

ASX & Media Announcement: 4 September 2024
ASX: RXM | OTCQB: RXRLF



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Scheme Meeting and Scheme Booklet

Rex Minerals Limited (ASX: RXM) advises that the Federal Court has today made orders convening a meeting of Rex shareholders ("**Scheme Meeting**") to consider and vote on the resolution to approve the scheme for the proposed acquisition by MACH Metals Australia Pty Ltd of all of the shares in Rex which it does not already own ("**Scheme**") and approving the despatching of an explanatory statement providing information about the Scheme and the notice of Scheme Meeting to Rex shareholders ("**Scheme Booklet**").

The Scheme Booklet attaches a copy of an Independent Expert's Report which concludes that in the absence of a superior proposal, the Scheme is fair and reasonable and is in the best interests of Rex shareholders. The Rex Directors unanimously recommend that Rex shareholders vote in favour of the Scheme in the absence of a superior proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex shareholders.

The Scheme Booklet has today been registered with ASIC and a copy accompanies this announcement.

The Scheme Booklet will be despatched to Rex shareholders on or around 6 September 2024. Shareholders who have elected to receive communications electronically will receive an email that will contain instructions about how to access a copy of the Scheme Booklet, and a proxy form for the Scheme Meeting. Shareholders who have not made such an election will receive a copy of the Scheme Booklet by post together with a proxy form.

Rex shareholders should carefully read the Scheme Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme.

If, after reading the Scheme Booklet, Rex shareholders have any questions in relation to the Scheme Booklet, please contact Rex on 1300 822 161 (within Australia) or +61 3 9068 3077 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday (excluding public holidays).

The Scheme Meeting is scheduled to be held at **10:00am (Melbourne time) on 10 October 2024** at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne. Rex shareholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the Scheme Meeting in person or by proxy, attorney or corporate representative.

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If Rex shareholders approve the Scheme by the requisite majorities at the Scheme Meeting, a Second Court Hearing is intended to be held at 10:15am (Melbourne time) on 15 October 2024 for approval of the Scheme by the Court. Any Rex shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Rex a notice of appearance in the prescribed form together with any affidavit that the Rex shareholder proposes to rely on. It should be addressed to Ms Kay Donehue, Company Secretary, Rex Minerals Limited, PO Box 3435 Rundle Mall, South Australia 5000.

This announcement has been authorised for release by the Board of Directors of Rex Minerals.

Further information

For more information about the Company and its projects, please visit our website <https://www.rexminerals.com.au/> or contact:

Kay Donehue

Company Secretary

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Scheme Booklet

**For a scheme of arrangement between
Rex Minerals Limited (ABN 12 124 960 523) and its shareholders
in relation to the proposed acquisition of Rex
by MACH Metals Australia Pty Ltd (ABN 80 670 989 269)
for consideration of \$0.47 cash per Rex share**

VOTE IN FAVOUR

The Rex Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders

When considering the recommendation of the Rex Directors, you should note that certain Rex Directors will be receiving benefits if the Scheme proceeds. Please refer to the Chairman's Letter and section 9.1.

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about how to deal with this document, you should contact your broker or financial, tax or legal adviser immediately.

If you have any questions in relation to this Scheme Booklet, you should call Rex on 1300 822 161 (within Australia) or +61 3 9068 3077 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).

**Baker
McKenzie.**

Legal Adviser



MACQUARIE

Financial Adviser

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Important Notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting.

Nature of this document

This Scheme Booklet provides Rex Shareholders with information about the proposed acquisition of Rex by MACH Metals. If you have sold all of your Rex Shares, please ignore this Scheme Booklet.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in section 10. Section 10 also sets out some rules of interpretation which apply to this Scheme Booklet. The documents reproduced in the annexures to this Scheme Booklet may have their own defined terms, which sometimes differ from those set out in section 10.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, tax position and particular needs of any individual Rex Shareholder. It is important that you read this Scheme Booklet in its entirety before making any investment decision, and any decision as to whether or not to vote in favour of the Scheme. If you are in any doubt in relation to these matters, you should consult your financial, legal, tax or other professional adviser.

Not an offer

This Scheme Booklet does not constitute or contain an offer to Rex Shareholders, or a solicitation of an offer from Rex Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws and regulations of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia.

Rex Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Regulatory information

This Scheme Booklet is the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in Annexure A.

A copy of this Scheme Booklet was provided to ASIC for examination in accordance with section 411(2)(b) of the Corporations Act and was lodged with ASIC for registration under section 412(6) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to Rex Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure C.

Further details with respect to the conduct of the Scheme Meeting, including how to ask questions during the Scheme Meeting, and vote at the Scheme Meeting, are set out in the Notice of Scheme Meeting set out in Annexure C and summarised in section 3.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Rex Shareholder may appear at the Second Court Hearing, currently expected to be held at 10.15am (Melbourne time) on 15 October 2024 at the Federal Court of Australia, 305 William Street, Melbourne.

Any Rex Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Rex a notice of appearance in the prescribed form together with any affidavit that the Rex Shareholder proposes to rely on.

Any change to the date of the Second Court Date will be announced by Rex through the ASX.

Important notice associated with the court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has directed that an explanatory statement accompany the notice of meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Rex Shareholders should vote (on this matter Rex Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of the explanatory statement.

Disclaimer as to forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in this Scheme Booklet reflect views only as at the date of this Scheme Booklet, and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe Rex's or MACH Metals' objectives, plans, goals, intentions or expectations are or may be forward-looking statements.

The statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of Rex's operations and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by these forward-looking statements.

The operations and financial performance of Rex are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of Rex and/or MACH Metals. Rex Shareholders should note that the historical financial performance of Rex is no assurance of future financial performance of Rex (whether the Scheme is implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which Rex operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

As a result, the actual results of operations and earnings of Rex following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that

are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet.

Although Rex considers that the views reflected in any forward-looking statements included in the Rex Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Although MACH Metals considers that the views reflected in any forward-looking statements included in the MACH Metals Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

None of the Rex Group, MACH Group, Rex Group's officers, MACH Group's officers, any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

You should review all of the information in this Scheme Booklet carefully. Section 1.3 sets out the reasons why you might vote in favour of the Scheme and section 1.4 sets out the reasons why you may consider voting against the Scheme.

All subsequent written and oral forward-looking statements attributable to any member of the Rex Group or MACH Group or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, the Rex Group and MACH Group do not give any undertaking to update or revise any such statements after the date of this Scheme Booklet, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

Rex has been solely responsible for preparing the Rex Information. The information concerning Rex and the intentions, views and opinions of Rex and the Rex Directors contained in this Scheme Booklet has been prepared by Rex and the Rex Directors and is the responsibility of Rex. MACH Metals and MACH Metals' directors and officers do not assume any responsibility for the accuracy or completeness of any such Rex Information.

MACH Metals has been solely responsible for preparing the MACH Metals Information. The information concerning MACH Metals and the intentions, views and opinions of MACH Metals contained in this Scheme Booklet has been prepared by MACH Metals and is the responsibility of MACH Metals. Rex and the Rex Directors and officers do not assume any responsibility for the accuracy or completeness of any such MACH Metals Information.

BDO Corporate Finance Australia Pty Ltd has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. The Independent Expert's Report is set out in Annexure D. None of Rex or MACH Metals or any of their Related Bodies Corporate or any of their respective directors, officers, employees or advisers (other than the Independent Expert in respect of the Independent Expert's Report) assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

Behre Dolbear Australia Pty Ltd has prepared, and is responsible for, the Independent Technical Specialist Report (which forms part of the Independent Expert's Report). None of Rex or MACH Metals or any of their Related Bodies Corporate or any of their respective directors, officers, employees or advisers (other than the Independent Technical Specialist in respect of the Independent Technical Specialist Report) assumes any

responsibility for the accuracy or completeness of the information contained in the Independent Technical Specialist Report.

Computershare has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Share Registry. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

No consenting party has withdrawn their consent to be named in this Scheme Booklet before the date of this Scheme Booklet.

Financial amounts and effects of rounding

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date, unless stated otherwise.

Timetables and dates

All times and dates referred to in this Scheme Booklet are times and dates in Melbourne, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies, Rex Shareholders and the Court together with other customary conditions.

External websites

Unless expressly stated otherwise, the content of the websites of Rex and MACH Metals do not form part of this Scheme Booklet. Rex Shareholders should not rely on any such content.

Privacy

Rex and MACH Metals may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Rex Shareholders and the name of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist Rex and MACH Metals to conduct the Scheme Meeting and implement the Scheme. Without this information, Rex may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of Rex and MACH Metals, and also where disclosure is otherwise required by law. Rex Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access personal information that has been collected. Rex Shareholders should contact the Share Registry if they wish to access their personal information. Rex Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Date of this Scheme Booklet

This Scheme Booklet is dated 4 September 2024.

Contents

Key Dates	2
Chairman's Letter	3
1 Key considerations relevant to your vote	5
2 Frequently Asked Questions	9
3 How to vote	14
4 Overview of the Scheme	15
5 Information about Rex	18
6 Information about MACH Metals	23
7 Risks	26
8 Tax implications	30
9 Additional information	32
10 Glossary and Interpretation	38
11 Corporate Directory	45
Annexure A Scheme	46
Annexure B Deed Poll	58
Annexure C Notice of Scheme Meeting	65
Annexure D Independent Expert's Report	70

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Key Dates

Event	Time and date
FIRST COURT DATE First Court Date for orders to despatch this Scheme Booklet and convene Scheme Meeting	4 September 2024
LATEST TIME AND DATE FOR RECEIPT OF PROXY FORMS FOR SCHEME MEETING Latest time and date for receipt of proxy forms or powers of attorney for the Scheme Meeting	10.00am (Melbourne time) on 8 October 2024
VOTING ELIGIBILITY DATE Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm (Melbourne time) on 8 October 2024
SCHEME MEETING The Scheme Meeting will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne Victoria. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting set out at Annexure C	10.00am (Melbourne time) on 10 October 2024
SECOND COURT DATE Second Court Date for approval of the Scheme by the Court	10.15am (Melbourne time) on 15 October 2024
EFFECTIVE DATE Court order lodged with ASIC and the 'Effective Date' for the Scheme is announced to ASX Last day of trading in Rex Shares – Rex Shares will be suspended from trading on ASX from close of trading	16 October 2024
SCHEME RECORD DATE Scheme Record Date for determining entitlements to Scheme Consideration	7.00pm (Melbourne time) on 23 October 2024
IMPLEMENTATION DATE Payment of the Scheme Consideration to Scheme Shareholders	30 October 2024

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced to the ASX and notified on the Rex website www.rexminerals.com.au/investors.

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Chairman's Letter

4 September 2024

Dear Rex Shareholder

On behalf of the Rex Board, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration about the proposed acquisition of Rex by MACH Metals Australia Pty Ltd (MACH Metals) by way of a scheme of arrangement at **\$0.47** per Rex Share as announced on 8 July 2024.

This Scheme Booklet will assist you in making an informed decision about how to vote and contains important information, including the reasons to vote in favour of, or against, the Scheme (refer to section 1) and certain risks related to holding Rex Shares, and the Scheme (refer to section 7).

Your vote is important, and I encourage you to read this Scheme Booklet (including the Independent Expert's Report in Annexure D) in its entirety.

Background

The MACH Metals offer was received following a competitive global partnering process. The process focused on the \$854 million funding and subsequent development pathway for the Hillside Copper-Gold Project located in South Australia (Hillside). The Rex Directors (in consultation with their advisers) carefully assessed the valuation, funding, timing and certainty of this offer against a range of other alternatives and the risks and potential ownership dilution associated with a stand-alone development of Hillside.

On 8 July 2024, Rex announced that it had entered into a Scheme Implementation Deed with MACH Metals to acquire all of the shares it does not already own in Rex. As at the date of this Scheme Booklet, MACH Metals has an interest in 121,525,069 Rex Shares, equating to 15.52% of Rex's issued equity. The proposed acquisition is expected to be implemented by a scheme of arrangement (Scheme).

For the Scheme to proceed, it must be approved by the requisite majorities of the Rex Shareholders (other than an Excluded Shareholder) and by the Federal Court of Australia.

The Scheme provides certainty of value and a significant premium representing a 98% uplift relative to Rex's 90-day VWAP, as well as the opportunity for Rex Shareholders to realise their investment at a 10-year historical share price high.

This Scheme also represents a more certain outcome for wider stakeholders in Hillside, including the local community, the South Australian Government and Rex employees who will benefit from the significant financial strength and proven track record of the MACH Group to deliver the successful development of Hillside. The South Australian Government has been a leader in Australia in support of decarbonisation and copper development and the successful development of Hillside is aligned to its strategy.

The Scheme is subject to customary conditions, including approval by the requisite majorities of Rex Shareholders (other than an Excluded Shareholder), Court approval, as well as MACH Metals obtaining FIRB approval (which has been applied for) which are summarised in section 9.3(a).

Overview

If the Scheme is implemented, Rex Shareholders (other than an Excluded Shareholder) will receive the Scheme Consideration of \$0.47 cash per Rex Share held on the Scheme Record Date.

The Scheme Consideration is an attractive premium over trading prices of Rex Shares on the ASX prior to the announcement of the Scheme on 8 July 2024, and represents:

- a 98% premium to Rex's 90-day VWAP of \$0.24;
- a 79% premium to Rex's 30-day VWAP of \$0.26;
- a 71% premium to Rex's last close on 5 July 2024;
- a 176% premium to the offer price for Rex's most recent Entitlement Offer in January 2024 which was conducted at \$0.17 per Rex Share; and
- a 10-year historical share price high.

The closing price of Rex Shares on ASX on 5 July 2024 (being the last trading day prior to the announcement of the Scheme) was \$0.275. From the day after the announcement of the Scheme to the Last Practicable Date, the closing price of Rex Shares has ranged between \$0.415 and \$0.455. If the Scheme does not proceed and no Superior Proposal emerges, the Rex Share price may fall to a price materially below the Scheme Consideration of \$0.47 per Rex Share offered to Rex Shareholders under the Scheme.

The Scheme Consideration of \$0.47 per Rex Share implies a fully diluted market capitalisation for Rex of approximately \$393 million.

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Independent Expert's Report

Rex has appointed BDO Corporate Finance Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is **fair and reasonable and is in the best interests of Rex Shareholders**. The Independent Expert has assessed the value of Rex at between \$0.346 and \$0.484 per Rex Share, as compared to the Scheme Consideration of \$0.47 per Rex Share.

The Independent Expert's Report is included as Annexure D to this Scheme Booklet. You are encouraged to read the Independent Expert's Report in its entirety. It includes an Independent Technical Specialist Report.

Rex Directors' recommendation

The Rex Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders. Subject to those same qualifications, each of the Rex Directors intends to vote all Rex Shares which they own or control in favour of the Scheme. The interests of the Rex Directors in Rex Shares are set out in section 9.1.

When considering the recommendation of the Rex Directors, you should note that certain Rex Directors will be receiving benefits if the Scheme proceeds. This includes the early vesting of Options which pertains to Richard Laufmann, Amber Rivamonte and Andrew Seaton, in accordance with the terms of the Option Plan Rules approved by Rex Shareholders as set out in section 9.4. In addition, as payment for the acquisition of Hog Ranch, Rex Shareholders approved the issue of Consideration Rights to the vendors, which included Richard Laufmann and Amber Rivamonte, and these rights will vest if the Scheme is approved by Rex Shareholders by 31 October 2024 as set out in section 9.5. The interests held in Rex and the benefits of the Scheme being implemented for Rex Directors are disclosed in section 9.1.

The value with respect to the vesting of the unvested Director Options having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$713,067 which comprises \$350,000 with respect to each of Richard Laufmann and Amber Rivamonte and \$13,067 with respect to Andrew Seaton. The \$350,000 amounts relate to 5,000,000 unvested Options exercisable at \$0.40 each. The \$13,067 amount relates to 93,334 unvested Options exercisable at \$0.33 each. All other Director Options have already vested.

The value with respect to a conversion of the Director Consideration Rights having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$2,277,683 which comprises \$455,537 with respect to Richard Laufmann and \$1,822,146 with respect to Amber Rivamonte.

The Rex Directors consider that the Scheme provides an opportunity for Rex Shareholders to realise the immediate and certain value for their Rex Shares at an attractive price. Reasons to vote in favour of the Scheme are set out in detail in section 1.3.

There are also reasons why you may choose to vote against the Scheme which are set out in section 1.4. Certain risks related to holding Rex Shares, and the Scheme are set out in section 7. The Rex Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

How to vote

The Scheme can only be implemented if it is approved by the Court, and by a majority in number of the Rex Shareholders (other than an Excluded Shareholder) that vote on the Scheme (either in person or by proxy, attorney or, in the case of corporate Rex Shareholders, body corporate representative) and that represent at least 75% of the total votes cast at the Scheme Meeting.

The Scheme Meeting will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne Victoria on **10 October 2024 at 10.00am** (Melbourne time). Your vote is important, and I strongly encourage you to vote on this significant transaction.

Further information

I encourage you to read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision on how to vote. You should also seek independent legal, financial, tax or other professional advice before making any investment decision in relation to your Rex Shares.

