



(ABN 12 124 960 523)

Rex Minerals Limited
and its controlled entities

31 December 2009
Interim financial report

Corporate Directory

DIRECTORS

Paul Chapman (Chairperson)
Steven Olsen (Managing Director)
Richard Laufmann
Brian Phillips
Geoffrey Lowe

COMPANY SECRETARY

Amber Rivamonte

PRINCIPAL & REGISTERED OFFICE

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Ballarat Victoria 3350

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AUDITORS

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Melbourne Victoria 3000

BANKERS

ANZ Banking Group Limited
927 Sturt Street
BALLARAT VIC 3350

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 report for the half-year ended 31 December 2009 and the review report thereon.

Directors

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

Name

Period of directorship

Non-executive

Paul Chapman

Appointed 18 April 2007

Chairperson

Richard Laufmann

Appointed 16 May 2007

Non-Executive Director

Brian Phillips

Appointed 11 February 2010

Non-Executive Director

Executive

Steven Olsen

Appointed 13 May 2007

Managing Director

Geoffrey Lowe

Appointed 11 February 2010

Executive Director - Exploration

Principal activities

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

Operating results

The Income Statement shows a loss after tax of \$270,088 for the half-year ended 31 December 2009 (2008: \$1,337,859).

Review of operations

The Group's exploration activities are focused on copper-gold exploration in South Australia and copper-gold-silver exploration in New South Wales.

South Australia

Hillside Project

In South Australia, Rex has focussed its attention on the Hillside Project which is situated on the east coast of the Yorke Peninsula. Rex has uncovered extensive copper mineralisation which coexists with a large magnetic anomaly at the Hillside project (Figure 1 – Image 1). The copper at Hillside has a close association with the mineral magnetite, which is the cause of the magnetic anomaly. This association has been the key to unlocking the location of the copper underneath the shallow sediment cover that has kept the copper mineralisation effectively hidden from previous explorers.

The significance of the association between the magnetic anomaly and copper was recognised in early 2009. As a result, detailed magnetic surveys were undertaken around mid 2009, both at Hillside and regionally along the entire 60km long section of the Pine Point Copper Belt. The detailed magnetic image produced at Hillside was used to target copper mineralisation with an extremely high success rate, to the extent that every drill hole completed in the last quarter of 2009 intersected copper mineralisation (table 2).

In addition, in the later part of 2009, extensive shallow copper mineralisation was discovered at Hillside. An electromagnetic (EM) survey flown by helicopter in mid 2009 appears to have the ability to identify where shallow copper mineralisation exists in the Hillside area. This has defined a broad anomaly to the east of the initial discovery at Hillside which extends in a north-north-easterly direction for a total length of over 3km (Figure 1 - Image 2).

