>th</sup> day of February 2014

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## Consolidated interim statement of financial position

As at 31 December 2013

	Note	31 Dec 2013 \$	30 June 2013 \$
<b>Current assets</b>			
Cash and cash equivalents		15,485,003	24,815,556
Term deposits		5,500,000	-
Trade and other receivables		913,108	3,310,442
Prepayments		207,166	44,166
<b>Total current assets</b>		<b>22,105,277</b>	<b>28,170,164</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	6	143,097,840	135,799,154
Property, plant and equipment		15,536,262	15,667,925
Deposit for water infrastructure		3,630,500	3,630,500
<b>Total non-current assets</b>		<b>162,264,602</b>	<b>155,097,579</b>
<b>Total assets</b>		<b>184,369,879</b>	<b>183,267,743</b>
<b>Current liabilities</b>			
Trade and other payables		1,933,244	3,505,390
Employee benefits		305,082	403,569
Provisions		83,364	320,000
<b>Total current liabilities</b>		<b>2,321,690</b>	<b>4,228,959</b>
<b>Non-current liabilities</b>			
Employee benefits		56,711	69,321
<b>Total non-current liabilities</b>		<b>56,711</b>	<b>69,321</b>
<b>Total liabilities</b>		<b>2,378,401</b>	<b>4,298,280</b>
<b>Net assets</b>		<b>181,991,478</b>	<b>178,969,463</b>
<b>Equity</b>			
Issued capital	7(i)	177,685,263	177,685,263
Reserves		4,284,055	1,421,400
Retained earnings/(Accumulated losses)		22,160	(137,200)
<b>Total equity</b>		<b>181,991,478</b>	<b>178,969,463</b>

The condensed notes on pages 14 to 16 are an integral part of these consolidated interim financial statements.

## Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2013

	6 months to 31 Dec 2013 \$	6 months to 31 Dec 2012 \$
Finance income	301,572	1,135,403
Administrative expenses	(1,480,260)	(768,811)
Depreciation expense	(61,870)	(70,064)
Employee benefits expense	(1,532,331)	(2,144,527)
Marketing expenses	(297,329)	(353,471)
Loss on disposal of fixed assets	(17,963)	-
<b>Profit/(loss) before tax</b>	<b>(3,088,181)</b>	<b>(2,201,470)</b>
Income tax (expense)/benefit	6,110,196	-
<b>Total profit/(loss) for the period after tax</b>	<b>3,022,015</b>	<b>(2,201,470)</b>
Other comprehensive income/(loss)	-	-
<b>Total comprehensive income/(loss) attributable to members of Rex Minerals Limited</b>	<b>3,022,015</b>	<b>(2,201,470)</b>
<b>Earnings/(loss) per share attributable to members of Rex Minerals Ltd</b>		
Basic earnings/(loss) per share (cents)	1.60	(1.17)
Diluted earnings/(loss) per share (cents)	1.60	(1.17)

The condensed notes on pages 14 to 16 are an integral part of these consolidated interim financial statements.

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## Consolidated interim statement of changes in equity

## For the six months ended 31 December 2013

	Share Capital	Share Based Payments Reserve	Profit Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2012	177,685,263	1,311,000	-	440,718	179,436,981
Share based payments compensation	-	711,000	-	-	711,000
Transfer from share based payments reserve	-	(263,240)	-	263,240	-
Total comprehensive income/(loss) for the period	-	-	-	(2,201,470)	(2,201,470)
<b>Balance at 31 December 2012</b>	<b>177,685,263</b>	<b>1,758,760</b>	<b>-</b>	<b>(1,497,512)</b>	<b>177,946,511</b>
Balance at 1 July 2013	177,685,263	1,421,400	-	(137,200)	178,969,463
Transfer from share based payments reserve	-	(159,360)	-	159,360	-
Total comprehensive income/(loss) for the period	-	-	-	3,022,015	3,022,015
Transfer from retained earnings	-	-	3,022,015	(3,022,015)	-
<b>Balance at 31 December 2013</b>	<b>177,685,263</b>	<b>1,262,040</b>	<b>3,022,015</b>	<b>22,160</b>	<b>181,991,478</b>

The condensed notes on pages 14 to 16 are an integral part of these consolidated interim financial statements.

## Consolidated interim statement of cash flows

For the six months ended 31 December 2013

	6 months to 31 Dec 2013 \$	6 months to 31 Dec 2012 \$
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(4,086,444)	(2,507,833)
Interest received	278,512	969,215
Research and development benefit received	9,191,779	-
<b>Net cash from/(used in) operating activities</b>	<b>5,383,847</b>	<b>(1,538,618)</b>
<b>Cash flows from investing activities</b>		
Exploration and evaluation payments	(9,126,700)	(21,340,779)
Acquisition of property, plant and equipment	(92,313)	(356,105)
Proceeds from the sale of property, plant and equipment	4,613	-
Proceeds from/(investment in) term deposits	(5,500,000)	(20,500,000)
<b>Net cash from/(used in) investing activities</b>	<b>(14,714,400)</b>	<b>(42,196,884)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash from/(used in) financing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9,330,553)</b>	<b>(43,735,502)</b>
Cash and cash equivalents at beginning of the period	24,815,556	69,742,604
<b>Cash and cash equivalents at period end</b>	<b>15,485,003</b>	<b>26,007,102</b>

The condensed notes on pages 14 to 16 are an integral part of these consolidated interim financial statements.