If you have any questions regarding the Scheme or this Scheme Booklet you should contact Rex on 1300 822 161 (within Australia) or +61 3 9068 3077 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).

On behalf of the Rex Board, we believe Rex management has done a terrific job advancing Hillside to be Australia's largest fully permitted and shovel ready copper project. The MACH Metals proposal is the culmination of many years of hard work and delivers certain value for Rex Shareholders. I thank you for your ongoing support and look forward to your participation at the Scheme Meeting.

Yours sincerely



Mr Ian Smith
Chairman

1 Key considerations relevant to your vote

1.1 Overview

The Scheme has a number of advantages and disadvantages that may affect Rex Shareholders in different ways depending on their individual circumstances. Rex Shareholders should seek professional advice on their particular circumstances, as appropriate.

You should read this Scheme Booklet in its entirety, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting. While the Rex Directors acknowledge the reasons to vote against the Scheme Resolution, they believe the advantages of the Scheme outweigh the disadvantages.

1.2 Summary of reasons why you might vote in favour of or against the Scheme

Reasons to vote in favour of the Scheme

✓	The Rex Directors unanimously recommend that you vote in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders and there being no Superior Proposal
✓	The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and is in the best interests of Rex Shareholders
✓	The Scheme Consideration of \$0.47 per Rex Share represents a significant premium to recent trading in Rex Shares and a 10-year share price high
✓	The all-cash Scheme Consideration of \$0.47 per Rex Share provides Rex Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding uncertainties and risks associated with the Rex Business
✓	Rex's share price may fall if the Scheme is not implemented and in the absence of a Superior Proposal
✓	If the Scheme proceeds, Rex Shareholders will no longer be subject to the specific risks associated with the Rex Business and general market risks
✓	Since the Scheme was announced on 8 July 2024, no Superior Proposal has emerged
✓	No brokerage charges will be payable by you for the transfer of your Rex Shares under the Scheme

Reasons to vote against the Scheme

×	You may disagree with the Rex Directors' unanimous recommendation and/or the Independent Expert's conclusion, and consider that the Scheme is not in your best interests
×	You may prefer to participate in the future performance of the Rex Business
×	You may wish to maintain your investment profile
×	You may consider that there is the potential for a Superior Proposal to emerge
×	The tax implications of the Scheme may not suit your current financial position or tax circumstances

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1.3 Key reasons to vote for the Scheme

a) **The Rex Directors unanimously recommend that you vote in favour of the Scheme, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders and there being no Superior Proposal**

The Rex Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders and there being no Superior Proposal. In reaching their unanimous recommendation, your Directors have assessed the Scheme (including the Scheme Consideration) having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Scheme Booklet.

The Directors believe the Scheme Consideration proposed under the Scheme is attractive. In addition, the Scheme provides certain cash proceeds in the near term which may not be achieved if the Scheme does not proceed.

Subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders and there being no Superior Proposal, each of your Directors intends to vote all Rex Shares in which they own or control in favour of the Scheme.

When considering the recommendation of the Rex Directors, you should note that certain Rex Directors will be receiving benefits if the Scheme proceeds. This includes the early vesting of Options which pertains to Richard Laufmann, Amber Rivamonte and Andrew Seaton, in accordance with the terms of the Option Plan Rules approved by Rex Shareholders as set out in section 9.4. In addition, as payment for the acquisition of Hog Ranch, Rex Shareholders approved the issue of Consideration Rights to the vendors, which included Richard Laufmann and Amber Rivamonte, and these rights will vest if the Scheme is approved by Rex Shareholders by 31 October 2024 as set out in section 9.5. The interests held in Rex and the benefits of the Scheme being implemented for Rex Directors are disclosed in section 9.1.

The value with respect to the vesting of the unvested Director Options having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$713,067 which comprises \$350,000 with respect to each of Richard Laufmann and Amber Rivamonte and \$13,067 with respect to Andrew Seaton. The \$350,000 amounts relate to 5,000,000 unvested Options exercisable at \$0.40 each. The \$13,067 amount relates to 93,334 unvested Options exercisable at \$0.33 each. All other Director Options have already vested.

The value with respect to a conversion of the Director Consideration Rights having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$2,277,683 which comprises \$455,537 with respect to Richard Laufmann and \$1,822,146 with respect to Amber Rivamonte.

b) **The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and is in the best interests of Rex Shareholders**

Rex appointed BDO Corporate Finance Australia Pty Ltd to prepare an Independent Expert's Report, including an opinion as to whether the Scheme is fair and reasonable and, therefore, in the best interests of Rex Shareholders. The Independent Expert's Report includes an Independent Technical Specialist Report.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is **fair and reasonable and is in the best interests of Rex Shareholders**. The Independent Expert has assessed the value of Rex at between \$0.346 and \$0.484 per Rex Share, as compared to the Scheme Consideration of \$0.47 per Rex Share.

The Independent Expert's Report is included in Annexure D of this Scheme Booklet. Your Directors encourage you to carefully read the Independent Expert's Report in its entirety before making a decision in relation to the Scheme.

c) **The Scheme Consideration of \$0.47 per Rex Share represents a significant premium to recent trading in Rex Shares and a 10-year share price high**

The all-cash Scheme Consideration of \$0.47 per Rex Share represents a significant premium over trading prices of Rex Shares on the ASX prior to the announcement of the Scheme on 8 July 2024, and represents:

- a 98% premium to Rex's 90-day VWAP of \$0.24;
- a 79% premium to Rex's 30-day VWAP of \$0.26;
- a 71% premium to Rex's last close on 5 July 2024;
- a 176% premium to the offer price for Rex's most recent Entitlement Offer in January 2024 which was conducted at \$0.17 per share; and
- a 10-year historical share price high.

d) **The all-cash Scheme Consideration of \$0.47 per Rex Share provides Rex Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding uncertainties and risks associated with the Rex Business**

The offer from MACH Metals is a 100% cash offer. If the Scheme proceeds, Rex Shareholders will receive the Scheme Consideration of \$0.47 per Rex Share. This provides certainty of value.

In contrast, if the Scheme does not proceed, the amount which Rex Shareholders will be able to realise from their investment in Rex Shares will be uncertain. For details of the risks relating to remaining a Rex Shareholder, see section 7.

e) **Rex's share price may fall if the Scheme is not implemented and in the absence of a Superior Proposal**

If the Scheme is not implemented, Rex Shares will continue to trade on the ASX. This includes exposure to general securities market movements, the impact of general economic conditions and the demand for listed securities.

The Rex Directors are unable to predict the price at which Rex Shares will trade in the future but consider that, if the Scheme is not implemented and no Superior Proposal emerges, the price of Rex Shares may fall to a price materially below the Scheme Consideration of \$0.47 per Rex Share offered to Rex Shareholders under the Scheme.

f) **If the Scheme proceeds, Rex Shareholders will no longer be subject to the specific risks associated with the Rex Business and general market risks**

If the Scheme proceeds, Rex Shareholders will no longer be exposed to general investment risks, as well as other specific risks inherent to the Rex Business (as summarised in sections 7.1 and 7.2). The all-cash Scheme Consideration payable under the Scheme removes these risks and uncertainties for Rex Shareholders and allows Rex Shareholders to exit their investment in Rex at a certain cash price.

If the Scheme does not proceed, Rex Shares will continue to remain quoted on the ASX, and Rex Shareholders will continue to be exposed to these risks and uncertainties, and the potential future benefits in retaining exposure to the Rex Business. There are also certain risks specific to the Scheme that may arise if the Scheme does not proceed, the details of which are outlined in section 7.3.

g) **Since the Scheme was announced on 8 July 2024, no Superior Proposal has emerged**

Since the announcement of the Scheme on 8 July 2024 and up to the date of this Scheme Booklet, no Superior Proposal has emerged, and the Rex Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

If a Competing Proposal that is, or is reasonably likely to become, a Superior Proposal is received, it will be considered by the Rex Directors in accordance with the provisions of the Scheme Implementation Deed, which permits the Rex Directors to take action in respect of such Competing Proposal in accordance with their fiduciary and statutory obligations.

h) **No brokerage charges will be payable by you for the transfer of your Rex Shares under the Scheme**

If the Scheme is implemented, you will not incur brokerage charges on the transfer of their Rex Shares to MACH Metals under the Scheme. It is possible that brokerage charges may be incurred if you transfer your Rex Shares other than under the Scheme (including selling your shares on the ASX).

1.4 **Why you may consider voting against the Scheme**

The Rex Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders. In addition, the Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and is in the best interests of Rex Shareholders. However, there may be reasons which lead you to consider voting against the Scheme, including those set out below.

a) You may disagree with the Rex Directors' unanimous recommendation and/or the Independent Expert's conclusion, and consider that the Scheme is not in your best interests

Despite the unanimous recommendation of the Rex Directors to vote in favour of the Scheme subject to certain qualifications and the conclusion of the Independent Expert that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and is in the best interests of Rex Shareholders, you may disagree and believe that the Scheme is not in the best interests of Rex Shareholders or not in your best interests.

b) You may prefer to participate in the future performance of the Rex Business

If the Scheme is implemented, you will cease to be a Rex Shareholder and will lose the ability to participate in any potential upside that may result from maintaining your investment in Rex. This means that you will not participate in the future performance and potential growth of Rex, and will not retain exposure to the value that could be created by Rex in the future.

c) You may wish to maintain your investment profile

You may prefer to keep your Rex Shares to maintain your investment in a publicly listed company with Rex's specific characteristics including, but not limited to, the industry, operational profile, size and capital structure, risk, return and liquidity characteristics. Implementation of the Scheme may result in a disadvantage to those who wish to maintain their investment profile. Rex Shareholders who wish to maintain their investment profile may find it difficult to identify and invest in alternative investments that have a similar profile to that of Rex, and they may incur transaction costs in undertaking any new investment.

In addition, despite the risk factors relevant to Rex's future operations as a stand-alone entity (including those set out in section 7), you may consider that Rex may be able to generate greater returns for its assets as a stand-alone entity, or by exploring alternative corporate transactions in the future.

d) You may consider that there is the potential for a Superior Proposal to emerge

You may consider that there is potential for a Superior Proposal to be made. This may include a takeover offer or alternative transaction proposal which would deliver a total consideration to Rex Shareholders in excess of the Scheme Consideration. However, as at the date of this Scheme Booklet, no Superior Proposal has emerged, and the Rex Directors are not aware of any Superior Proposal that is likely to emerge.

e) The tax implications of the Scheme may not suit your current financial position or tax circumstances

If the Scheme is implemented, there may be tax consequences that eventuate for you as a Rex Shareholder, some of which may be adverse. Further detail regarding the tax implications of the Scheme is set out in section 8. However, section 8 of this Scheme Booklet is general in nature, and Rex Shareholders should seek their own professional advice regarding the tax implications of the Scheme relevant to them.

2 Frequently Asked Questions

The following table provides brief answers to some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for Rex Shareholders and must be read in conjunction with all other parts of this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Question	Answer	More information
Overview of the Scheme		
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent or made available to you because you are a Rex Shareholder and you are being asked to vote on the Scheme.</p> <p>This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.</p>	Section 4 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure A.
What is the Scheme?	<p>The Scheme is a scheme of arrangement between Rex and the Scheme Shareholders (being Rex Shareholders at the Scheme Record Date other than Excluded Shareholders). The Scheme will give effect to the acquisition of Rex by MACH Metals.</p> <p>A scheme of arrangement is a statutory procedure that is commonly used to enable a company to acquire another company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution to implement the scheme of arrangement by the requisite majorities of shareholders.</p> <p>If the Scheme is approved and implemented, Scheme Shareholders will receive the Scheme Consideration of \$0.47 per Rex Share.</p> <p>The terms of the Scheme are set out in full in Annexure A.</p>	Section 4 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure A.
Who is MACH Metals?	<p>MACH Metals was incorporated as a proprietary limited company in the State of New South Wales on 1 September 2023 by its immediate parent company, MACH Australia Holdings, to acquire an initial interest in Rex.</p> <p>MACH Metals is part of the MACH Group. The MACH Group, through MACH Energy, operates the Mount Pleasant thermal coal mine located in the Hunter Valley, New South Wales.</p> <p>See section 6.3 for further information on MACH Metals and the MACH Group.</p>	Section 6.3 contains further details about MACH Metals and its group companies.
What are MACH Metals' intentions for Rex if the Scheme is implemented?	<p>If the Scheme is implemented, MACH Metals intends to:</p> <ol style="list-style-type: none"> conduct a review of Rex's operations to determine the optimum manner of progressing development of Hillside with a focus on bringing the project into production in an expedited manner; arrange for Rex to be removed from the official list of ASX; nominate persons to be appointed to, and to resign from, the Rex Board; and continue to operate the Rex business in substantially the same manner as it is currently being operated. <p>See section 6.6 for further details of MACH Metals' intentions in relation to Rex if the Scheme is implemented.</p>	Section 6.6 contains further details about the intentions of MACH Metals.

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Question	Answer	More information
Recommendations and intentions		
<p>What do the Rex Directors recommend in relation to the Scheme and how do they intend to vote on the Scheme?</p>	<p>Your Directors unanimously recommend that all Rex Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders.</p> <p>Subject to those same qualifications, each Rex Director who holds or controls Rex Shares intends to vote those Shares in favour of the Scheme.</p> <p>When considering the recommendation of the Rex Directors, you should note that certain Rex Directors will be receiving benefits if the Scheme proceeds. This includes the early vesting of Options which pertains to Richard Laufmann, Amber Rivamonte and Andrew Seaton, in accordance with the terms of the Option Plan Rules approved by Rex Shareholders as set out in section 9.4. In addition, as payment for the acquisition of Hog Ranch, Rex Shareholders approved the issue of Consideration Rights to the vendors, which included Richard Laufmann and Amber Rivamonte, and these rights will vest if the Scheme is approved by Rex Shareholders by 31 October 2024 as set out in section 9.5. The interests held in Rex and the benefits of the Scheme being implemented for Rex Directors are disclosed in section 9.1.</p> <p>The value with respect to the vesting of the unvested Director Options having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$713,067 which comprises \$350,000 with respect to each of Richard Laufmann and Amber Rivamonte and \$13,067 with respect to Andrew Seaton. The \$350,000 amounts relate to 5,000,000 unvested Options exercisable at \$0.40 each. The \$13,067 amount relates to 93,334 unvested Options exercisable at \$0.33 each. All other Director Options have already vested.</p> <p>The value with respect to a conversion of the Director Consideration Rights having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$2,277,683 which comprises \$455,537 with respect to Richard Laufmann and \$1,822,146 with respect to Amber Rivamonte.</p>	<p>Section 1.3 contains the key reasons why the Rex Board considers that Rex Shareholders should vote in favour of the Scheme.</p> <p>Section 9.1 sets out details of the interests of the Rex Directors in Rex and the benefits of the Scheme being implemented for Rex Directors.</p> <p>Section 9.4 sets out further details regarding the Options.</p> <p>Section 9.5 sets out further details regarding the Consideration Rights.</p>
<p>What is the opinion of the Independent Expert?</p>	<p>The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and is in the best interests of Rex Shareholders.</p>	<p>A copy of the Independent Expert's Report is contained in Annexure D.</p>
Overview of the Scheme Consideration		
<p>When will I be paid?</p>	<p>If the Scheme becomes Effective, payment of the Scheme Consideration is expected to be made on or about the Implementation Date (currently expected to be 30 October 2024).</p>	<p>Section 4.2 sets out further details on the Scheme Consideration.</p>
<p>How will I be paid?</p>	<p>All cash to be paid under the Scheme Consideration will be made by:</p> <ul style="list-style-type: none"> making a deposit in Australian currency into an Australian Authorised Deposit-taking institution, notified by the relevant 	<p>Section 4.2 sets out further details on the Scheme Consideration.</p>