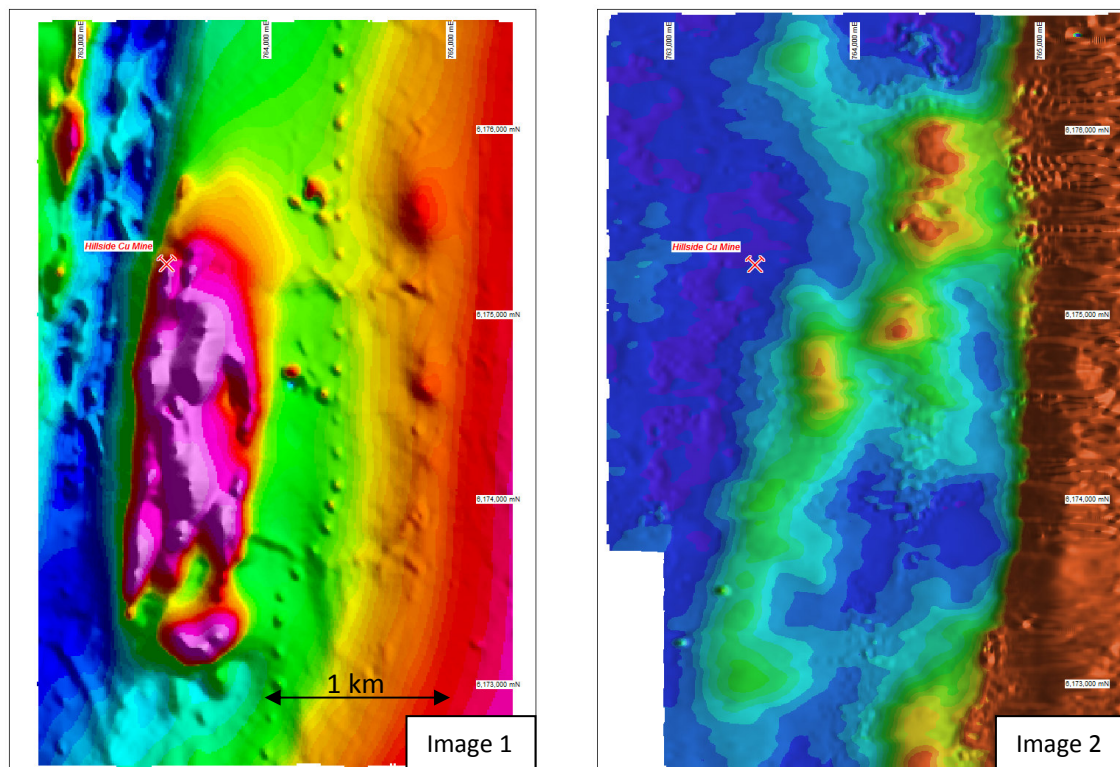


Figure 1: Comparison between the high-resolution magnetic (Image 1) and EM (Image 2) datasets. Both surveys were flown at 25m EW line spacing. The EM image is a horizontal slice at approximately 60m depth.

Copper mineralisation associated with the magnetic anomaly at Hillside has now been tested for a total strike length of 2.1km over three structures, with over 2.9km of strike remaining to be tested (based on the extent of the magnetic anomaly).

Pine Point Copper Belt

A large regional high-resolution magnetic survey was flown over the entire Pine Point Copper Belt in early October (figure 2). Multiple large-scale targets were identified from the results of this survey outside of the Hillside project. Of particular significance are the Parara and White Cliffs targets which are distinct analogies to Hillside with high-grade historical copper mines in close proximity to large magnetic anomalies.

Rex has 100% ownership over a 60km section of the highly prospective Pine Point Copper Belt ('PPCB') on the Yorke Peninsula of South Australia between Pine Point, Ardrossan and White Cliffs (Figure 2). The features which attracted Rex to the area and underpin its current focus include:

Historic finds - Multiple historical high-grade copper deposits exist along the PPCB.

Thin cover - Most of the Pine Point Copper Belt is "hidden" by a thin layer of cover rocks (approx. 10m to 50m thick).

Multiple targets - A range of prospects and targets exist along a 60 km section of the copper belt.

Scale – Large-scale and high-grade copper mineralisation has now been discovered (Hillside) at one of many "hidden" targets along the PPCB.

Setting - The copper mineralisation discovered to date is associated with magnetite, which in high concentrations will produce magnetic anomalies on detailed surveys allowing Rex to "see through" the cover rocks to focus on new targets.

Modern Techniques - Detailed high resolution magnetic surveys have the potential to redefine in much greater detail a large number of copper targets.

Infrastructure -The proximity to Adelaide (1.5hrs by car) and the location of a major highway along the entire length of the Peninsula and the nearby ports will assist the economics of new developments.

Power - The region is connected to the State's main power grid.

The aim of the 2010 exploration program in South Australia is to deliver a large-scale Resource at Hillside, leading to feasibility work starting in 2011. In addition, exploration is also being focussed towards the discovery of new copper mineralisation outside of the Hillside Project on the Pine Point Copper Belt, using the knowledge gained from the Hillside discovery.