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## Condensed notes to the consolidated interim financial statements

### 1. Reporting entity

Rex Minerals Ltd (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Level 19, 11 Waymouth Street, Adelaide, South Australia, 5000. The consolidated financial statements as at and for the six month period ended 31 December 2013 comprises 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.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2013 are available upon request from the Company's registered office or at [www.rexminerals.com.au](http://www.rexminerals.com.au)

### 2. Statement of compliance

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

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2013. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2013.

These consolidated interim financial statements were approved by the Board of Directors on 19<sup>th</sup> February 2014.

### 3. Significant accounting policies

The accounting policies applied by the Group in preparing the consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2013.

### 4. Estimates

The preparation of the consolidated interim 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 expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2013.

### 5. Operating Segments

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

## 6. Exploration and evaluation expenditure

	6 months to 31 Dec 2013 \$	6 months to 30 Jun 2013 \$
<b>Exploration and evaluation costs carried forward in respect of minerals exploration areas of interest:</b>		
Exploration and evaluation phases	<b>143,097,840</b>	<b>135,799,154</b>
Opening balance	135,799,154	117,954,136
Additions	7,298,686	17,845,018
<b>Closing balance</b>	<b>143,097,840</b>	<b>135,799,154</b>

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.

## 7. Issued capital and reserves

<b>(i) Movements in shares on issue:</b>	No of shares	\$
<b>Opening balance at 1 January 2013</b>	<b>188,907,284</b>	<b>177,685,263</b>
<b>Closing balance at 30 June 2013</b>	<b>188,907,284</b>	<b>177,685,263</b>
<b>Opening balance at 1 July 2013</b>	<b>188,907,284</b>	<b>177,685,263</b>
<b>Closing balance at 31 December 2013</b>	<b>188,907,284</b>	<b>177,685,263</b>

<b>(ii) Movements in options on issue:</b>	Date of Issue	No. of Options	Exercise Price \$	Expiry Date
<b>Opening balance at 1 January 2013</b>		<b>6,088,000</b>		
Lapse of Options - employees	04/06/2010	(528,000)	1.222	24/05/2013
Lapse of Options - employees	06/05/2011	(240,000)	3.000	30/04/2014
Lapse of Options - employees	24/05/2012	(280,000)	1.200	30/04/2015
<b>Closing balance at 30 June 2013</b>		<b>5,040,000</b>		
<b>Opening balance 1 July 2013</b>		<b>5,040,000</b>		
Lapse of Options - employees	06/05/2011	(200,000)	3.000	30/04/2014
Lapse of Options - employees	24/05/2012	(240,000)	1.200	30/04/2015
<b>Closing balance at 31 December 2013</b>		<b>4,600,000</b>		

## 8. Commitments

The Group has entered into certain capital expenditure commitments totalling \$700,000 at 31 December 2013. The commitment is likely to be settled by 30 June 2014.

The Group has entered into an office lease agreement for a period of 10 years, with a commitment of \$4.2m over the period.

## 9. Contingencies

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

The Group's bankers have provided guarantees amounting to \$30,000 to certain Government bodies as security over the Group's performance of rehabilitation obligations on certain tenements. Under the agreement, the Group has indemnified the bank in relation to these guarantees. The guarantees are backed by deposits amounting to \$30,000 as at 31 December 2013.

The Group's bankers have provided a guarantee amounting to \$198,903 to the Landlord regarding the new office at Level 19, 11 Waymouth Street, Adelaide, South Australia as security over the Group's obligations regarding the lease held. Under the agreement, the Group has indemnified the bank in relation to this guarantee. The guarantee is backed by a deposit amounting to \$198,903 as at 31 December 2013.

The Group's bankers have also provided a guarantee amounting to \$3,630,500 to certain Government bodies as security over the Group's obligation in terms of capital expenditure commitments. Under the agreement, the Group has indemnified the bank in relation to this guarantee. The guarantee is backed by mortgages over the Group's landholdings.

In December 2013, the Group entered into a land purchase agreement. An initial deposit has been paid in connection with the agreement, subject to obtaining regulatory approval and obtaining financial close which represents project funding, the Group will be required to pay the remaining consideration. Should the agreement expire, the deposit will be forfeited and will be expensed.

## 10. Subsequent events

On 9 January 2014, the Company announced that Korea-based Hyundai and AMEC have been awarded ECI in the Hillside project and will now produce the project execution strategy, the project schedule and the final price for the main Engineering, Procurement and Construction (EPC) contract.

No other matters have arisen since the end of the reporting period which may affect the operations, results, or state of affairs of the Group in future periods.

## Directors' declaration

In the opinion of the Directors of Rex Minerals Ltd ("the Company"):

1. the consolidated financial statements and notes set out on pages 10 to 16, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the Groups' financial position as at 31 December 2013 and of its performance, for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Mark Parry  
Managing Director/CEO

Dated at Melbourne this 19<sup>th</sup> day of February 2014.

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

We have reviewed the accompanying interim financial report of Rex Minerals Limited which comprises the consolidated interim statement of financial position as at 31 December 2013, consolidated interim statement of profit and loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 10, comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year period.

### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Rex Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

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

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Rex Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



Scott Fleming  
*Partner*

Adelaide

19 February 2014

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

To: the directors of Rex Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013 there have been:

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



KPMG



Scott Fleming  
*Partner*

Adelaide

19 February 2014

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