Question	Answer	More information
	<p>Rex Shareholder to the Share Registry by the Scheme Record Date;</p> <ul style="list-style-type: none"> • Global Wire Payment Service, if a Rex Shareholder has elected to receive payments electronically in their local currency using the Share Registry's Global Wire Payment Service by the Scheme Record Date; or • sending a cheque in Australian currency by prepaid post to the relevant Scheme Shareholder's address as recorded in the Rex Share Register at the Scheme Record Date. <p>Cheques will not be issued to Scheme Shareholders in New Zealand or Papua New Guinea. Scheme Shareholders with a registered address in New Zealand or Papua New Guinea must nominate a valid bank account before the Scheme Record Date to receive the Scheme Consideration directly into their bank account. If Scheme Shareholders in New Zealand or Papua New Guinea do not provide their bank account details, the Scheme Cash Consideration payable to that Scheme Shareholder will be withheld pending receipt of payment instructions.</p> <p>In order to update your bank details, please provide your bank account details by accessing the following link www-au.computershare.com/Investor. Rex Shareholders will need to have registered for an account to do this. Alternatively, you can complete a direct credit form by calling the Share Registry and deliver it by post to: Computershare Investor Services Pty Limited GPO Box 2975 Melbourne, VIC 3001 Australia. Any queries can be emailed to web.queries@computershare.com.au.</p>	
<p>How is MACH Metals funding the Scheme Consideration?</p>	<p>MACH Metals intends to fund payment of the Scheme Consideration using a combination of equity and the proceeds of a debt facility described in section 6.5 of this Scheme Booklet. In respect of the debt facility, the MACH Group has received credit-approved commitment letters and term sheet from three lenders for combined debt commitments in an aggregate amount of no less than \$245 million, subject to execution of definitive long form documents with customary terms and conditions precedent (including satisfaction of all conditions to the Scheme Implementation Deed and satisfactory completion of know-your-customer checks on MACH Metals and MACH Australia Holdings). The total amount available to MACH Metals under these debt and equity arrangements exceeds the expected Scheme Consideration.</p> <p>See section 6.5 for further information on the funding of the Scheme Consideration.</p>	<p>Section 6.5 contains further details about the funding arrangements of MACH Metals.</p>
<p>Will I have to pay brokerage?</p>	<p>You will not have to pay brokerage on the transfer of your Rex Shares to MACH Metals under the Scheme.</p>	<p>N/A</p>
<p>What are the tax implications of the Scheme?</p>	<p>The tax implications of the Scheme will depend on your particular circumstances.</p> <p>Section 8 provides a general description of the Australian tax consequences for Scheme Shareholders.</p> <p>You should seek independent professional tax advice with respect to your particular circumstances.</p>	<p>Section 8 provides a general description of the Australian tax consequences.</p>

Question	Answer	More information
<p>Are there any conditions to be satisfied?</p>	<p>Yes. The conditions to the Scheme are summarised in section 9.3(a) and set out in full in clause 3.1 of the Scheme Implementation Deed.</p> <p>The conditions include customary conditions in schemes of arrangement (such as shareholder approval, Court approval and the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders) as well as FIRB approval (which has been applied for). When FIRB approval is obtained, Rex will make an ASX announcement accordingly.</p>	<p>Section 9.3(a) contains further information on the conditions to the Scheme.</p>
<p>Conditions to the Scheme</p>		
<p>When and where will the Scheme Meeting be held?</p>	<p>The Scheme Meeting is scheduled to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria on 10 October 2024 at 10.00am (Melbourne time).</p> <p>Please monitor the Rex website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.</p> <p>Please see the Notice of Scheme Meeting in Annexure C for further details relating to the conduct of the Scheme Meeting.</p> <p>The Scheme Meeting may be postponed or adjourned. Any such adjournment will be announced on the ASX and set out on the Rex website.</p>	<p>The Notice of Scheme Meeting contained in Annexure C sets out further details on the Scheme Meeting.</p>
<p>What vote is required to approve the Scheme?</p>	<p>For the Scheme to proceed, the Scheme Resolution must be passed by:</p> <ul style="list-style-type: none"> • a majority in number of Rex Shareholders (other than an Excluded Shareholder) who vote on the Scheme Resolution; and • at least 75% of the total number of votes cast on the Scheme Resolution. <p>The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.</p>	<p>Section 4.3(a) and the Notice of Scheme Meeting contained in Annexure C set out further details on the Scheme approval requirements.</p>
<p>Am I entitled to vote at the Scheme Meeting?</p>	<p>Each Rex Shareholder (other than an Excluded Shareholder) who is registered on the Rex Share Register at 7.00pm (Melbourne time) on 8 October 2024 is entitled to attend and vote at the Scheme Meeting.</p>	<p>The Notice of Scheme Meeting contained in Annexure C sets out further details on your entitlement to vote.</p>
<p>How do I vote if I am not able to attend the Scheme Meeting?</p>	<p>If you would like to vote but cannot attend the Scheme Meeting in person, you can vote by appointing a proxy (including by lodging your proxy form online at www.investorvote.com.au or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.</p>	<p>The Notice of Scheme Meeting contained in Annexure C sets out further details on how to vote at the Scheme Meeting.</p>
<p>When will the result of the Scheme Meeting be known?</p>	<p>The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available. Even if the Scheme Resolution is passed at the Scheme Meeting, the Scheme is still subject to approval of the Court.</p>	<p>N/A</p>

Question	Answer	More information
What happens if the Scheme does not proceed?	If the Scheme is not approved at the Scheme Meeting or by the Court, or another condition to the Scheme is not satisfied or waived (where capable of waiver), then the Scheme will not be implemented. If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration but will retain their Rex Shares. In these circumstances, Rex will, in the absence of another proposal, continue to operate as a stand-alone entity listed on ASX.	Section 4.4 sets out further details on what happens if the Scheme does not proceed.
What happens to my Rex Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	If you do not vote, or vote against the Scheme, and the Scheme becomes Effective, any Rex Shares held by you on the Scheme Record Date (currently expected to be 23 October 2024) will be transferred to MACH Metals and you will receive the Scheme Consideration, notwithstanding that you may not have voted or voted against the Scheme.	N/A
If the Scheme is implemented, will Rex cease trading on ASX?	Rex intends to apply to ASX for Rex to be suspended from trading on ASX from close of trading on the Effective Date (which is currently expected to be 16 October 2024). Following the Implementation Date, Rex will apply for termination of the official quotation of Rex Shares on ASX and for Rex to be removed from the official list of ASX.	Sections 4.3(b), 4.6 and 0 set out further details on ceasing trade on the ASX.
Other questions		
Can I sell my Rex Shares now?	<p>You can sell your Rex Shares on market at any time before close of trading on ASX on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration).</p> <p>You will not be able to sell your Rex Shares on market after close of trading on the Effective Date.</p> <p>If you sell your Rex Shares on market, you may pay brokerage on the sale, you will not receive the Scheme Consideration and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.</p>	N/A
What happens if a Competing Proposal is received?	<p>If a Competing Proposal is received, the Rex Board will carefully consider it. Rex must notify MACH Metals of that Competing Proposal in accordance with the terms of the Scheme Implementation Deed.</p> <p>Rex Shareholders should note that Rex has agreed to certain exclusivity and Break Fee provisions in favour of MACH Metals under the Scheme Implementation Deed.</p>	Section 9.3 details the potential for a Competing Proposal, and the relevant process and considerations.
What are the prospects of receiving a Superior Proposal?	Since the announcement of the Scheme on 8 July 2024 and up to the date of this Scheme Booklet, no Superior Proposal has emerged, and the Rex Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.	N/A
Where can I get further information?	For further information, you can call Rex on 1300 822 161 (within Australia) or +61 3 9068 3077 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).	N/A

3 How to vote

3.1 Your vote is important

This Scheme Booklet is an important document. You should carefully read this Scheme Booklet in its entirety (including the Independent Expert's Report included in Annexure D) before deciding whether to vote in favour of the Scheme.

For the Scheme to proceed, it is necessary that sufficient Rex Shareholders (other than an Excluded Shareholder) vote in favour of the Scheme. If you are registered as a Rex Shareholder at 7.00pm (Melbourne time) on 8 October 2024 and are not an Excluded Shareholder, you will be entitled to vote on the Scheme.

If you have any questions, please contact Rex on 1300 822 161 (within Australia) or +61 3 9068 3077 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays). If you are in any doubt as to what you should do, please consult your broker, legal, financial, tax, accounting and/or other professional adviser without delay.

3.2 Notice of Scheme Meeting

See the Notice of Scheme Meeting contained in Annexure C for further details relating to the conduct of the Scheme Meeting.

3.3 Procedure

You may vote on the Scheme:

- **(in person)** by attending the Scheme Meeting in person held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria and voting during the meeting;
- **(by proxy)** by lodging a proxy form online at www.investorvote.com.au and by including the 6-digit control number, or by completing, signing and lodging a proxy form for the Scheme Meeting in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the Share Registry by 10.00am (Melbourne time) on 8 October 2024;
- **(by attorney)** by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Share Registry by 10.00am (Melbourne time) on 8 October 2024; or
- **(by corporate representative)** in the case of a body corporate which is a Rex Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that Rex Shareholder and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further detail on how to vote using each of these methods is contained in the Notice of Scheme Meeting attached as Annexure C.

If you are in favour of the Scheme, you should vote in favour of the Scheme. The Scheme will not proceed unless the Scheme is approved by Rex Shareholders.

3.4 Voting Entitlement

Each Rex Shareholder (other than an Excluded Shareholder) who is registered on the Rex Share Register at 7.00pm (Melbourne time) on 8 October 2024 is entitled to attend and vote at the Scheme Meeting in person, by proxy, by attorney or, in the case of a corporation which is a Rex Shareholder, by its representative appointed in accordance with the Corporations Act.

As at the date of the Scheme Booklet, the only Excluded Shareholder is MACH Metals which is a substantial holder of Rex and which has an interest in 121,525,069 Rex Shares equating to 15.52% of Rex's issued equity.

Information on entitlements to vote, including if you are a joint holder of Rex Shares, is contained in the Notice of Scheme Meeting which is attached as Annexure C.

4 Overview of the Scheme

4.1 Background to the Scheme

On 8 July 2024, Rex announced that it had entered into a Scheme Implementation Deed with MACH Metals, under which it is proposed that MACH Metals will acquire all of the shares in Rex which it does not already own by way of a scheme of arrangement, subject to several conditions including FIRB approval, approval from Rex Shareholders and the Court, and other customary conditions. A full copy of the Scheme Implementation Deed was attached to the Rex announcement to the ASX relating to the Scheme on 8 July 2024.

4.2 Consideration

If the Scheme is approved and implemented, Scheme Shareholders will be entitled to receive the Scheme Consideration of \$0.47 per Rex Share held by them on the Scheme Record Date. All cash to be paid under the Scheme Consideration will be made by:

- making a deposit in Australian currency into an Australian Authorised Deposit-taking institution, notified by the relevant Scheme Shareholder to the Share Registry by the Scheme Record Date;
- Global Wire Payment Service, if a Scheme Shareholder has elected to receive payments electronically in their local currency using the Share Registry's Global Wire Payment Service by the Scheme Record Date; or
- sending a cheque in Australian currency by prepaid post to the relevant Scheme Shareholder's address as recorded in the Rex Share Register at the Scheme Record Date.

If you are a Scheme Shareholder with a registered address in New Zealand or Papua New Guinea and you have not provided your bank account details, your payment will be withheld pending receipt of your valid bank account details or dealt with in accordance with applicable unclaimed money legislation.

You can update your bank account details by accessing the following link www-au.computershare.com/Investor. Scheme Shareholders will need to have registered for an account to do this. Alternatively, you can complete a direct credit form by calling the Share Registry and deliver it by post to: Computershare Investor Services Pty Limited GPO Box 2975 Melbourne, VIC 3001 Australia. Any queries can be emailed to web.queries@computershare.com.au.

4.3 Key steps in the Scheme

(a) Scheme approval requirements

The Scheme will only become Effective and be implemented if it is approved by the requisite majorities of Rex Shareholders at the Scheme Meeting to be held on 10 October 2024 and approved by the Court at the Second Court Hearing.

Agreement by Rex Shareholders requires the Scheme Resolution to be approved by:

- a majority in number (more than 50%) of Rex Shareholders (other than an Excluded Shareholder) present and entitled to vote at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Rex Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Rex Shareholders (other than an Excluded Shareholder) present and entitled to vote at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Rex Shareholders, body corporate representative).

The Court has the power to waive the first requirement.

In the event that the Scheme is approved by the requisite majorities of Rex Shareholders at the Scheme Meeting; and all other conditions (except Court approval of the Scheme) have been satisfied or waived (where capable of waiver), then Rex will apply to the Court for orders approving the Scheme.

Each Rex Shareholder has the right to appear at the Second Court Hearing.

(b) Effective Date

If the Court approves the Scheme and all other conditions have been satisfied or waived (where capable of waiver), the Scheme will become Effective on the date when a copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. Rex will, on the Scheme becoming Effective, give notice of that event to the ASX.

Rex intends to apply to the ASX for Rex Shares to be suspended from official quotation on ASX from close of trading on the date the Scheme becomes Effective.

(c) Scheme Record Date

Those Rex Shareholders (other than an Excluded Shareholder) who are recorded on the Rex Share Register on the Scheme Record Date (currently expected to be 23 October 2024) will be entitled to receive the Scheme Consideration of \$0.47 per Rex Share in respect of the Rex Shares they hold as at the Scheme Record Date.

(1) Dealings on or prior to the Scheme Record Date

For the purposes of determining which Rex Shareholders are eligible to participate in the Scheme, dealings in Rex Shares will only be recognised if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Rex Share Register as the holder of the relevant Rex Shares as at 7.00pm (Melbourne time) on the Scheme Record Date (currently expected to be 23 October 2024); and
- in all other cases, registrable transfer or transmission applications in respect of those dealings are received by the Share Registry on or before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, Rex will not accept for registration or recognise any transfer or transmission applications in respect of Rex Shares received after the Scheme Record Date or received before the Scheme Record Date but not in registrable or actionable form.

(2) Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, Rex must maintain the Rex Share Register in its form as at the Scheme Record Date (currently expected to be 23 October 2024) until the Scheme Consideration has been paid to the Scheme Shareholders. The Rex Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for Rex Shares will cease to have effect as documents relating to title in respect of such Rex Shares; and
- each entry on the Rex Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Rex Shares relating to that entry.

(3) Implementation Date

The Implementation Date is the fifth Business Day after the Scheme Record Date, which is currently expected to be 30 October 2024.

By no later than two Business Days before the Implementation Date, MACH Metals must pay, or procure the payment of, the aggregate Scheme Consideration payable to Scheme Shareholders into a trust account nominated by Rex.

On the Implementation Date, Rex will pay the Scheme Consideration received from MACH Metals to Scheme Shareholders.

Immediately after the Scheme Consideration is sent to Scheme Shareholders, the Scheme Shares will be transferred to MACH Metals, and Rex will enter the name of MACH Metals in the Rex Share Register in respect of the Scheme Shares, without Scheme Shareholders needing to take any further action.

(4) Deed Poll

MACH Metals has executed the Deed Poll pursuant to which MACH Metals has undertaken in favour of each Scheme Shareholder, to provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder which they are entitled under the Scheme, subject to the Scheme becoming Effective.

A copy of the Deed Poll is contained in Annexure B.

4.4 If the Scheme does not become Effective

If the Scheme does not proceed, Rex Shareholders will continue to hold their Rex Shares.

In the absence of any alternative or Competing Proposal to the Scheme, Rex will continue as a stand-alone entity. Rex Shareholders will be exposed to the risks relating to the Rex Business, including those set out in section 7.

In the absence of an alternative proposal which is similar or superior to the Scheme, it is likely that the price at which Rex Shares trade will fall.

Depending on the reasons why the Scheme does not proceed, Rex may be liable to pay the Break Fee. Information about the Break Fee is set out in section 9.3(c).

Prior to the Scheme Meeting, Transaction costs will have been incurred, or will be committed, by Rex in relation to the Scheme. Those Transaction costs have either already been paid or will be payable by Rex regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred. See section 9.11 for further details about these Transaction costs.

Prior to entering the Scheme Implementation Deed, Rex was conducting a competitive global partnering process which involved outreach to a range of tier 1 strategic and financial partners. Having regard to the valuation, timing and funding certainty offered by the all-cash proposal from MACH Metals (along with other key reasons set out in section 1.3) and the key risks of the proposal and its alternatives (as set out in section 7), Rex entered certain exclusivity arrangements that required it to cease these prior partnering discussions. The Rex Directors (in consultation with their advisers) carefully assessed the offer from MACH Metals against a range of alternatives before entering these exclusivity arrangements.

If the Scheme is not implemented, Rex would re-commence its global partnering process for a joint venture partner to successfully fund Hillside and source alternative funding arrangements to finance near-term working capital requirements. A sell down of Hillside would form part of Rex's funding plan, alongside an equity raising for Rex's share of project capital and debt financing (as noted in section 5.2). The level of dilution faced by Rex Shareholders with respect to their interest in Hillside, and Rex, would vary with the terms achieved (if any) in a sell down of Hillside.

4.5 Warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to Rex and MACH Metals on the Implementation Date, and appointed and authorised Rex as its attorney and agent to warrant to MACH Metals on the Implementation Date, that:

- all of its Rex Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- it has no existing right to be issued any shares, equity incentives or other securities; and
- it has full power and capacity to transfer its Rex Shares to MACH Metals together with any rights and entitlements attaching to those shares.

4.6 Delisting of Rex

On a date after the Implementation Date to be determined by MACH Metals, Rex will apply for termination of the official quotation of Rex Shares on the ASX and to have itself removed from the official list of the ASX.

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5 Information about Rex

5.1 Rex Overview

Rex is an ASX listed exploration and development company with projects in copper and gold. Rex Shares were admitted to the official list of the ASX on 20 September 2007. Rex has a 100% interest in two key assets: the Hillside Copper-Gold Project (**Hillside**), and the Hog Ranch Gold Property (**Hog Ranch**). In addition, Rex has a range of South Australian regional exploration licenses located on the Yorke Peninsula.

These assets are described in more detail below, as well as in the Independent Technical Specialist Report forming part of the Independent Expert's Report.