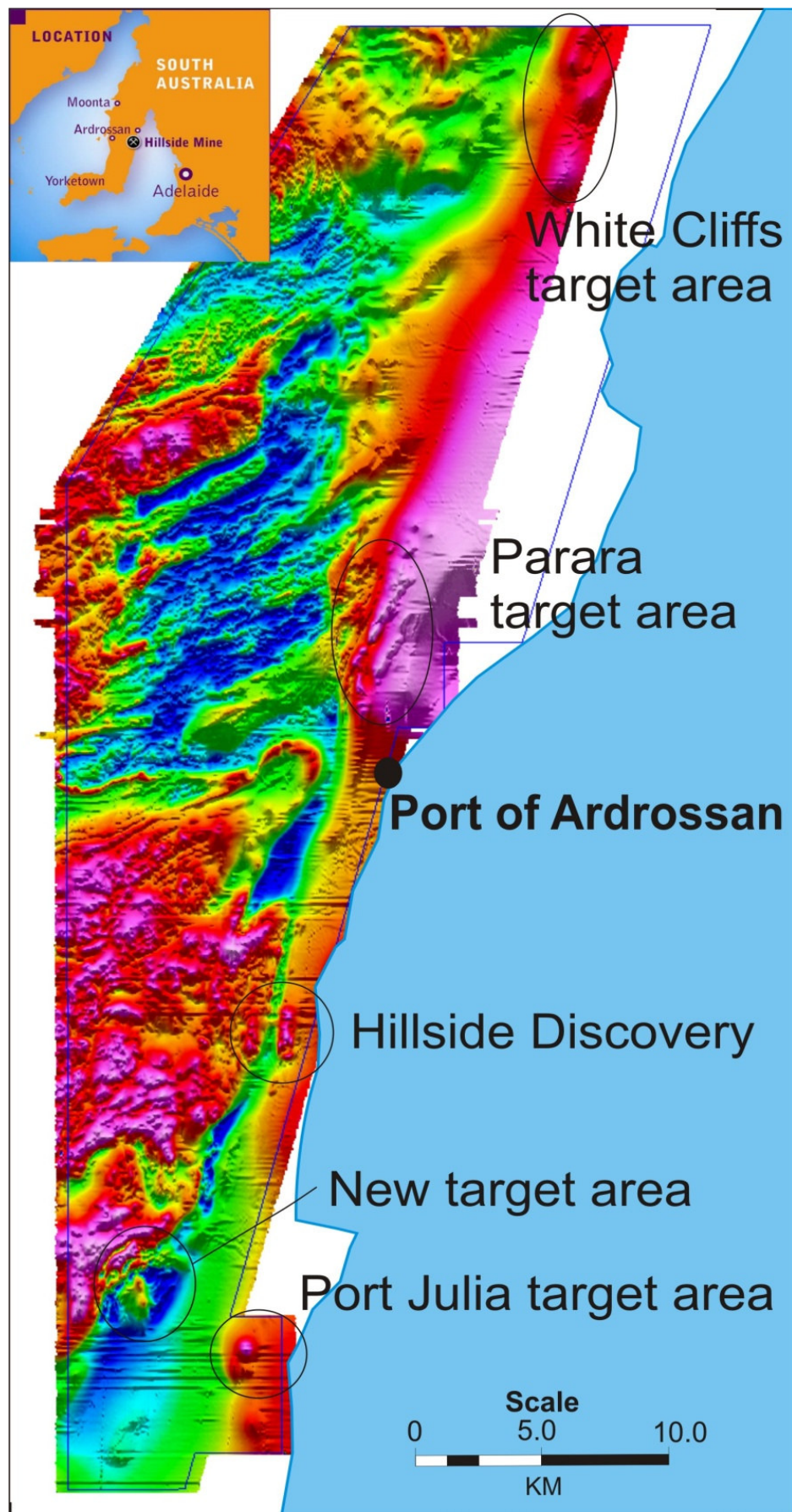


Figure 2: New high resolution magnetic image (raw data only) over the entire Pine Point Copper Belt on the Yorke Peninsula in South Australia.