5.2 Hillside

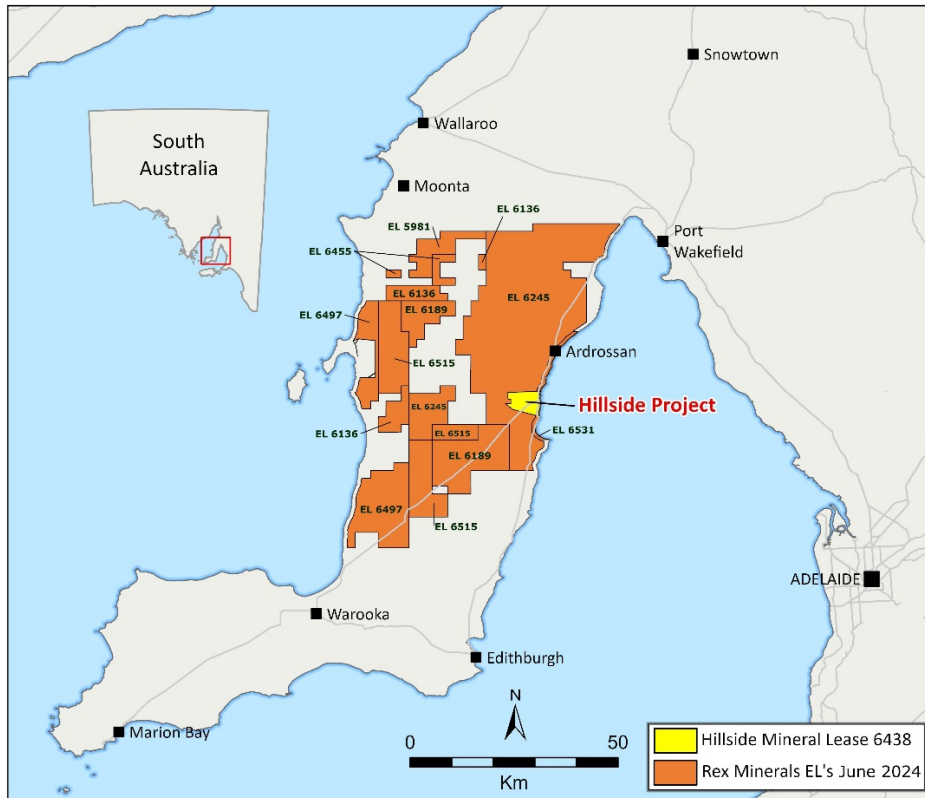
Hillside is located 12km south of the Ardrossan township on the Yorke Peninsula, South Australia. Hillside is an iron oxide copper gold deposit, under shallow cover, in the Gawler Craton.

Hillside is Rex's flagship project and one of the largest undeveloped, fully permitted, copper projects in Australia with a Mineral Resource of 1.9Mt of copper and 1.5Moz of gold (ASX announcement: Hillside Mineral Resource and Ore Reserve, 14 December 2022).

On 14 December 2022, Rex published Hillside's Optimised Feasibility Study which valued the Stage 1 Project at \$847 million post-tax NPV and IRR of 19%. Capital expenditure for development of the Stage 1 Project was estimated at \$854 million (ASX announcement: Optimised Feasibility & Definition Phase Engineering Study, 14 December 2022). Rex has also completed a Pre-Feasibility Study for a Stage 2 expansion, extending the operation life to over 20 years.

Rex announced it was moving ahead with its financing and operational readiness plans following completion of the Optimised Feasibility Study. The funding plan comprised three key elements, being a Hillside asset sell-down to a strategic joint venture partner, debt and equity.

As announced to ASX in February 2023, Rex engaged Macquarie Capital to run a global partnering process seeking direct participation via a minority interest in Hillside. The partnering process involved outreach to a wide range of global mining companies, strategic parties and financial investors, and resulted in Rex entering into the Scheme Implementation Deed with MACH Metals on 8 July 2024.



Location diagram of Hillside and Rex's South Australian regional exploration licenses

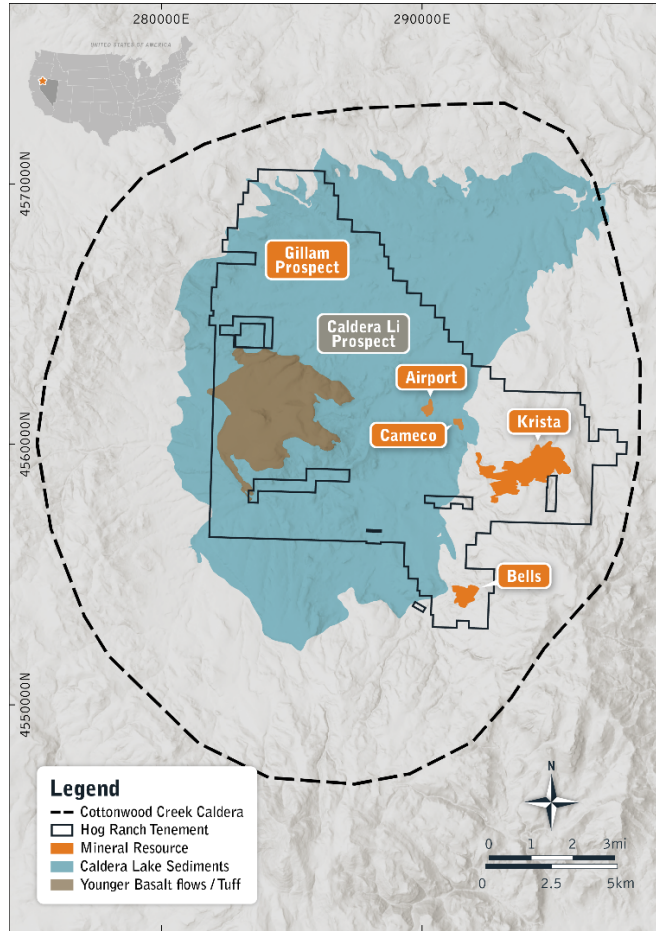
5.3 Hog Ranch

Hog Ranch is located in north-west Nevada, USA, 230km north of Reno, Nevada. A small-scale open pit and heap leach gold operation was active at Hog Ranch from 1986 through to 1991. In 2019, Rex commenced reverse circulation drilling activities which led to a rapid series of Mineral Resource updates, up to the current reported Mineral Resource which contains 2.26Mozs

of gold over four main Project locations (ASX announcement: Hog Ranch Gold Resource increases from 1.4Moz to 2.2Moz, 23 March 2021).

Rex completed a small-scale scoping study at the Bells Project area to identify the potential for a low capex small scale start-up option at Hog Ranch in addition to developing a better understanding of the economics for a new open pit and heap leach operation at Hog Ranch (ASX announcement: Gold Heap Leach-Bells Scoping Study points to growth at Hog Ranch, 9 June 2020).

Rex has also identified lithium potential at Hog Ranch (ASX announcement: Rex identifies lithium mineralisation at Hog Ranch, 12 September 2023).



Plan of the project locations and geology at Hog Ranch

5.4 Compliance statement and Competent Persons' statements

With reference to previously reported Mineral Resources, Ore Reserves, Feasibility Studies and Scoping Studies, Rex confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. In the case of estimates of Mineral Resources and Ore Reserves that references material assumptions and technical parameters underpinning the information contained within this Presentation continue to apply and have not materially changed. Rex confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. The estimated Ore Reserves and Mineral Resources underpinning any production target have been prepared by a Competent Person in accordance with the requirements in the JORC Code.

The information in this report that relates to Exploration Results or Mineral Resources is based on, and fairly reflects, information compiled by Mr Steven Olsen who is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Rex. Mr Olsen 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 JORC Code. Mr Olsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mining and/or Ore Reserves is based on, and fairly reflects, information compiled by Mr Charles McHugh who is a Fellow of the Australasian Institute of Mining and Metallurgy and is an employee of Rex. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr McHugh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to metallurgy is based on, and fairly reflects, information compiled by Mr John Burgess who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Rex. Mr Burgess 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 JORC Code. Mr Burgess consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

References in this section to terms in capital letters have the meanings as used in the JORC Code.

5.5 Rex Board

As at the date of this Scheme Booklet, the Rex Board comprises:

Name	Position
Ian Smith	Non-Executive Chairman
Richard Laufmann	Chief Executive Officer and Managing Director
Amber Rivamonte	Chief Financial Officer and Executive Director of Finance
Greg Robinson	Non-Executive Director
Andrew Seaton	Non-Executive Director

5.6 Rex Directors' intentions

If the Scheme is implemented, the current Rex Board will be reconstituted as determined by MACH Metals. It is for the reconstituted Rex Board to determine its intentions as to the continuation of the Rex Business, any major changes, if any, to be made to the Rex Business and the future employment of the present employees of Rex. If the Scheme is implemented, MACH Metals will have 100% ownership and control of Rex. The current intentions of MACH Metals with respect to these matters are set out in section 6.6. If the Scheme is not implemented, the Rex Directors intend to continue operating Rex in the ordinary course of business.

Prior to entering the Scheme Implementation Deed, Rex was conducting a competitive global partnering process which involved outreach to a range of tier 1 strategic and financial partners. Having regard to the valuation, timing and funding certainty offered by the all-cash proposal from MACH Metals (along with other key reasons set out in section 1.3) and the key risks of the proposal and its alternatives (as set out in section 7), Rex entered certain exclusivity arrangements that required it to cease these prior partnering discussions. The Rex Directors (in consultation with their advisers) carefully assessed the offer from MACH Metals against a range of alternatives before entering these exclusivity arrangements.

If the Scheme is not implemented, Rex would re-commence its global partnering process for a joint venture partner to successfully fund Hillside and source alternative funding arrangements to finance near-term working capital requirements. A sell down of Hillside would form part of Rex's funding plan, alongside an equity raising for Rex's share of project capital and debt financing (as noted in section 5.2). The level of dilution faced by Rex Shareholders with respect to their interest in Hillside, and Rex, would vary with the terms achieved (if any) in a sell down of Hillside.

5.7 Risks relating to the Rex Business

There are existing risks relating to the Rex Business and an investment in Rex. If the Scheme is not implemented, those risks continue to be relevant to Rex Shareholders. A summary of the key risks relating to the Rex Business and an investment in Rex is set out in section 7.

5.8 Historical financial information

This section 5.8 contains audited financial information relating to Rex for the financial years ended 30 June 2023 and 30 June 2024. The financial information in this section 5.8 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

The historical financial information of Rex presented in this Scheme Booklet is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Rex considers that, for the purposes of this Scheme Booklet, the historical financial information presented in abbreviated form is more meaningful to Rex Shareholders. The historical financial information of Rex has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a stand-alone basis and accordingly does not reflect any impact of the Scheme.

Further detail about Rex's financial performance can be found in the financial statements for the years ended 30 June 2023 and 30 June 2024. Copies of these documents can be obtained, free of charge, from the ASX website www.asx.com.au or from the Rex website www.rexminerals.com.au/investors.

(a) **Rex historical consolidated statement of profit or loss and other comprehensive income**

The following table presents the historical consolidated statement of profit or loss and other comprehensive income for Rex for the financial years ended 30 June 2023 and 30 June 2024.

	FY2024 \$000	FY2023 \$000
Finance income	505	537
Corporate and compliance expense	(1,744)	(2,143)
Depreciation expense	(193)	(105)
Employee benefits expense	(7,309)	(5,661)
Marketing expense	(241)	(310)
Exploration and evaluation expense	(5,411)	(17,054)
Foreign currency (loss)/gain	(3)	(82)
Loss on disposal of fixed assets	(21)	-
Loss on settlement of prepayment	(1,076)	-
Loss before tax	(15,493)	(24,818)
Income tax benefit	-	-
Loss for the period after tax	(15,493)	(24,818)
Other comprehensive income	-	-
Total comprehensive loss attributable to members of Rex Minerals Ltd	(15,493)	(24,818)
Loss per share attributable to members of Rex Minerals Ltd		
Basic loss per share (cents)	(2.26)	(4.19)
Diluted loss per share (cents)	(2.26)	(4.19)

(b) **Rex historical consolidated statement of financial position**

The following table presents the historical consolidated statement of financial position for Rex as at 30 June 2023 and 30 June 2024.

	FY2024 \$000	FY2023 \$000
Current assets		
Cash and cash equivalents	21,314	6,568
Trade and other receivables	66	142
Rehabilitation bonds	5,960	2,488
Prepayments	853	830
Total current assets	28,193	10,028
Non-current assets		
Exploration and evaluation expenditure	3,243	3,243
Property, plant and equipment	26,300	26,342
Rehabilitation bonds	188	-
Water infrastructure	-	4,076
Total non-current assets	29,731	33,661
Total assets	57,924	43,689
Current liabilities		
Trade and other payables	1,310	1,519
Employee benefit provisions	1,241	1,169
Total current liabilities	2,551	2,688
Non-current liabilities		
Employee benefit provisions	99	64
Total non-current liabilities	99	64
Total liabilities	2,650	2,752
Net assets	55,274	40,937
Equity		
Issued capital	293,417	264,855
Reserves	2,860	1,775
Accumulated losses	(241,003)	(225,693)
Total equity	55,274	40,937

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(c) Rex historical consolidated statement of cash flows

The following table presents the historical consolidated statement of cash flows for Rex for the financial years ended 30 June 2023 and 30 June 2024.

	FY2024 \$000	FY2023 \$000
Cash flows from operating activities		
Cash paid to suppliers and employees	(8,307)	(7,211)
Exploration and evaluation payments	(5,994)	(18,185)
Interest received	505	554
Government Grants	-	51
Rehabilitation Bond	(3,660)	(2,300)
Receipts from ATO (GST)	658	1,652
Net cash from/(used in) operating activities	(16,798)	(25,439)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(231)	(12,059)
Proceeds from settlement of prepayment	2,675	-
Proceeds from disposal of fixed assets	59	-
Net cash from/(used in) investing activities	2,503	(12,059)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	31,115	9
Payment of costs of share issue	(2,071)	-
Net cash from/(used in) financing activities	29,044	9
Net increase/(decrease) in cash and cash equivalents	14,749	(37,489)
Cash and cash equivalents at beginning of the period	6,568	44,139
Effect of change in exchange rates	(3)	(82)
Cash and cash equivalents at period end	21,314	6,568

5.9 Material changes in financial position since 30 June 2024

To the knowledge of the Rex Directors, there have been no material changes to the financial position of Rex since 30 June 2024 prior to the date of this Scheme Booklet. Rex will disclose to ASX any material changes to its financial position that occur after the date of this Scheme Booklet but prior to the Scheme being approved by the Court. A copy of the financial report for the year ended 30 June 2024 can be obtained from the Rex website www.rexminerals.com.au/investors and Rex will give a copy free of charge to anyone who requests a copy.

5.10 No dividends

No dividends have been paid or declared by Rex in regard to FY2023 or FY2024.

5.11 Recent Rex Share price performance

Rex Shares are listed on ASX under the trading symbol 'RXM'.

The closing price of Rex Shares on ASX on 5 July 2024 (being the last trading day prior to the announcement of the Scheme) was \$0.275. The Rex Share price at market close on ASX on the Last Practicable Date was \$0.45.

During the three months ending close of market on 5 July 2024:

- the highest recorded daily closing price for Rex Shares was \$0.28 on 6 June 2024; and
- the lowest recorded daily closing price for Rex Shares was \$0.21 on 2 May 2024.

5.12 Rex capital structure

As at the Last Practicable Date, Rex has on issue 783,265,822 Rex Shares, 33,730,000 Options as set out in section 9.4 and 15,000,000 Consideration Rights as set out in section 9.5.

5.13 Rex substantial holders

Based on publicly available information, as at the Last Practicable Date Rex had received a notification from MACH Metals that it is a substantial shareholder in accordance with section 671B of the Corporations Act relating to its holding of 121,525,069 Rex Shares, which represents a 15.52% interest based on the Rex Shares on issue.

5.14 Publicly available information

As an ASX listed company and a 'disclosing entity' under the Corporations Act, Rex is subject to regular reporting and disclosure obligations. Among other things, these obligations require Rex to announce price sensitive information to ASX as soon as Rex becomes aware of such information, subject to some exceptions. Pursuant to the Corporations Act, Rex is required to prepare and lodge with ASIC and ASX both annual and half-year financial statements accompanied by a statement and report from the Rex Directors and an audit or review report respectively.

Copies of the documents lodged with ASX may be obtained from the ASX website www.asx.com.au and the Rex website www.rexminerals.com.au/investors. Copies of the documents lodged with ASIC in relation to Rex may be obtained from, or inspected at, an ASIC office.

6 Information about MACH Metals

6.1 Introduction

The information contained in this section 6 has been prepared by MACH Metals. The information concerning MACH Metals and its group companies, and the intentions, views and opinions contained in this section 6 have been prepared as at the date of this Scheme Booklet and are the responsibility of MACH Metals. Rex and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.2 MACH Metals' Board

As at the date of this Scheme Booklet, MACH Metals' Board is comprised of the following members:

- Jason Culpeper (Director); and
- Ferdian Purnamasidi (Director).

The company secretary of MACH Metals is Michael Howard.