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Au (g/t)	STRUCTURE
HDD027	84	101	17	1.5	0.3	Zanoni
<i>Including</i>	<i>92</i>	<i>99</i>	<i>7</i>	<i>3.2</i>	<i>0.6</i>	<i>Zanoni</i>
	<i>218</i>	<i>235</i>	<i>17</i>	<i>0.3</i>	<i>-</i>	<i>New</i>
HDD030	108	114	6	0.5	0.1	Zanoni
HDD032	135	137	2	0.6	-	Zanoni
	228	239	11	-	-	Zanoni
HDD033	144	151	7	1.2	0.3	Zanoni
	280	340	60	3.0	0.5	Zanoni
HDD033W1	275	426	151	1.5	0.3	Zanoni
<i>Including</i>	<i>275</i>	<i>335</i>	<i>60</i>	<i>1.2</i>	<i>0.2</i>	<i>Zanoni</i>
<i>Including</i>	<i>374</i>	<i>426</i>	<i>52</i>	<i>3.0</i>	<i>0.6</i>	<i>Zanoni</i>
HDD034	158	215	57	1.4	0.2	Zanoni
<i>Including</i>	<i>158</i>	<i>190</i>	<i>32</i>	<i>1.7</i>	<i>0.2</i>	<i>Zanoni</i>
<i>Including</i>	<i>198</i>	<i>215</i>	<i>17</i>	<i>1.3</i>	<i>0.3</i>	<i>Zanoni</i>
HDD035	97	104	7	0.6	0.1	Dart
	153	163	10	1.4	0.2	Zanoni
	201	213	12	1.8	0.3	Zanoni
HDD036	201	207	6	0.5	0.1	Dart
	264	279	15	1.0	0.1	Zanoni
<i>Incl.</i>	<i>271</i>	<i>279</i>	<i>8</i>	<i>1.6</i>	<i>0.1</i>	<i>Zanoni</i>
HDD037	180	188	8	0.5	0.3	Zanoni
	244	297	53	1.7	0.2	Zanoni
<i>Incl.</i>	<i>263</i>	<i>273</i>	<i>10</i>	<i>4.7</i>	<i>0.8</i>	<i>Zanoni</i>
<i>Incl.</i>	<i>279</i>	<i>282</i>	<i>3</i>	<i>6.8</i>	<i>0.6</i>	<i>Zanoni</i>
	366	372	6	0.5	0.1	Zanoni
HDD038	134	163	29	1.0	0.2	Zanoni
<i>Incl.</i>	<i>153</i>	<i>163</i>	<i>10</i>	<i>2.5</i>	<i>0.4</i>	<i>Zanoni</i>

Table 1: Tabulated assay results from the Hillside Project in South Australia from drill holes completed in the September quarter 2009. All assays reported are down hole widths unless otherwise reported.

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Au (g/t)	STRUCTURE
HDD – 040	138	152	14	2.7	0.6	Zanoni
<i>Including</i>	<i>145</i>	<i>152</i>	<i>7</i>	<i>4.7</i>	<i>1.1</i>	<i>Zanoni</i>
HDD – 041	72	94	22	0.5	-	Songvaar
HDD – 042	90	119	29	0.3	0.1	Parsee
HDD-043	302	327	25	0.4	0.1	Parsee
<i>including</i>	<i>302</i>	<i>306</i>	<i>4</i>	<i>0.7</i>	<i>0.3</i>	<i>Parsee</i>
<i>including</i>	<i>321</i>	<i>326</i>	<i>5</i>	<i>1</i>	<i>0.4</i>	<i>Parsee</i>
HDD – 044	155	176	21	0.4	0.3	Parsee
	186	200	14	0.4	0.1	Parsee
	272	304	24	0.7	0.3	Parsee
<i>Including</i>	<i>278</i>	<i>282</i>	<i>4</i>	<i>1.4</i>	<i>0.8</i>	<i>Parsee</i>
HDD - 045	78	84	6	0.5	0.2	Songvaar
	93	98	5	0.6	0.2	Songvaar
	108	112	4	0.7	0.2	Songvaar
	166	180	14	0.3	0.1	Songvaar
	193	218	25	0.8	0.2	Songvaar
<i>Including</i>	<i>195</i>	<i>206</i>	<i>11</i>	<i>1.3</i>	<i>0.4</i>	<i>Songvaar</i>
HDD-046	79	105	26	0.4	0.2	Songvaar
HDD-047	15	48	33	0.7	0.9	Songvaar
<i>including</i>	<i>33</i>	<i>45</i>	<i>12</i>	<i>1.1</i>	<i>1.6</i>	<i>Songvaar</i>
HDD-048	101	172	71	1.5	0.4	Songvaar
<i>including</i>	<i>118</i>	<i>147</i>	<i>29</i>	<i>2.2</i>	<i>0.5</i>	<i>Songvaar</i>
<i>including</i>	<i>154</i>	<i>168</i>	<i>14</i>	<i>2.1</i>	<i>0.5</i>	<i>Songvaar</i>
HDD-049	81	92	11	0.4	0.1	Songvaar
	108	113	5	1	0.1	Songvaar
	145	160	15	0.6	0.2	Songvaar
<i>including</i>	<i>147</i>	<i>151</i>	<i>4</i>	<i>0.9</i>	<i>0.4</i>	<i>Songvaar</i>

HDD-050	71	99	28	1.1	0.6	Songvaar
HDD-051	181	224	43	0.8	0.4	Parsee
<i>including</i>	<i>206</i>	<i>224</i>	<i>18</i>	<i>1.1</i>	<i>0.6</i>	<i>Parsee</i>
HDD-052	167	229	62	0.5	0.2	Parsee
<i>including</i>	<i>185</i>	<i>207</i>	<i>22</i>	<i>0.7</i>	<i>0.4</i>	<i>Parsee</i>
HDD-053	173	198	25	1.1	0.1	Zanoni
HDD-054	92	110	18	0.7	0.3	Parsee
	149	167	18	0.6	0.1	Parsee
	203	226	23	0.6	0.3	Parsee
	237	277	40	0.6	0.3	Parsee
	301	380	79	0.4	0.1	Parsee
<i>including</i>	<i>317</i>	<i>337</i>	<i>20</i>	<i>0.8</i>	<i>0.3</i>	<i>Parsee</i>
HDD-055	171	285	114	0.5	0.2	Songvaar
<i>including</i>	<i>175</i>	<i>195</i>	<i>20</i>	<i>1.0</i>	<i>0.2</i>	<i>Songvaar</i>
HDD-056	235	241	6	0.5	0.4	Zanoni
HDD-057	119	179	60	0.7	0.4	Songvaar
<i>Including</i>	<i>119</i>	<i>125</i>	<i>6</i>	<i>1.0</i>	<i>0.5</i>	<i>Songvaar</i>
<i>Including</i>	<i>134</i>	<i>144</i>	<i>10</i>	<i>1.0</i>	<i>0.4</i>	<i>Songvaar</i>
<i>Including</i>	<i>157</i>	<i>179</i>	<i>22</i>	<i>0.8</i>	<i>0.5</i>	<i>Songvaar</i>
HDD-058	11	132	121	0.6	0.3	Songvaar
<i>Including</i>	<i>16</i>	<i>38</i>	<i>22</i>	<i>0.7</i>	<i>0.6</i>	<i>Songvaar</i>
<i>Including</i>	<i>45</i>	<i>68</i>	<i>23</i>	<i>0.8</i>	<i>0.3</i>	<i>Songvaar</i>
<i>Including</i>	<i>109</i>	<i>132</i>	<i>23</i>	<i>0.8</i>	<i>0.2</i>	<i>Songvaar</i>
	149	252	103	0.4	0.2	Songvaar
<i>Including</i>	<i>160</i>	<i>182</i>	<i>22</i>	<i>0.8</i>	<i>0.4</i>	<i>Songvaar</i>

Table 2: Tabulated assay results from drill holes completed at the Hillside Project in South Australia during the December quarter 2009. All assays reported are down hole widths unless otherwise reported.

New South Wales

Mt Carrington

Rex took ownership (100%) of the Mt Carrington copper-gold-silver Project in 2009, which is located in north-eastern NSW. The Mt Carrington project has an existing Inferred Resource comprising 190,000 ounces of gold and 10.5 million ounces of silver.

Exploration at the Mt Carrington project during 2009 included a number of drill holes targeting copper, gold and silver mineralisation in addition to multiple new geophysical surveys including the completion of the 400km² high resolution airborne magnetic survey (Figure 3).

A review of the existing drilling data, combined with a large new geophysical dataset has identified a number of gold, copper and silver targets to be drill tested in the March quarter. These targets represent extensions to the known gold (Strauss and North Kylo) and silver (White Rock, Silver King) prospects, along with new deeper targets considered to display strong potential for larger scale porphyry and breccia hosted copper mineralisation.