6.3 Overview of MACH Metals and the MACH Group

MACH Metals was incorporated as a proprietary limited company and registered in the State of New South Wales on 1 September 2023 by its immediate parent company, MACH Australia Holdings, to acquire an initial interest in Rex. It has since acquired further shares in Rex. MACH Metals has no other investments.

MACH Metals does not have any subsidiaries but is part of the MACH Group, which includes the following related bodies corporate in Australia:

- MACH Australia Holdings, which holds all of the issued shares in MACH Metals and MACH Energy; and
- MACH Energy.

The MACH Group, through MACH Energy, operates the Mount Pleasant thermal coal mine which is located in the Hunter Valley, New South Wales, in which it holds a 95% ownership interest.

Further information about the Mount Pleasant Project is available on MACH Energy's website:

<https://machenergyaustralia.com.au/mount-pleasant/>.

MACH Metals' ultimate holding company is Droxford International Limited (I.B.C Number: 461087), a company incorporated in British Virgin Islands which is controlled by Mr Anthoni Salim, a Singapore resident and Indonesian citizen.

6.4 Rationale for MACH Metals' proposed acquisition of Rex

The proposed acquisition of 100% of Rex is consistent with the MACH Group's objective of investing in the copper sector and diversifying from its current significant investment in the Australian coal mining sector. The MACH Group is well placed to fund the required investment for the intended development of Hillside. That development is expected to have significant benefits for Australia and in particular South Australia and the local community.

The proposed acquisition will provide Rex Shareholders with the opportunity to realise immediate value from the sale of their interest in Rex without the future risks associated with Hillside, which will require significant investment to reach production.

6.5 Funding arrangements for the Scheme Consideration

The Scheme Consideration is 100% cash.

Under the terms of the Deed Poll, MACH Metals has undertaken in favour of each Scheme Shareholder to deposit, or procure the deposit of, the Scheme Consideration into a trust account for the benefit of the Scheme Shareholders no later than two Business Days before the Implementation Date, conditional upon the Scheme becoming Effective.

6.5.1 Maximum cash consideration

If the Scheme is implemented, Scheme Shareholders will become entitled to receive the Scheme Consideration of \$0.47 per Rex Share.

Based on Rex's fully diluted share capital as at the Last Practicable Date, the maximum amount of Scheme Consideration payable by MACH Metals to Scheme Shareholders under the Scheme is approximately \$325 million. This amount assumes that MACH Metals provides funds of \$12 million to pay the cancellation consideration under the Option Cancellation Deeds in respect of cancelled Options the subject of binding Option Cancellation Deeds entered into between the relevant optionholder and Rex prior to 5.00pm on the Business Day before the Second Court Date and otherwise reflects adjustments to the share capital expected to result from:

- the exercise of the Options which have not been cancelled under the Option Cancellation Deeds; and
- the conversion of the Consideration Rights in accordance with their terms of issue.

MACH Metals intends to fund payment of the Scheme Consideration from a combination of:

- equity funding from the MACH Group; and
- debt funding under a term loan facility with various banks being international banks who are active in the debt market for transactions of this nature – further details are set out in section 6.5.2 below.

The total amount expected to be available to MACH Metals under these arrangements exceeds the maximum aggregate amount of Scheme Consideration and related costs.

The Scheme is not subject to any financing condition.

6.5.2 Facility

The MACH Group has received credit-approved commitment letters and term sheet (Commitments) for combined debt commitments (Acquisition Facility) in an aggregate amount of no less than \$245 million from DBS Bank Ltd., Australia Branch; Sumitomo Mitsui Banking Corporation; and Taipei Fubon Commercial Bank Co., Ltd.

The Acquisition Facility will be available to MACH Metals for the purposes of funding MACH Metals' obligations to pay the Scheme Consideration.

Drawing under the Acquisition Facility will be subject to customary terms (based on APLMA syndicated facility agreement terms) and conditions precedent including:

- the execution of definitive long form documents;
- receipt of FIRB approval;
- confirmation that the Effective Date has occurred; and
- satisfactory know-your-customer checks on the borrower and guarantor entities.

The commitments are subject to termination if the above conditions are not fulfilled by a long-stop date of 19 November 2024 (or such later date as agreed by the lenders) to draw on the Acquisition Facility.

The Acquisition Facility is also expected to be subject to customary events of default including payment default, insolvency proceedings, compliance with laws and material adverse change.

It is expected that as of the Second Court Date, the Commitments will be superseded by a definitive long form facility agreement. It is expected that the abovementioned conditions precedent will be satisfied before the Second Court Date. As at the date of this Scheme Booklet, MACH Metals is not aware of any circumstances which would prevent the satisfaction of the conditions precedent to drawing the Acquisition Facility. No amounts have already been drawn down from the Acquisition Facility.

6.5.3 Provision of Scheme Consideration

On the basis of the arrangements described above, MACH Metals is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its obligations to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme, as well as the costs associated with the Scheme.

6.6 MACH Metals' intentions if the Scheme is implemented

This section sets out MACH Metals' current intentions on the basis of facts and information concerning Rex and the general business environment of the Rex Group which are known to MACH Metals as at the date of this Scheme Booklet. If the Scheme is implemented, MACH Metals intends to undertake a detailed review of Rex's operations covering strategic, financial and commercial operating matters to determine the optimum manner of progressing Hillside and managing Rex's other assets. Final decisions on these matters and about any major changes to the future commercial operating plan and personnel of Rex will only be made by MACH Metals following the completion of the post-acquisition review described above if the Scheme is implemented, and will be based on all material facts and circumstances at the relevant time.

Accordingly, the statements set out in this section 6.6 are statements of current intention only and may change as new information becomes available or as circumstances change.

References in this section 6.6 to the intentions of MACH Metals include a reference to the intentions of the MACH Group.

(a) Operations

As noted above, if the Scheme is implemented, MACH Metals intends to undertake a review of Rex's operations covering strategic, financial and commercial operating matters to determine the optimum manner of progressing Hillside and managing Rex's other assets. Subject to the outcome of that review and any decisions about any major changes to the future commercial operating plan and personnel of Rex following that review, MACH Metals currently intends to continue the business of the Rex Group substantially in its current form, subject to the outcome of its operational review, and is looking to invest with a focus on bringing the project into production in an expedited manner.

Subject to the outcome of the review described above, MACH Metals intends to continue Rex's current operational plan to progress development of Hillside but does not intend to continue with Rex's previously announced partnering process involving a potential sell down of Hillside.

The proposed acquisition is not expected to impact on the day-to-day operations of the business of Rex.

As part of its review, MACH Metals will consider the options available for the Hog Ranch assets located in Nevada, United States. MACH Metals has not yet made any decision with respect to the operation of the Hog Ranch assets, but does intend to continue that business substantively in its current form, including maintaining the tenements in good order.

(b) Rex to be delisted

If the Scheme is implemented, MACH Metals will procure that Rex apply to the ASX for Rex to be removed from the official quotation list of ASX with effect from or shortly after the Implementation Date for the Scheme.

(c) Board of Directors

If the Scheme is implemented, in accordance with the Scheme Implementation Deed, on the Implementation Date, MACH Metals will replace the members of the Rex Board and its subsidiaries with nominees of MACH Metals and procure the resignation of those current members of the Rex Board. The identity of the MACH Metals nominees has not yet been determined, but MACH Metals expects that such nominees would include Messrs Jason Culpeper, Ferdian Purnamasidi, and Michael Howard.

(d) Management and employees

MACH Metals intends to close Rex's Melbourne office and undertake detailed integration planning and assessment, as part of the strategic, financial and commercial operational review described above, to support delivery of the Hillside project schedule. This will involve optimisation of the organisational structure to ensure the appropriate personnel are in place for project development within a private company. MACH Metals will endeavour to minimise the disruption of implementation of the Scheme to Rex and its employees, with alternative employment opportunities within Rex for employees, where possible, should their current roles be impacted. MACH Metals does not intend to make final decisions regarding the structure of Rex's business (including in respect of less relevant corporate and administrative functions applicable to a private company) until the Scheme has been implemented.

(e) Head Office

If the Scheme is implemented, it is the intention of MACH Metals that Rex's offices will continue to operate in their current locations until such time as MACH Metals has completed its detailed strategic, financial and commercial operational review. The registered office of the Rex Group entities will be changed to Newcastle, New South Wales.

(f) Other intentions

Other than as set out in this section 6.6, and subject to the outcome of the detailed review described above, if the Scheme is implemented, MACH Metals does not have any current intention to make major changes to, or dispose of any parts of, the Rex business or redeploy any of Rex's assets or property.

6.7 MACH Metals' interests in Rex Shares

(a) Interest in Rex Shares

As at the date of this Scheme Booklet, MACH Metals is the registered holder of 121,525,069 Rex Shares, equating to approximately 15.52% of Rex's issued equity.

(b) Dealing in Rex Shares in previous four months

None of MACH Metals or any of its Associates has provided or agreed to provide consideration for any Rex Shares under any other transaction during the period of four months before the date of this Scheme Booklet.

(c) Benefits to holders of Rex Shares

During the four months before the date of this Scheme Booklet, none of MACH Metals or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- vote in favour of the Scheme; or
- dispose of Rex Shares,

where the benefit was not offered to all Rex Shareholders.

(d) Benefits to Rex officers

None of MACH Metals and its Associates will be making any payment or giving any benefit to any current officers of Rex as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented. For completeness, please see section 9.1 for details of benefits which Rex officers may receive if the Scheme proceeds.

7 Risks

In considering the Scheme, Rex Shareholders should be aware that there are a number of risk factors, both generally and specifically relating to Rex and the Rex Business, which could have a material adverse effect on the future operating and financial performance of Rex and the price of Rex Shares.

While the Rex Board, in its ordinary course of business, takes appropriate steps to manage and mitigate some of these risks, these risks remain either wholly or partially outside of the control of Rex, the Rex Group and the Rex Directors. In deciding whether to vote in favour of the Scheme, Rex Shareholders should carefully read this Scheme Booklet in its entirety and consider these risks.

If the Scheme proceeds, Rex Shareholders will receive the Scheme Consideration of \$0.47 per Rex Share, will cease to hold Rex Shares and will no longer be exposed to the risks set out in this section 7 (and other risks to which Rex and the Rex Business may be exposed). If the Scheme does not proceed, Rex Shareholders will retain their existing investment in Rex and will continue to be exposed to risks associated with this investment.

The risks set out in this section 7 do not take into account the individual investment objectives, financial situations, position or particular needs of Rex Shareholders. You should seek independent financial, legal, accounting, tax and/or other professional advice before making any decision in relation to your Rex Shares.

In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in Rex now or in the future. There may also be additional risks and uncertainties not currently known to Rex which may have a material adverse effect on Rex's operating and financial performance and the price and/or value of Rex Shares.

These risks include, but are not limited to, the following risks:

7.1 General Risks

The price of Rex Shares is influenced by a number of general risk factors, including:

- changes in investor sentiment and the overall performance of the Australian and international stock markets;
- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity rates, employment levels and consumer demand;
- economic and political risk factors in Australia and overseas including economic growth;
- regulatory risks and changes to government policy (including fiscal, monetary, tax, employment and environmental policies), legislation or regulation, both domestically and globally;
- changes in taxation laws (or their interpretation);
- risks that contracts and other arrangements will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations; and
- natural disasters, extreme weather conditions, catastrophes, disease or pandemic and other macroeconomic occurrences, including but not limited to geopolitical events such as an outbreak of hostilities, acts of terrorism and declarations of war.

Some of these factors could affect the Rex Share price regardless of Rex's underlying operating performance.

7.2 Rex specific risks

Risks that are specific to Rex include the following:

- **Financing risks:** Rex will need to raise substantial additional funds to finance the development of Hillside and Hog Ranch. There is no guarantee that Rex will be able to do so as a listed entity, whether debt, equity or otherwise, on acceptable terms, or at all. Any debt financing would come at a cost and would involve repayment in due course. Any equity financing will dilute shareholdings. Any sale or farmout of Rex's interests in Hillside and/or Hog Ranch would dilute Rex Shareholders' interests in them. If Rex is unable to obtain additional financing as needed, it may be required to reduce the scope or suspend its proposed work programs for the projects.
- **Uncertainty of project development and exploration:** Development activities and exploration are highly speculative, involve many risks and may be unsuccessful. Rex's ability to achieve its proposed forecast levels of production is dependent on the successful development of its projects. As a result of the uncertainties involved in these activities, the development of Hillside and Hog Ranch may not occur on time, on budget, or at all, which would adversely affect its proposed operations and its financial results.
- **Metal prices and exchange rates:** Changes in base and precious metal prices such as copper and gold may impact on the future cashflows and profitability of Rex. Low base and precious metal prices may have a materially adverse effect on Rex's cash flows, profitability and share price. A portion of Rex's proposed pre-production capital costs, revenue and expenditure are denominated in foreign currency and movements in currency exchange rates may affect cash flows, profitability, costs and revenue. It is not possible to accurately predict future movements in metals prices and/or exchange rates.

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- **Mineral Resources and Ore Reserves estimates:** Rex has made estimates of its resources and reserves based on relevant reporting codes, where required, and judgments based on knowledge, skills and industry experience. However, there is no guarantee that estimates will prove to be accurate. Actual mining results may materially differ from forecasts and estimates due to further findings and results not previously known or fluctuations in operating costs, exchange rates and metal prices.
- **Production estimates:** Actual future production may vary materially from targets and projections of future production for a variety of reasons. There is greater risk that actual production will vary from estimates of production made for properties under exploration or not yet in production or from operations that are to be expanded.
- **Operating risks:** Following construction, operations may be affected by various factors, including failure to achieve predicted grades or production rates, operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. These risks could have a material adverse effect on Rex's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of the shares.
- **Capital and operating costs:** Rex's capital and operating costs estimates are based on the best available information at the time. Any significant unforeseen increases in the capital and operating costs associated with the development and construction of Hillside or Hog Ranch would impact Rex's future cash flow and profitability. These prices along with other inputs to capital and operating costs can fluctuate and are affected by numerous factors beyond the control of Rex including, among others, expectations regarding inflation, the financial impact of movements in interest rates, global economic trends and confidence.
- **Optimised Feasibility Study – Hillside Project:** The material assumptions relating to the Hillside Optimised Feasibility Study and Hillside Mineral Resource and Ore Reserve provided in the ASX Announcement dated 14 December 2022 continue to apply and have not materially changed. The material assumptions are estimates that are subject to change, which may affect the viability of Hillside.
- **Mineral Resources – Hog Ranch:** The material assumptions relating to the Mineral Resources announced on 12 May 2020 were updated with a Bells Project Scoping Study announced on 9 June 2020. The material assumptions are estimates that are subject to change, which may affect the viability of Hog Ranch.
- **Reliance on key personnel:** The responsibility of overseeing day-to-day exploration, development and the strategic management of Rex is concentrated amongst a small number of key employees. The loss of key employees of Rex has the potential to have a detrimental impact on Rex until the skills that are lost are adequately replaced.
- **Tenement Title:** Interests in tenements (including mining lode claims) are governed by Federal and State legislation and are evidenced by the granting of licences and leases or mining claims. Mining claims are subject to annual notices of intent to hold and remittance of fee payments. A portion of mining claims are subject to an underlying agreement and subject to certain expenditure commitments and payments. If these expenditures and payments are not met, Rex could lose rights to control this portion of mining claims. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Rex could lose title to or its interest in tenements if licence and lease conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise. Licences and leases are subject to periodic renewal. There is no guarantee that current or future tenements will be renewed or approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising Rex's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Rex.
- **Market Perceptions:** Shares are a speculative investment and are vulnerable to macroeconomic changes including sudden changes in the market's perception of a company's value. Positive financial returns are not guaranteed and the share price may be affected by various factors, many of which may be outside of Rex's control. These can include investor sentiment and general market conditions. In particular, the share price of Rex can be affected by factors including, among other things, development of new products or technologies by Rex or its competitors, domestic and foreign government policy, litigation and dispute matters including in relation to intellectual property, and the retention and reimbursement of key personnel. In addition, Rex has a moderate market capitalisation and moderate trading volume of its shares on ASX. The Rex share price is subject to volatility where small trading volumes can have a material impact on the share price at which Rex shares are traded on ASX.
- **Economic conditions:** Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, international economic conditions and employment rates amongst others are outside Rex's control and have the potential to have an adverse impact on Rex and its operations.
- **Environmental risks:** The operations and proposed activities of Rex are subject to both Nevada, USA and Australian laws and regulations concerning the environment. As with most exploration and development projects, Rex's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is Rex's intention to conduct its activities to a high standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in Rex's activities which could subject Rex to extensive liability.
- **Climate change:** Rex may be vulnerable to the physical and regulatory impacts of climate change in Australia. Rex is taking steps to mitigate these risks where possible. Nevertheless, there are certain climate change risks inherent in Rex's activities which could adversely impact on Rex.