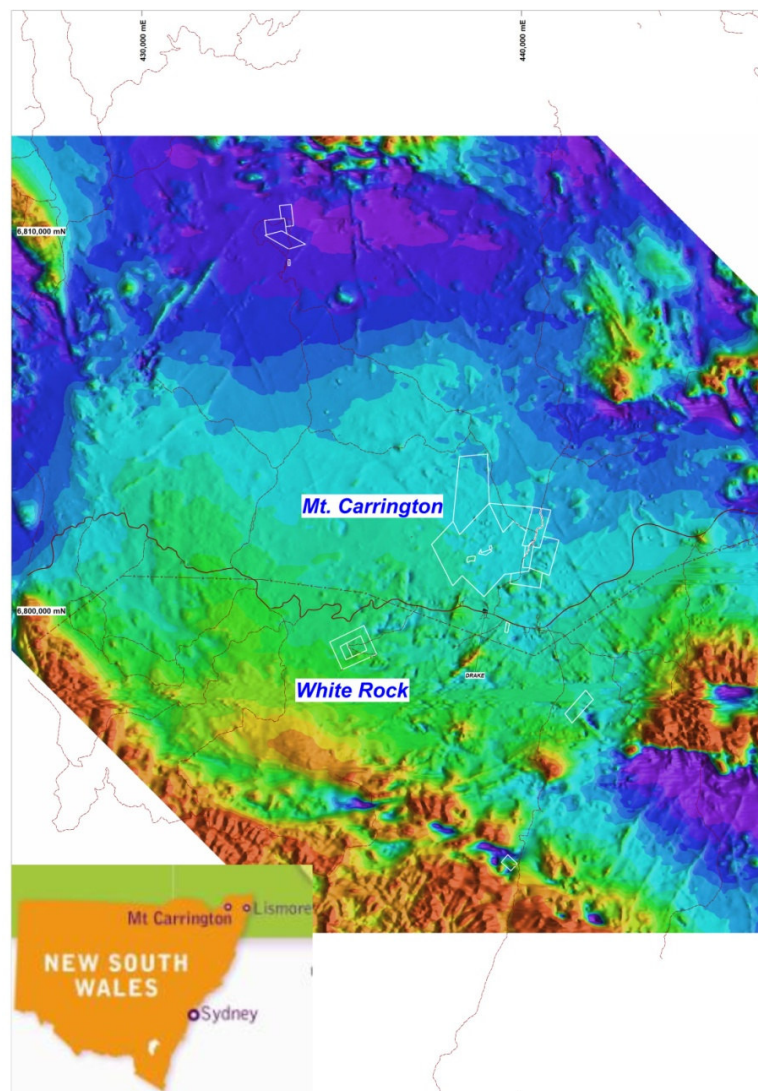


Figure 3: Mt Carrington airborne magnetic survey (reduced to pole data) displaying the location of the central and White Rock mining leases.

Corporate

During the period, the Company successfully undertook a 3 for 1 accelerated non-renounceable pro rata entitlement offer (Entitlement Offer) to raise approximately \$42m. The Entitlement Offer allowed all eligible shareholders to participate and comprised an institutional and retail offer, both underwritten by EL & C Baillieu Stockbroking Ltd. The entitlement proceeds are being used by the Company to commence Resource definition drilling at Hillside; begin testing of targets that have been identified by the high resolution magnetic survey over the Pine Point Copper Belt in South Australia and also to complete drill testing the large scale concepts for copper, gold and silver mineralisation at Mt Carrington, NSW.

In February 2010, the Company appointed Mr Brian Phillips and Mr Geoffrey Lowe to its Board. Mr Phillips and Mr Lowe bring a range of experiences with them to add depth to the Board as the Company continues to move forward. Ms Amber Rivamonte returned from leave and resumed her role as Company Secretary.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the half-year ended 31 December 2009.

Dated at Melbourne this 25th day of February 2010.

Signed in accordance with a resolution of the directors:



Steven Olsen
Managing Director

Consolidated interim statement of financial position

As at 31 December 2009

	Note	31 Dec 2009 \$	30 June 2009 \$
Current assets			
Cash assets		47,302,239	12,286,067
Receivables		967,691	24,720
Other assets		456,667	1,271,008
Total current assets		48,726,597	13,581,795
Non-current assets			
Exploration and evaluation expenditure	6	17,285,710	9,127,523
Property, plant and equipment		605,331	165,636
Total non-current assets		17,891,041	9,293,159
Total assets		66,617,638	22,874,954
Current liabilities			
Trade and other payables		431,569	228,042
Non cash drilling accruals		42,500	-
Provisions		134,322	82,938
Total current liabilities		608,391	310,980
Non-current liabilities			
Non-current provisions		795,400	-
Total non-current liabilities		795,400	-
Total liabilities		1,403,791	310,980
Net assets		65,213,847	22,563,974
Equity			
Issued capital	7	67,602,347	24,711,046
Reserves		520,580	552,130
Accumulated losses		(2,909,080)	(2,699,202)
Total equity		65,213,847	22,563,974

The statement of financial position is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 17 to 20.

Consolidated interim statement of comprehensive income

For the six months ended 31 December 2009

	Note	31 Dec 2009	31 Dec 2008
		\$	\$
Finance income		399,571	113,214
Administrative expenses		(306,747)	(165,884)
Depreciation expense		(30,059)	(19,085)
Employee benefits expense		(244,808)	(336,189)
Marketing expenses		(88,045)	(42,098)
Loss on sale of subsidiary		-	(887,817)
Loss before income tax		(270,088)	(1,337,859)
Income tax expense		-	-
Total loss for the period		(270,088)	(1,337,859)
Total comprehensive loss attributable to members of Rex Minerals Limited		(270,088)	(1,337,859)
Loss per share			
Basic and diluted loss per share (cents)		(0.31)	(2.51)

The statement of comprehensive income is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 17 to 20.