- **Occupational health and safety:** Rex manages certain risks associated with the occupational health and safety of its employees. Rex takes out insurance to cover these risks within certain parameters, however it is possible for injuries and/or incidents to occur which may result in expenses in excess of the amount insured or provided for with a resultant impact on Rex.
- **Material contracts:** The ability of Rex to operate its business will depend on the performance of the counterparties under various agreements it has entered into or may enter into in the future. If any counterparties do not meet their obligations under the respective agreements, this may impact on Rex's business and financial returns.
- **Insurance:** Rex maintains insurance to address insurable risks within ranges of coverage Rex believes to be consistent with industry practice, having regard to the nature of Rex's activities. However, no assurance can be given that Rex will be able to obtain insurance cover for all risks faced by Rex at reasonable rates or that the insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Rex.
- **Litigation:** Legal proceedings may arise from time to time in the normal course of Rex's activities. The outcome of such legal proceedings cannot be predicted with certainty and may be determined adversely to Rex and, as a result, could have a material adverse effect on Rex's assets, liabilities, business, financial condition or results of operations. Even if Rex prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could adversely affect Rex's financial condition. Refer to section 9.8 for details of a judicial review application involving Rex.
- **Regulatory risk, government policy and taxation:** The Company is exposed to any changes in the regulatory conditions under which it operates in both Australia and Nevada, USA. Such regulatory changes can include, for instance, changes in:
 - taxation laws and policies;
 - royalty laws and policies;
 - accounting laws, policies, standards and practices;
 - environmental laws and regulations that may impact upon the Company including in relation to climate change; and
 - employment laws and regulations, including laws and regulations relating to occupational health and safety.

This is not an exhaustive list and any one of these regulatory changes may have a material adverse effect on the Company.

7.3 Risks relating to the Scheme

- **Implications for Rex Shareholders if the Scheme is not implemented**

If the Scheme is not implemented, Rex Shareholders will not receive the Scheme Consideration of \$0.47 per Rex Share and Rex will continue, in the absence of a Superior Proposal, to operate as an ASX-listed entity.

Unless Rex Shareholders choose to sell their Rex Shares on the ASX, Rex Shareholders will continue to hold Rex Shares and will be exposed to both risks (including those set out in this section 7) and potential future benefits in retaining exposure to the Rex Business and Rex's assets.

The Rex Share price will also remain subject to market volatility, and may fall in the absence of a Superior Proposal.

Please also refer to section 4.4 for further details.

- **The Scheme Implementation Deed may be terminated by Rex and MACH Metals in certain circumstances, and the Scheme is also subject to various conditions**

Each of Rex and MACH Metals has a right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in section 9.3(d).

The Scheme is also subject to certain conditions that must be satisfied or waived (where capable of waiver) for the Scheme to be implemented. These conditions are summarised in section 9.3(a). The failure of a condition to be satisfied or waived (where capable of waiver) may also give rise to a right for either Rex or MACH Metals to terminate the Scheme Implementation Deed.

As at the date of this Scheme Booklet, Rex is not aware of any circumstances which would cause any outstanding condition not to be satisfied or waived (where capable of waiver). Despite this, there is some possibility that one or more of the conditions will not be satisfied or waived (where capable of waiver) and the Scheme will not proceed. There are a number of conditions which are outside of the control of Rex including, but not limited to, approval of the Scheme by the Rex Shareholders at the Scheme Meeting and the Court. In this regard, there is also a risk that some or all of the aspects of the Rex Shareholder and Court approval required for the Scheme to proceed, may be delayed.

If, for any reason, all or some of the conditions are not satisfied or waived (where capable of waiver) and the Scheme does not proceed, or otherwise if the Scheme Implementation Deed is terminated, the price of Rex Shares will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

- **Tax consequences for Rex Shareholders**

If the Scheme is implemented, there will be tax consequences for Rex Shareholders which may include tax being payable. For further details regarding general Australian tax consequences of the Scheme, refer to section 8. The tax consequences may vary depending on the nature and characteristics of the Rex Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your circumstances.

- **Risks if the Scheme is implemented**

If the Scheme is implemented, Rex Shareholders will cease to hold Rex Shares and will forgo any future benefits that may result from being a Rex Shareholder.

This will mean that Rex Shareholders will not participate in the future financial and share price performance of Rex, retain any exposure to the Rex Business and Rex's assets, or have the opportunity to share in the value that could be generated by Rex in the future. However, there is no guarantee as to Rex's future performance, or its future share price and financial performance, as is the case with all investments.

Rex Shareholders may also consider that it would be difficult to identify or invest in alternative instruments that have a similar investment profile to that of Rex, or may incur Transaction costs in undertaking any new investment.

8 Tax implications

8.1 Introduction

The following is a general description of the Australian tax consequences of the Scheme (assuming it becomes Effective) for Rex Shareholders who participate in the Scheme. It does not constitute tax advice and should not be relied upon as such. The comments set out below are relevant only to those Rex Shareholders who hold their Rex Shares on capital account.

The description is based upon the Australian law and administrative practice in effect at the date of this Scheme Booklet, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Rex Shareholder. Rex Shareholders should seek independent professional advice in relation to their own particular circumstances.

The description does not apply to all Rex Shareholders, for example it does not address the Australian tax consequences for Rex Shareholders who:

- hold their Rex Shares on revenue account, for share trading or for the purposes of speculation;
- acquired their Rex Shares under or in connection with any employee share plan or other incentive arrangements;
- obtained roll-over relief in connection with the acquisition of their Rex Shares or acquired them via inheritance or gift;
- are not Australian tax residents and hold their Rex Shares in the course of carrying on a business at or through a permanent establishment in Australia;
- may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated);
- are subject to the tax of financial arrangements rules in Division 230 of *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Rex Shares; or
- are under a *legal* disability.

Rex Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

8.2 Australian resident shareholders

(a) Capital Gains Tax (CGT)

Under the Scheme, Rex Shareholders will dispose of their Rex Shares to MACH Metals. This disposal will constitute a CGT event A1 for Australian CGT purposes for Rex Shareholders.

The time of the CGT event will be the date the Scheme is implemented.

(b) Calculation of capital gain or capital loss

Rex Shareholders may make a capital gain on the disposal of Rex Shares to the extent that the capital proceeds from the disposal of the Rex Shares are more than the cost base of those Rex Shares.

Conversely, Rex Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Rex Shares.

Rex Shareholders who make a capital gain from the disposal of their Rex Shares will be required to include that capital gain in their assessable income for the relevant income year. To the extent the Rex Shareholders have capital losses from other CGT events, they may be able to offset these against the capital gain realised on the disposal of the Rex Shares.

- **Cost base:** The cost base of the Rex Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal. The reduced cost base of the Rex Shares is usually determined in a similar, but not identical, manner.
- **Capital proceeds:** The capital proceeds received in respect of the disposal of each Rex Share should be \$0.47 per Rex Share, being the amount of the Scheme Consideration.
- **CGT discount:** Individuals, complying superannuation entities or trustees that have held Rex Shares for at least 12 months may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Rex Shares by 50% in the case of individuals and trustees or by 33⅓% for complying superannuation entities. For trustees, the ultimate availability of the discount for beneficiaries of the trusts will depend on the particular circumstances of the beneficiaries.

There is no CGT discount available for Rex Shareholders that are taxed as companies or Rex Shareholders who have held their Rex Shares for less than 12 months. Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted

against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

8.3 Non-resident shareholders

For a Rex Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their Rex Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Rex Shares will generally only result in Australian CGT implications if:

- that Rex Shareholder together with its associates held 10% or more of the Rex Shares at the time of the CGT event or for any continuous 12-month period within two years preceding the CGT event (referred to as a 'non-portfolio interest'); and
- more than 50% of Rex's value is due to direct or indirect interests in Australian real property (as defined in the income tax legislation).

It is not expected that more than 50% of Rex's value is attributable to direct or indirect interests in Australian real property. As such, it is understood that MACH Metals will not withhold any tax from the payment of the Scheme Consideration on account of foreign resident capital gains tax withholding.

8.4 Goods and Services Tax (GST)

Rex Shareholders should not be liable to GST in respect of a disposal of those Rex Shares.

Rex Shareholders may be charged GST on costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. Rex Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

8.5 Stamp Duty

Rex Shareholders should not be liable for any stamp duty on the disposal of their Rex Shares.

9 Additional information

9.1 Interests of Rex Directors in Rex

As at the date of this Scheme Booklet, the number of Rex securities held by or on behalf of the Rex Directors is as follows:

Director	Shares	Options	Consideration Rights	% ownership of Rex Director securities on a fully diluted basis
Ian Smith	1,983,334	Nil	Nil	0.24%
Richard Laufmann	8,419,893	10,000,000	969,227	2.33%
Amber Rivamonte	8,026,909	5,000,000	3,876,907	2.03%
Greg Robinson	2,984,722	200,000	Nil	0.38%
Andrew Seaton	541,667	280,000	Nil	0.10%
TOTAL	21,956,525	15,480,000	4,846,134	5.08%

When considering the recommendation of the Rex Directors, you should note that certain Rex Directors will be receiving benefits if the Scheme proceeds. This includes the early vesting of Options which pertains to Richard Laufmann, Amber Rivamonte and Andrew Seaton, in accordance with the terms of the Option Plan Rules approved by Rex Shareholders as set out in section 9.4. In addition, as payment for the acquisition of Hog Ranch, Rex Shareholders approved the issue of Consideration Rights to the vendors, which included Richard Laufmann and Amber Rivamonte, and these rights will vest if the Scheme is approved by Rex Shareholders by 31 October 2024 as set out in section 9.5.

The value with respect to the vesting of the unvested Director Options having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$713,067 which comprises \$350,000 with respect to each of Richard Laufmann and Amber Rivamonte and \$13,067 with respect to Andrew Seaton. The \$350,000 amounts relate to 5,000,000 unvested Options exercisable at \$0.40 each. The \$13,067 amount relates to 93,334 unvested Options exercisable at \$0.33 each. All other Director Options have already vested.

The value with respect to a conversion of the Director Consideration Rights having regard to the Scheme Consideration of \$0.47 per Rex Share totals \$2,277,683 which comprises \$455,537 with respect to Richard Laufmann and \$1,822,146 with respect to Amber Rivamonte.

Further information on the treatment of the Options under the Scheme is set out in section 9.4 and further information on the treatment of the Consideration Rights under the Scheme is set out in section 9.5.

No Rex Director has acquired or disposed of a Relevant Interest in any Rex securities in the four-month period ending on the Last Practicable Date.

The % ownership of Rex Director securities is calculated on a fully diluted basis in the column in the table above. The fully diluted basis calculation includes all Rex Shares, Options and Consideration Rights on issue.

9.2 Interests of Rex Directors in MACH Metals

No Rex Director has a Relevant Interest in any shares in MACH Metals.

No Rex Director has acquired or disposed of a Relevant Interest in any shares in MACH Metals in the four-month period ending on the Last Practicable Date.

9.3 Summary of Scheme Implementation Deed

On 8 July 2024, Rex and MACH Metals entered into a Scheme Implementation Deed under which Rex agreed to propose the Scheme to Rex Shareholders. The Scheme Implementation Deed contains terms and conditions that are customary for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Rex's obligation to conduct its business in the ordinary course during the Scheme process.

A summary of the key provisions of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was lodged with ASX on 8 July 2024 and can be obtained from the ASX website www.asx.com.au or the Rex website www.rexminerals.com.au/investors.

(a) Conditions

Implementation of the Scheme is subject to the following conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented.

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- **FIRB approval:** FIRB approval (which has been applied for) be obtained before 5.00pm on the Business Day before the Second Court Date;
- **Restraints:** no temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or no action or investigation is announced, commenced or threatened by any Government Agency and no application is made to any Government Agency that would prevent the Scheme from becoming Effective between the date of the Scheme Implementation Deed and 8.00am (Melbourne time) on the Second Court Date;
- **Court approval:** the Court approves the Scheme;
- **Shareholder approval:** Rex Shareholders (other than an Excluded Shareholder) approve the Scheme;
- **No Rex Material Adverse Change:** no Rex Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to MACH Metals between (and including) the date of the Scheme Implementation Deed and 8.00am (Melbourne time) on the Second Court Date;
- **No Prescribed Occurrence:** no Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am (Melbourne time) on the Second Court Date;
- **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Rex Shareholders and does not formally change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date;
- **Options:** Rex takes all necessary steps to ensure no Options are in existence by 5.00pm on the Business Day before the Second Court Date;
- **Consideration Rights:** Rex takes all necessary steps on terms acceptable to MACH Metals (acting reasonably) to ensure that no Consideration Rights are in existence as at 8.00am on the Second Court Date;
- **No Rex breach:** Rex is not in breach, in any material respect, of its obligations under clause 6 or any of its obligations under the Scheme Implementation Deed as at 5.00pm on the Business Day before the Scheme Meeting and at 8.00am on the Second Court Date, and if Rex is in breach in any material respect, MACH Metals has a right to terminate the Scheme Implementation Deed under clause 14.2(a); and
- **Rex Representations and Warranties:** the representations and warranties given by Rex under clause 8.1 of the Scheme Implementation Deed are true and correct in all material respects as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date, and if they are not true and correct, MACH Metals has a right to terminate the Scheme Implementation Deed under clause 14.2(a).

Full details of the conditions and the ability of Rex and MACH Metals to rely on the various conditions, and the provisions relating to satisfaction or waiver of these conditions, are set out in full in clause 3 of the Scheme Implementation Deed. As at the date of this Scheme Booklet, Rex is not aware of any reasons why the conditions will not be satisfied.

(b)

Exclusivity

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of MACH Metals. These arrangements are in line with market practice in this regard and may be summarised as follows:

- **No-talk and no due diligence:** Rex must not enter into, continue or participate in any discussions or negotiations, provide or make available any information (including by way of providing information and access to perform due diligence), negotiate or enter into any agreement, arrangement or understanding, or communicate any intention to do any of those things, in relation to, or which may reasonably be expected to encourage or lead to, an actual, proposed or potential Competing Proposal.
- **No-shop:** Rex must not solicit, invite, encourage or initiate any Competing Proposal, or any enquiries, discussions, negotiations or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal or communicate to any person an intention to do any of those things.
- **Notification:** If Rex becomes aware of any actual, proposed or potential Competing Proposal, or any provision of any information relating to Rex, its business or operations to any person in connection with an actual, proposed or potential Competing Proposal, Rex must notify MACH Metals promptly (and, in any event, by 5.00pm on the next Business Day). Such notice must include reasonable details of the actual, proposed or potential Competing Proposal, including the material terms and conditions and the identity of the party or parties making the actual, proposed or potential Competing Proposal.
- **Matching right:** Rex is prohibited from entering into any legally binding agreement, arrangement or understanding to implement or give effect to an actual, proposed or potential Competing Proposal, and must use its best endeavours to procure that none of the Rex Directors publicly recommends an actual, proposed or potential Competing Proposal unless:

- (1) the actual, proposed or potential Competing Proposal is a Superior Proposal;

- (2) Rex has provided MACH Metals with written notification of the material terms and conditions of the actual, proposed or potential Competing Proposal (including the identity of the party or parties making the actual, proposed or potential Competing Proposal and the price and form of consideration or conditions precedent, proposed deal protection arrangements and timetable);
- (3) MACH Metals has been given at least five Business Days to provide a matching or Superior Proposal to the actual, proposed or potential Competing Proposal on terms which MACH Metals considers in good faith to be no less favourable to the actual, proposed or potential Competing Proposal on an overall basis (MACH Metals Counter Proposal); and
- (4) MACH Metals has not announced or formally proposed to Rex a MACH Metals Counter Proposal by the expiry of the relevant five Business Day period.

However, Rex is not required to comply with its obligations under the 'No-talk and no due diligence' provisions in the Scheme Implementation Deed in relation to a potential Competing Proposal where the Rex Board, acting in good faith, has determined:

- (1) after consultation with its legal and financial advisers, that such actual, proposed or potential Competing Proposal is a Superior Proposal or could reasonably be expected to lead to a Superior Proposal; and
- (2) after receiving written advice from its external legal advisers, that not undertaking that act would, or would be reasonably likely to, involve a breach of the fiduciary or statutory duties owed by any Rex Board Member or would otherwise be unlawful.

These exclusivity arrangements are set out in full in clause 12 of the Scheme Implementation Deed.