Consolidated interim statement of changes in equity

For the six months ended 31 December 2009

	Attributable to equity holders of the Company			
	Share Capital	Reserves	Retained Earnings	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2008	9,195,395	362,781	(868,535)	8,689,641
Issue of ordinary shares	1,472,435	-	-	1,472,435
Issue of share options	-	(20,499)	20,499	-
Cost of share based payments	-	49,269	-	49,269
Loss for the period	-	-	(1,337,859)	(1,337,859)
Balance at 31 December 2008	10,667,830	391,551	(2,185,895)	8,873,486
Balance at 1 July 2009	24,711,046	552,130	(2,699,202)	22,563,974
Issue of ordinary shares	42,891,301	-	-	42,891,301
Issue of share options	-	(60,210)	60,210	-
Cost of share based payments	-	28,660	-	28,660
Loss for the period	-	-	(270,088)	(270,088)
Balance at 31 December 2009	67,602,347	520,580	(2,909,080)	65,213,847

The amounts recognised in equity are disclosed net of tax.

The statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 17 to 20.

Consolidated interim statement of cash flows

For the six months ended 31 December 2009

	<i>Note</i>	31 Dec 2009	31 Dec 2008
		\$	\$
Cash flows from operating activities			
Cash paid to suppliers and employees		(432,060)	(553,325)
Net cash (used in) operating activities		(432,060)	(553,325)
Cash flows from investing activities			
Exploration and evaluation payments		(4,218,272)	(1,137,380)
Interest received		335,747	113,214
Acquisition of property, plant and equipment		(470,238)	-
Investment in term deposits		(795,400)	-
Proceeds from sale of subsidiary		-	1,411,970
Net cash used in investing activities		(5,148,163)	(387,804)
Cash flows from financing activities			
Proceeds from the issue of share capital		42,424,650	-
Payment of share capital transaction costs		(1,828,255)	-
Net cash from financing activities		40,596,395	-
Net increase in cash and cash equivalents		35,016,172	(165,521)
Cash and cash equivalents at beginning of the period		12,286,067	3,876,807
Cash and cash equivalents at period end		47,302,239	3,711,286

The statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 17 to 20.

Condensed notes to the consolidated interim financial report

1. Reporting entity

Rex Minerals Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries (together referred to as the "consolidated entity").

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2009 is available upon request from the Company's registered office at 209 Dana Street, Ballarat, Victoria or at www.rexminerals.com.au

2. Statement of compliance

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

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2009.

This consolidated interim financial report was approved by the Board of Directors on 25 February 2010.

3. Significant accounting policies

Except as described below, the accounting policies applied by the consolidated entity in this interim financial report are the same as those applied by the consolidated entity in its financial report as at and for the year ended 30 June 2009.

(a) Determination and presentation of operating segments

As of 1 July 2009 the consolidated entity 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. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with AASB 14 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of AASB 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the consolidated entity 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.

(b) Presentation of financial statements

The consolidated entity applies revised AASB 101 *Presentation of Financial Statements (2007)*, which became effective as of 1 July 2009. As a result, the consolidated entity presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(c) Restoration and rehabilitation

The consolidated entity has obligations to restore and rehabilitate certain areas of property. Provisions for the cost of the rehabilitation program are recognised at the time that environmental disturbance occurs (or is acquired). On an ongoing basis, additional disturbances will be recognised as a rehabilitation liability.

A provision has been recognised and is disclosed as a non-current provision in the statement of financial position (2009: \$795,400; 2008: \$0)

4 Estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2009.

5 Operating Segments

The consolidated entity has two reportable segments, as described below, which are the consolidated entity's areas of exploration focus. The exploration area's offer different exploration potential and are managed separately due to their physical locations. For each of the exploration area's the Managing Director reviews internal management reports on at least a quarterly basis. The following summary describes each of the exploration areas:

- South Australia: Large scale copper project in South Australia
- New South Wales: Copper, gold and silver project in New South Wales