Break Fee

Rex has agreed to pay MACH Metals a cash break fee of \$3,400,000 excluding GST (Break Fee) in certain circumstances. Those circumstances include:

- **Change of recommendation or recommendation of a Competing Proposal:** any member of the Rex Board changes, withdraws or adversely modifies or revises their recommendation that Rex Shareholders (other than an Excluded Shareholder) vote in favour of the Scheme, or recommends a Competing Proposal, other than as a result of:
 - (1) the Independent Expert opining (including in any update of, or revision, amendment or supplement to, the Independent Expert Report) that the Scheme is not in the best interests of Rex Shareholders (other than where the reason for that opinion is a Competing Proposal);
 - (2) a material breach of the Scheme Implementation Deed (including a breach of any representations and warranties given by MACH Metals in clause 8.4 of the Scheme Implementation Deed) by MACH Metals, and the breach not being remedied by MACH Metals to Rex's reasonable satisfaction within 10 Business Days of notice being given; or
 - (3) a failure of the conditions precedent relating to 'FIRB approval', 'Restrains', 'Court approval' or 'Shareholder approval' as set out in section 9.3(a) above.
- **Change of control of Rex:** a Competing Proposal of any kind is announced or made during the Exclusivity Period and, within 9 months of the date of such announcement, the person or persons announcing or making the Competing Proposal or an Associate of any such persons:
 - (1) completes a Competing Proposal of a kind referred to in any of paragraphs (b), (c) or (d) of the definition of Competing Proposal in the Scheme Implementation Deed;
 - (2) enters into an agreement, arrangement or understanding with Rex, with another member of the Rex Group or with the board of directors of any of the foregoing entities, which is of the kind referred to in paragraph (e) of the definition of Competing Proposal in the Scheme Implementation Deed;
 - (3) without limiting (1) and (2) above, acquires (either alone or in aggregate) a relevant interest in, becomes the holder of, or otherwise acquires, directly or indirectly, 50% or more of Rex Shares, and that acquisition is unconditional and free of defeating conditions;
 - (4) acquires or becomes the holder of, or otherwise, acquires an economic interest in all or a substantial part of the business carried on by the Rex Group;
 - (5) acquires control (as determined in accordance with section 50AA of the Corporations Act) of Rex; or
 - (6) otherwise acquires or merges with Rex.
- **Material breach:** MACH Metals terminates the Scheme Implementation Deed due to:
 - (1) a material breach of the Scheme Implementation Deed (including a breach of any of the representations and warranties given by Rex in clause 8.1 of the Scheme Implementation Deed, and a breach of a Prescribed Occurrence) by Rex, and the breach not being remedied by Rex to MACH Metals' reasonable satisfaction within 10 Business Days of notice being given; or

- (2) Rex entering into a definitive agreement to implement a Competing Proposal.

The Rex Directors consider the Break Fee is reasonable and appropriate in amount, structure and effect. The Break Fee is not payable if the Scheme does not proceed merely because Rex Shareholders do not vote in favour of the Scheme in sufficient numbers to satisfy the relevant legal requirements.

For full details of the Break Fee, see clause 13 of the Scheme Implementation Deed.

(d) Termination

Rex can terminate the Scheme Implementation Deed in the event of:

- a material breach of the Scheme Implementation Deed (including a breach of any of the representations and warranties given by MACH Metals in clause 8.4 of the Scheme Implementation Deed) by MACH Metals, and that breach is not remedied by MACH Metals to Rex's reasonable satisfaction within 10 Business Days of notice being given; or
- any Rex Board Member changes, withdraws or adversely revises or modifies their recommendation that Rex Shareholders vote in favour of the Scheme, or recommend a Competing Proposal, in each case as permitted to do so under the Scheme Implementation Deed.

MACH Metals can also terminate the Scheme Implementation Deed in the event of:

- a material breach of the Scheme Implementation Deed (including a breach of any of the representations and warranties given by Rex in clause 8.1 of the Scheme Implementation Deed) by Rex, and that breach is not remedied by Rex to MACH Metals' reasonable satisfaction within 10 Business Days of notice being given;
- any Rex Board Member changes, withdraws or adversely revises or modifies his or her recommendation that Rex Shareholders vote in favour of the Scheme, or recommends a Competing Proposal, whether or not permitted to do so under the Scheme Implementation Deed; or
- where Rex enters into a definitive agreement to implement a Competing Proposal.

For full details of the termination rights, see clause 14 of the Scheme Implementation Deed.

9.4 Options

As at the date of this Scheme Booklet, Rex has 33,730,000 Options on issue with exercise prices ranging from \$0.175 to \$0.47 with various expiry dates. Some of the Options are currently vested while some are currently unvested and vest in accordance with the Option Plan Rules if the Scheme proceeds.

Rex has entered into an Option Cancellation Deed with each optionholder under which, subject to the Scheme becoming Effective, each Option will be cancelled for an amount that is equal to the Scheme Consideration of \$0.47 less the exercise price of the relevant Option, which will be paid or funded by MACH Metals. Optionholders will receive the same effective consideration under an Option Cancellation Deed as if they had exercised the Options and received the Scheme Consideration as a Rex Shareholder.

ASX has granted a waiver of Listing Rule 6.23 to permit the cancellation of the Options in accordance with the terms of the Option Cancellation Deed without there being a need for specific Rex Shareholder approval. Rex is not proposing a separate scheme of arrangement with respect to the Options.

9.5 Consideration Rights

As at the date of this Scheme Booklet, Rex has 15,000,000 Consideration Rights on issue, which formed part of the consideration to the vendors for payment for the Rex acquisition of Hog Ranch in 2019.

If the Scheme is approved by Rex Shareholders by 31 October 2024, each Consideration Right will convert into one Rex Share in accordance with the Consideration Rights Terms. Otherwise, all of the Consideration Rights will expire.

9.6 Benefits and agreements

(a) Benefits in connection with retirement from office

There is no payment or other benefit that is proposed to be made or given to any Rex Director or secretary or officer of Rex (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Rex (or any of its Related Bodies Corporate) in connection with the Scheme.

(b) Agreements connected with or conditional on the Scheme

Other than as set out in section 9.1, there are no agreements or arrangements made between any Rex Director and any other person in connection with, or conditional on, the outcome of the Scheme.

(c) Interests of Rex Directors in contracts with MACH Metals

As at the date of this Scheme Booklet, no Rex Director has:

- a Relevant Interest in any securities in MACH Metals; or

- acquired or disposed of a Relevant Interest in any securities in MACH Metals during the four months before the date of this Scheme Booklet.

(d) Benefits under the Scheme or from MACH Metals

There is no payment or other benefit that is proposed to be made or given to any Rex Director or secretary or officer of Rex (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Rex (or any of its Related Bodies Corporate) in connection with the Scheme.

(e) Deeds of access, indemnity and insurance

Rex has entered into deeds of access, indemnity and insurance with the Rex Directors and various officers of the Rex Group, on customary terms. They include terms that provide for Rex to indemnify each of its Rex Directors and officers against any liability incurred by such persons in their capacity as a Rex Director or officer of a member of the Rex Group to any person other than a member of the Rex Group.

Rex also pays premiums in respect of a directors' and officers' insurance policy for the benefit of the Rex Directors and officers of the Rex Group. In accordance with the Scheme Implementation Deed, Rex must enter into an arrangement to provide run-off insurance coverage for all current directors and officers and former directors and officers of any member of the Rex Group that applies for at least seven years from the retirement date of each director and officer. The entry into such arrangements by Rex is required under clauses 5.17 to 5.20 of the Scheme Implementation Deed.

9.7 Consents and disclosures

(a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- MACH Metals in respect of the MACH Metals Information only;
- BDO Corporate Finance Australia Pty Ltd as the Independent Expert; and
- Behre Dolbear Australia Pty Ltd as the Independent Technical Specialist (whose report forms part of the Independent Expert's Report).

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Macquarie Capital (Australia) Limited as financial adviser to Rex;
- Baker McKenzie as legal adviser to Rex; and
- Computershare Investor Services Pty Limited as the Share Registry.

(b) Disclosures and responsibility

Each person named in section 9.7(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - MACH Metals in respect of the MACH Metals Information only;
 - BDO Corporate Finance Australia Pty Ltd in relation to the Independent Expert's Report; and
 - Behre Dolbear Australia Pty Ltd in relation to the Independent Technical Specialist Report (whose report forms part of the Independent Expert's Report).
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 9.7(b).

9.8 Application for judicial review

An individual (Applicant) has issued an application for judicial review in the Supreme Court of South Australia which seeks to challenge approvals granted by the SA Minister for Planning concerning road diversion and realignment for Hillside. The application for judicial review has been commenced out of time, and the Applicant requires an extension of time from the Court in order to proceed. Both Rex and the SA Minister for Planning are opposing any extension of time. Rex has also applied for summary dismissal.

As at the date of this Scheme Booklet, no date has been listed for hearing of the Applicant's extension of time application or Rex's summary dismissal application. The Applicant has not sought an injunction, and has not challenged any of the Hillside mining tenements nor any other decision under the Mining Act 1971 (SA). Rex is proceeding on the basis that all governmental decisions relevant to the Hillside road diversion and realignment are valid. Rex is confident in its position in respect of the application.

9.9 ASIC relief

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires an explanatory statement to set out whether, within the knowledge of the Rex Directors, the financial position of Rex has materially changed since the date of the last balance sheet laid before the Company in general meeting or sent to shareholders in accordance with sections 314 or 317 of the Corporations Act, and, if so, full particulars of any change.

ASIC has granted Rex relief from this requirement so that this Scheme Booklet only needs set out whether, within the knowledge of the Rex Directors, the financial position of Rex has materially changed since 30 June 2024 (being the last date of the period to which the financial statements for the full-year ended 30 June 2024 relate).

Copies of the Rex financial statements for the full-year ended 30 June 2024 are available free of charge on the Rex website www.rexminerals.com.au/investors or by contacting Rex on 1300 822 161 (within Australia) or +61 3 9068 3077 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).

9.10 No unacceptable circumstances

Rex considers that the Scheme does not involve any circumstances in relation to the affairs of Rex that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

9.11 Transaction costs

Rex estimates that it will incur approximately \$8.5 million to \$9 million (excluding GST and disbursements) in external Transaction costs which relate to the Scheme. This includes advisory fees (including for Rex's financial and legal advisers), the Independent Expert's fees, Share Registry fees, printing and mailing costs, and expenses associated with convening and holding the Scheme Meeting. Of this, approximately \$0.8 million (excluding GST and disbursements) will be incurred regardless of whether or not the Scheme is implemented, excluding any Break Fee that may be payable to MACH Metals.

9.12 No other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Rex Director, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Rex Shareholders.

9.13 Supplementary information

Rex will issue a supplementary document to this Scheme Booklet if it becomes aware of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet that is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet that has occurred; or
- a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Rex may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Rex Shareholders at their address shown on the Rex Share Register (or emailing it or making it available if the Rex Shareholder has selected an electronic communication preference); and/or
- placing a statement on the Rex website www.rexminerals.com.au/investors,

as Rex in its absolute discretion considers appropriate.

10 Glossary and Interpretation

10.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below:

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning in section 12 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ATO	the Australian Taxation Office.
Break Fee	has the meaning given in section 9.3(c).
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Australia.
Competing Proposal	<p>any proposal, agreement, arrangement or transaction (or expression of interest in relation to any of these), which, if entered into or completed, would result in a third party (either alone or together with any one or more of its Associates):</p> <ul style="list-style-type: none">(a) directly or indirectly acquiring a relevant interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of Rex Shares or of the share capital of any material subsidiary of Rex;(b) acquiring control (for the purposes of section 50AA of the Corporations Act) of Rex or of any material subsidiary of Rex;(c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part of the Business or assets of the Rex Group;(d) otherwise directly or indirectly acquiring, merging or amalgamating with Rex or a material subsidiary of Rex; or(e) requiring Rex to abandon or otherwise fail to proceed with the Scheme, <p>whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy-back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), recapitalisation, refinancing or other transaction or arrangement.</p>
Consideration Rights	the Hog Ranch Consideration Rights issued following Rex Shareholder approval obtained on 21 November 2019 in accordance with the Consideration Rights Terms.
Consideration Rights Terms	the terms set out in Addendum 1 to the Rex 2019 Notice of Annual General Meeting lodged with the ASX on 10 October 2019.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Federal Court of Australia (Victorian Registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Rex and MACH Metals.

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Term	Meaning
Deed Poll	the deed poll executed by MACH Metals on 14 August 2024 pursuant to which MACH Metals acknowledges and confirms its obligations to the Scheme Shareholders under the Scheme. A copy of the Deed Poll is contained in Annexure B.
Due Diligence Materials	the written information, documents and responses disclosed or made available to MACH Metals or its representatives by Rex or its representatives before 8.00am (Melbourne time) on the Business Day before the date of the Scheme Implementation Deed in the data room established by Rex for the purposes of providing information to MACH Metals in connection with the Scheme.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective, which is currently expected to be 16 October 2024.
End Date	28 February 2025 or such other date as agreed in writing by the parties.
Excluded Shareholder	any Rex Shareholder who is a MACH Group Member or any Rex Shareholder who holds any Rex Shares on behalf of, or for the benefit of, any MACH Group Member and does not hold Rex Shares on behalf of, or for the benefit of, any other person. As at the date of the Scheme Booklet, the only Excluded Shareholder is MACH Metals which is a substantial holder of Rex and which has an interest in 121,525,069 Rex Shares equating to 15.52% of Rex's issued equity.
FIRB	the Australian Foreign Investment Review Board.
First Court Date	the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard, which will be held on 4 September 2024.
FY2023	financial year ended 30 June 2023.
FY2024	financial year ended 30 June 2024.
Government Agency	whether foreign or domestic: <ul style="list-style-type: none"> (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or (a) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange (including ASIC and the Takeovers Panel).
Hillside	the Hillside Copper-Gold Project, located on the Yorke Peninsula, South Australia, as referred to in section 5.2.
Hog Ranch	the Hog Ranch Gold Property, located in Nevada, USA, as referred to in section 5.3.
Implementation Date	the date of implementation of the Scheme, being the fifth Business Day after the Scheme Record Date, currently expected to be 30 October 2024.
Independent Expert	BDO Corporate Finance Australia Pty Ltd.

Term	Meaning
Independent Expert's Report	the report prepared by the Independent Expert set out in Annexure D which includes the Independent Technical Specialist Report.
Independent Technical Specialist Report	the report prepared by Behre Dolbear Australia Pty Ltd which forms part of the Independent Expert's Report.
JORC Code	the Joint Ore Reserve Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 as set out in Appendix 5A to the Listing Rules.
Last Practicable Date	28 August 2024.
Listing Rules	the official listing rules of the ASX.
MACH Australia Holdings	MACH Australia Holdings Pty Ltd ACN 608 494 828.
MACH Energy	MACH Energy Australia Pty Ltd ACN 608 495 441.
MACH Group	MACH Metals and each of its Related Bodies Corporate, and a reference to a MACH Group Member or a member of the MACH Group is to MACH Metals or any of its Related Bodies Corporate.
MACH Metals Information	<p>the information contained in:</p> <ul style="list-style-type: none"> (a) the paragraph commencing 'Although MACH Metals considers that the views reflected in any forward-looking statements included in the MACH Metals Information' in the subsection headed 'Disclaimer as to forward-looking statements' in the Important Notices; (b) the answer to the questions 'Who is MACH Metals?', 'What are MACH Metals' intentions for Rex if the Scheme is implemented?' and 'How is MACH Metals funding the Scheme Consideration?' in section 2; and (c) section 6. <p>For the avoidance of doubt, the MACH Metals Information excludes the Rex Information, the Independent Expert's Report and any other report or letter issued to Rex by a third party.</p>
MACH Metals	MACH Metals Australia Pty Ltd ACN 670 989 269 (formerly MACH Investment Enterprise Pty Ltd).
MACH Mount Pleasant Marketing	MACH Mount Pleasant Marketing Pty Ltd ACN 625 627 965.
MACH Mount Pleasant Operations	MACH Mount Pleasant Operations Pty Ltd ACN 625 627 723.
Mount Pleasant Project	the Mount Pleasant thermal coal mine located in the Hunter Valley, New South Wales.
Notice of Scheme Meeting	the notice of scheme meeting relating to the Scheme Meeting which is contained in Annexure C.
Option	an unquoted option to subscribe for a Rex Share issued under the Rex Option Plan.