Information about reportable segments

	South Australia		New South Wales	
	\$	\$	\$	\$
	31 Dec 2009	30 Jun 2009	31 Dec 2009	30 Jun 2009
Reportable segment assets	11,168,470	7,290,332	6,457,676	1,837,191

6 Exploration and Evaluation Expenditure

Exploration and evaluation costs carried forward in respect of minerals exploration areas of interest:

	31 Dec 2009 \$	30 Jun 2009 \$
Exploration and evaluation phases	17,285,710	9,127,523
Opening balance	9,127,523	5,664,829
Acquisitions	2,895,544	350,000
Additions	5,262,643	3,112,694
Expenditure disposed of	-	-
Closing balance	17,285,710	9,127,523

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

In October 2009, the consolidated entity completed its purchase of the Mt Carrington project in NSW. The acquisition cost comprised both cash and shares. It also includes the acquisition of a rehabilitation obligation in relation to the Mt Carrington project area.

7 Issued capital and reserves

Movements in shares on issue:		No of shares	Issue price \$	\$
Opening balance at 1 January 2009		54,375,000		10,667,830
Issue of ordinary shares - Titeline	13/03/2009	4,190,000	-	3,408,565
Issue of ordinary shares – Capital Raising	13/03/2009	6,887,500	0.40	2,755,000
Less costs of the Capital Raising		-	-	(83,427)
Issue of ordinary shares – Capital Raising	23/04/2009	6,887,500	0.40	2,755,000
Less costs of the Capital Raising		-	-	(120,020)
Issue of ordinary shares – Capital Raising	27/05/2009	8,000,000	0.70	5,600,000
Less costs of the Capital Raising		-	-	(271,902)
Closing balance at 30 June 2009		80,340,000		24,711,046
Opening balance at 1 July 2009		80,340,000		24,711,046
Exercise of options	18/09/2009	500,000	0.30	150,000
Exercise of employee options	18/09/2009	30,000	0.365	10,950
Issue of ordinary shares – Mt Carrington acquisition	21/10/2009	2,000,000	0.7575	1,515,000
Issue of ordinary shares – Entitlement Issue (Institutional component)	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 (Retail component)	25/11/2009	12,416,906	1.70	21,108,740
Less costs of the Entitlement Issue		-	-	(883,825)
Issue of ordinary shares - Titeline	23/12/2009	1,114,152	0.70	779,906
Closing balance at 31 December 2009		108,845,152		67,602,347

In October 2009, the Company successfully undertook a 3:1 entitlement issue, raising \$42.263m. It was conducted in two stages, an institutional component, followed by a retail offer.

Movements in options on issue:		No. of Options	Exercise Price \$	Expiry Date
Opening balance at 1 January 2009		7,380,000		
Issue of options – to employees	13/02/2009	180,000	0.41	30/06/2011
Issue of options – to employees	19/06/2009	300,000	0.70	31/05/2012
Closing balance at 30 June 2009		7,860,000		
Opening balance 1 July 2009		7,860,000		
Exercise of options	18/09/2009	(500,000)	0.30	30/06/2011
Exercise of options (employee)	18/09/2009	(30,000)	0.365	30/06/2011
Issue of options – to employees	03/12/2009	240,000	2.20	31/01/2012
Closing balance at 31 December 2009		7,570,000		

8 Commitments

The Company's bankers have guaranteed \$795,400 (2008: \$0) in the event the Company is called upon to rehabilitate the Mt Carrington site.

9 Subsequent events

On 29 January 2010, Rex Minerals Ltd issued 1,720,000 fully paid ordinary shares, following the exercise of options. There have been no other significant events since 31 December 2009 to the date of this report.

Directors' declaration

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

1. the financial statements and notes set out on pages 13 to 20, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 25th day of February 2010.

Signed in accordance with a resolution of the directors:



Steven Olsen
Managing Director



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

Report on the financial report

We have reviewed the accompanying interim financial report of Rex Minerals Limited, which comprises the consolidated interim statement of financial position as at 31 December 2009, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 9 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Rex Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

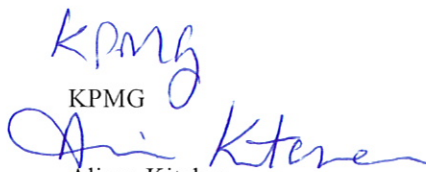
Independence

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

Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the half year period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


KPMG
Alison Kitchen
Partner

Melbourne

25 February 2010



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 2009 there has 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



Alison Kitchen
Partner

Melbourne

25 February 2010