Term	Meaning
Option Cancellation Deed	a deed between Rex and a holder of Options under which, subject to the Scheme becoming Effective, the relevant Options are cancelled for the Option Consideration.
Option Consideration	for each Option, the amount that is equal to the Scheme Consideration less the exercise price of that Option, which will be paid or funded by MACH Metals.
Prescribed Occurrence	<p>the occurrence of any of the following between 8 July 2024 and 8.00am (Melbourne time) on the Second Court Date:</p> <ul style="list-style-type: none"> (a) a member of the Rex Group converting all or any of its shares into a larger or smaller number of shares; (b) a member of the Rex Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; (c) a member of the Rex Group: <ul style="list-style-type: none"> (i) entering into a buy back agreement; or (ii) resolving to approve the terms of a buy back agreement under the Corporations Act; (d) a member of the Rex Group issuing shares, or granting a right or an option over an unissued share, or agreeing to make such an issue or grant such a right or an option other than: <ul style="list-style-type: none"> (i) an issue of Rex Shares on the exercise of an Option existing as at 8 July 2024 or on the exercise of the options described in clause 8.1(l)(iii) of the Scheme Implementation Deed; or (ii) an issue of Rex Shares in accordance with the terms of issue of the Consideration Rights, <p>or agreeing to amend, vary or exercise discretion in respect of or amending, varying or exercising discretion in respect of, the terms of issue of any share or the terms of grant of any right or option, or agreeing to waive or waiving rights in respect of any share, right or option;</p> (e) a member of the Rex Group issuing, or agreeing to issue, securities convertible into shares or debt securities; (f) Rex ceases to be listed on the ASX; (g) Rex declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its member, or announcing an intention to do any of the above; (h) a member of the Rex Group disposing, or agreeing to dispose, of the whole or a substantial part, of the Rex Business or its property or assets of the Rex Group, including in connection with the proposed Hillside joint venture partnering process disclosed by announcement to ASX by Rex on 20 December 2023; (i) a member of the Rex Group granting a security interest, or agreeing to grant a security interest, over the whole or a substantial part, of the Rex Business or its property; (j) a member of the Rex Group adopting a new constitution or making any change to its constitution; (k) an insolvency event occurs in relation to a member of the Rex Group; or (l) any member of the Rex Group entering into, or resolving to enter into, a transaction with any related party of Rex (other than a related party that is a member of the Rex Group), as defined in section 228 of the Corporations Act, <p>other than:</p> <ul style="list-style-type: none"> (m) as required or permitted by the Scheme Implementation Deed or the Scheme; (n) as fairly disclosed to ASX in the two-year period prior to 8 July 2024; (o) as fairly disclosed to MACH Metals in the Due Diligence Materials; or

Term	Meaning
	(p) with the prior written consent of MACH Metals.
Related Bodies Corporate	has the meaning set out in the Corporations Act.
Relevant Interest	has the same meaning as given in sections 608 and 609 of the Corporations Act.
Rex	Rex Minerals Limited (ABN 12 124 960 523).
Rex Board	the board of directors of Rex.
Rex Business	the business carried on by the Rex Group.
Rex Director or Your Director	any director of Rex comprising part of the Rex Board.
Rex Group	Rex and each of its Related Bodies Corporate, and a reference to a Rex Group Member or a member of the Rex Group is to Rex or any of its Related Bodies Corporate.
Rex Information	the information contained in this Scheme Booklet, other than the MACH Metals Information, any other report or letter issued to Rex by a third party and the Independent Expert's Report.
Rex Material Adverse Change	<p>an event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Scheme Implementation Deed which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have a material adverse effect on the Rex Group's interests in ML6438, MPL146 and/or EML6439 or the ability of the Rex Group to exploit its interests in them, other than those events, changes, conditions, matters, circumstances or things:</p> <ul style="list-style-type: none"> (a) required or permitted by the Scheme Implementation Deed, the Scheme, or the transactions contemplated by either of those; (b) that are fairly disclosed to MACH Metals in the Due Diligence Materials; (c) that Rex fairly disclosed in an announcement made by Rex to ASX, or a publicly available document lodged by it with ASIC, in the two-year period prior to 8 July 2024; (d) that were actually known to MACH Metals or any of its representatives prior to 8 July 2024 (which does not include knowledge of the generic risk of the relevant event, change, condition, matter, circumstance or thing occurring, but does include knowledge of a specific risk of the relevant event, change, condition, matter, circumstance or thing occurring); (e) agreed to in writing by MACH Metals; (f) arising as a result of any generally applicable change in law (including subordinate legislation), regulation, directions, orders, accounting standards or principles or governmental policy; or (g) arising from changes in economic or business conditions that impact on Rex and its competitors in a similar manner including interest rates, general economic, political or business conditions, including changes or major disruptions to, or fluctuations in, domestic or international financial markets.
Rex Option Plan	the Rex option plan, the terms of which are set out in the Rex Minerals Limited Option Plan Rules approved by Rex Shareholders most recently at its annual general meeting held on 16 November 2021.

Term	Meaning
Rex Share Register	the register of members of Rex maintained in accordance with the Corporations Act.
Rex Share	a fully paid ordinary share of Rex.
Rex Shareholder	each person who is registered as the holder of a Rex Share from time to time.
Scheme	the scheme of arrangement between Rex and the Scheme Shareholders under which all Scheme Shares will be transferred to MACH Metals in accordance with Part 5.1 of the Corporations Act, substantially in the form in Annexure A, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.
Scheme Booklet	this scheme booklet.
Scheme Consideration	in respect of each Scheme Share is \$0.47 cash.
Scheme Implementation Deed	the Scheme Implementation Deed between Rex and MACH Metals dated 8 July 2024. A summary is set out in section 9.3, and a full copy can be obtained from the Rex website www.rexminerals.com.au/investors .
Scheme Meeting	the meeting of Rex Shareholders (other than an Excluded Shareholder) ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme, which will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria on 10 October 2024 at 10.00am (Melbourne time).
Scheme Record Date	the fifth Business Day after the Effective Date, currently expected to be 7.00pm (Melbourne time) on 23 October 2024.
Scheme Resolution	the resolution to agree to the terms of the Scheme.
Scheme Share	a Rex Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Shareholder	a Rex Shareholder recorded in the Rex Share Register as at the Scheme Record Date, other than an Excluded Shareholder.
Second Court Date	the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard, or if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned application or appeal is heard, which is currently expected to be held at 10.15am (Melbourne time) on 15 October 2024.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Security Interest	has the meaning given in section 12 of the <i>Personal Property Securities Act 2009</i> (Cth).
Share Registry or Computershare	Computershare Investor Services Pty Limited.
Superior Proposal	a bona fide written Competing Proposal which the Rex Board, acting in good faith, after taking advice from its legal and financial advisers, determines: <ul style="list-style-type: none"> (a) is reasonably capable of being valued and completed within a reasonable timeframe taking into account all aspects of the Competing Proposal including

Term	Meaning
	any timing considerations, conditions precedent and the identity of the proponent; and (b) would, if completed substantially in accordance with its terms, be more favourable to Rex Shareholders (as a whole) than the Transaction taking into account all terms and conditions of the Competing Proposal (including consideration, conditionality, funding, certainty and timing).
Takeovers Panel	the Australian Takeovers Panel.
Transaction	the acquisition by MACH Metals of all of the Rex Shares (other than those already held by any member of the MACH Group) through implementation of the Scheme.
VWAP	volume weighted average price.

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes (which may include an earlier or later date for the Second Court Hearing) will be announced to the ASX and notified on the Rex website www.rexminerals.com.au/investors.

10.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (h) a reference to time is a reference to time in Melbourne, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

11 Corporate Directory

Rex Minerals Limited

68 St Vincent Highway
Pine Point, SA 5571

PO Box 3435
Rundle Mall SA 5000
Telephone: 1300 822 161 (within Australia) and +61 3 9068 3077 (outside Australia)

Financial Adviser

Macquarie Capital (Australia) Limited
Level 4, 50 Martin Place
Sydney, NSW 2000

Legal Adviser

Baker McKenzie
Level 19, 181 William Street
Melbourne, VIC 3000

Independent Expert

BDO Corporate Finance Australia Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3067
Telephone: 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia)

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Annexure A

Scheme

**Baker
McKenzie.**

Scheme of Arrangement

Rex Minerals Limited

Scheme Shareholders

Baker & McKenzie
ABN 32 266 778 912
Level 19
181 William Street
Melbourne VIC 3000
Australia
www.bakermckenzie.com
Richard Lustig / Rick Troiano

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Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)

Parties **Rex Minerals Limited** (ABN 12 124 960 523) of 68 St Vincent Highway, Pine Point, South Australia 5571 (**Rex**)

Scheme Shareholders, each person who is registered as the holder of Rex Shares recorded in the Rex Share Register as at the Scheme Record Date, other than an Excluded Shareholder (**Scheme Shareholders**)

Operative provisions

1. Definitions and interpretation

Definitions

1.1 In this Scheme, unless the context otherwise requires:

ADI means an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Australia.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

CHESS Holding has the meaning given in the Settlement Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (Victorian Registry), or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Rex and MACH Metals.

Deed Poll means the deed poll executed by MACH Metals under which MACH Metals covenants in favour of the Scheme Shareholders to perform the obligations attributed to MACH Metals under this Scheme.

Effective means when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means 28 February 2025, or such other date as agreed in writing by MACH Metals and Rex.

Excluded Shareholder means any Rex Shareholder who is a Mach Group Member or any Rex Shareholder who holds any Rex Shares on behalf of, or for the benefit of, any Mach Group Member and does not hold Rex Shares on behalf of, or for the benefit of, any other person.

Government Agency means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister

of a government acting in that capacity; or

- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange (including ASIC and the Takeovers Panel).

Global Wire Payment Service means the global wire payment service provided by the Rex Registry which enables the Scheme Shareholder to elect the currency of their choice for payments made by MACH Metals to the Scheme Shareholder.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date as agreed in writing by MACH Metals and Rex.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

MACH Metals means MACH Metals Australia Pty Ltd (ABN 80 670 989 269).

Mach Group means MACH Metals and each of its Related Bodies Corporate and a reference to a **Mach Group Member** or a **member of the Mach Group** is to MACH Metals or any of its Related Bodies Corporate.

Operating Rules means the official operating rules of the ASX.

Registered Address means in relation to a Rex Shareholder, the address shown in the Rex Share Register as at the Scheme Record Date.

Rex means Rex Minerals Limited (ABN 12 124 960 523).

Rex Share Register means the register of members of Rex maintained in accordance with the Corporations Act.

Rex Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Rex Share means a fully paid ordinary share in the capital of Rex.

Rex Shareholder means each person who is registered as the holder of a Rex Share in the Rex Share Register.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Rex and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Rex and MACH Metals.

Scheme Consideration means the consideration to be provided by MACH Metals in consideration for the transfer of the Rex Shares held by a Scheme Shareholder to MACH Metals, being, in respect of each Scheme Share, \$0.47 cash.

Scheme Implementation Deed means the scheme implementation deed dated 8 July 2024 between Rex and MACH Metals relating to the implementation of this Scheme.

Scheme Meeting means the meeting of Rex Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Record Date means 7.00 pm (Melbourne time) on the fifth Business Day after the Effective Date or such other date as agreed in writing by MACH Metals and Rex.

Scheme Share means a Rex Share held by a Scheme Shareholder.

Scheme Shareholder means a Rex Shareholder recorded in the Rex Share Register as at the Scheme Record Date, other than an Excluded Shareholder.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of MACH Metals as transferee, which may be a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned application or appeal is heard.

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Subsidiary has the meaning set out in the Corporations Act.

Interpretation

1.1 In this document:

- (a) unless the context requires otherwise, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a clause is to a clause of this document;
 - (v) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (vi) to any time is to Melbourne time;
 - (vii) to \$ is to the lawful currency of Australia;
- (b) the words "including" or "includes" mean "including, but not limited to" or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this document;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2. Preliminary

Rex

- 2.1 Rex is a public company limited by shares, incorporated in Australia and taken to be registered in South Australia. Its registered office is at 68 St Vincent Highway, Pine Point SA 5571.
- 2.2 Rex has been admitted to the official list of the ASX and the Rex Shares are quoted on the ASX.
- 2.3 As at the date of the Scheme Implementation Deed, there were on issue:
 - (a) 767,901,670 Rex Shares, which are quoted for trading on the ASX;

- (b) 33,730,000 options to subscribe for Rex Shares which are not quoted for trading on any stock exchange, the terms of which are set out in the Rex Minerals Limited Option Plan Rules approved by Rex Shareholders most recently at its annual general meeting held on 16 November 2021;
- (c) 20,000,006 options received by certain institutional and sophisticated investors as part of a placement by Rex in August 2023 and which are not quoted for trading on any stock exchange, the terms of which were disclosed to the ASX on 3 August 2023; and
- (d) 15,000,000 Hog Ranch consideration rights which are not quoted for trading on any stock exchange, the terms of which were disclosed to ASX on 10 October 2019.

MACH Metals

2.4 MACH Metals is a proprietary company limited by shares and incorporated in Australia. Its registered office is at Suite 302, Level 3, 251 Wharf Road, Newcastle NSW 2300.

Scheme Implementation Deed

2.5 Rex and MACH Metals have entered into the Scheme Implementation Deed which sets out the terms and conditions on which MACH Metals and Rex have agreed to implement this Scheme.

Effect of Scheme

2.6 If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to MACH Metals, MACH Metals must provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll;
- (b) subject to the provision of the Scheme Consideration for the Scheme Shares contemplated by clause 5 of this Scheme, on the Implementation Date:
 - (i) all of the Scheme Shares, together with all the rights and entitlements attaching to the Scheme Shares at the Implementation Date, must be transferred to MACH Metals; and
 - (ii) Rex will enter the name of MACH Metals in the Rex Share Register in respect of all of the Scheme Shares transferred to MACH Metals in accordance with the terms of this Scheme.

Deed Poll

2.7 This Scheme attributes actions to MACH Metals but does not itself impose an obligation on it to perform those actions. MACH Metals has executed the Deed Poll in favour of each Scheme Shareholder under which it has covenanted, subject to this Scheme becoming Effective, to perform certain steps attributed to it under this Scheme and to do all things necessary to implement this Scheme, including to pay or procure the payment of the Scheme Consideration to the Scheme Shareholders.

3. Conditions precedent

Conditions precedent to Scheme

3.1 This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Scheme Implementation Deed, other than the condition in the Scheme Implementation Deed relating to Court approval of this Scheme, having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed before 8.00 am on the Second Court Date;
- (b) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00 am on the Second Court Date;

- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by MACH Metals and Rex;
- (d) any other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme, and which are agreed to in writing by MACH Metals and Rex, having been satisfied; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, under section 411(10) of the Corporations Act on or before the End Date (or any later date Rex and MACH Metals agree in writing).

Certificate in relation to conditions precedent

- 3.2 Rex and MACH Metals will each provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed as at 8.00 am on the Second Court Date.
- 3.3 The certificate referred to in clause 3.2 constitutes conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the relevant certificate.

End Date

- 3.4 This Scheme will lapse and have no further force or effect if:
- (a) the Effective Date has not occurred on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll are terminated in accordance with their terms,
- unless Rex and MACH Metals otherwise agree in writing.

4. Implementation of Scheme

Lodgement of Court orders

- 4.1 Rex must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as practicable after the Court approves this Scheme and in any event by 5.00 pm on the first Business Day after the day on which the Court approves this Scheme (or such later date as agreed in writing by MACH Metals and Rex).

Transfer of Scheme Shares

- 4.2 On the Implementation Date:
- (a) subject to this Scheme becoming Effective and the payment of the Scheme Consideration in accordance with clauses 5.1 to 5.4, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to MACH Metals, without the need for any further act by any Scheme Shareholder (other than acts performed by Rex as attorney and agent for Scheme Shareholders under clause 8.8), by:
- (i) Rex delivering to MACH Metals a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Rex, for registration; and
- (ii) MACH Metals duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Rex for registration; and

- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), but subject to the stamping of the Scheme Transfer (if required), Rex must enter, or procure the entry of, the name and address of MACH Metals in the Rex Share Register as the holder of all the Scheme Shares transferred to MACH Metals in accordance with the terms of this Scheme.

5. Scheme Consideration

Provision of Scheme Consideration

- 5.1 MACH Metals must by no later than two Business Days before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Shareholder (less the Withholding Amount as defined in clause 5.5 below), in an Australian dollar denominated trust account with an ADI operated by Rex as trustee for the Scheme Shareholders (**Trust Account**) and notified to MACH Metals at least five Business Days prior to Implementation Date. Any interest on the amounts deposited (less bank fees and other charges) will be credited to MACH Metals' account.
- 5.2 On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1, Rex must pay or procure the payment from the Trust Account to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Rex Share Register on the Scheme Record Date.
- 5.3 The obligations of Rex under clause 5.2 will be satisfied by Rex (in its absolute discretion):
- (a) making or procuring a deposit into an account with an ADI in Australia notified by the Scheme Shareholder to Rex and recorded in or for the purposes of payments of dividends in the Rex Share Register as at the Scheme Record Date (**Registered Account**);
 - (b) making or procuring the payment by Global Wire Payment Service, where the Scheme Shareholder has made a valid election prior to the Scheme Record Date in accordance with the requirements of the Rex Registry to receive payments electronically in their local currency using the Rex Registry's Global Wire Payment Service; or
 - (c) if Rex has not been notified by the Scheme Shareholder of a Registered Account or Global Wire Payment Service, despatching or procuring the despatch to the Scheme Shareholder of a cheque, pre-paid ordinary post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by pre-paid airmail post) in an envelope addressed to the Registered Address as at the Scheme Record Date.
- 5.4 To the extent that, following satisfaction of Rex's obligations under clause 5.2, there is a surplus in the amount held by Rex as trustee for the Scheme Shareholders in the Trust Account, that surplus will be paid by Rex to MACH Metals.
- 5.5 If MACH Metals is required by section 260-5 or Subdivision 14-D of Schedule 1 to the TAA or section 255 of the *Income Tax Assessment Act 1936 (Cth)* (or equivalent provisions) to pay a Government Agency an amount in respect of the acquisition of the Scheme Shares (the Withholding Amount), MACH Metals is permitted to deduct the Withholding Amount from the Scheme Consideration otherwise payable to those Scheme Shareholders and remit such amounts to the Government Agency. The aggregate sum payable shall not be increased to reflect the deduction of the Withholding Amount and the net amount payable to those Scheme Shareholders to whom the Withholding Amount relates shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders.

Joint holders

- 5.6 In the case of Scheme Shares held in joint names:
- (a) subject to clause 5.3, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Rex, the holder whose name appears first in the Rex Share Register as at the Scheme Record Date or to the joint holders; and

- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Rex, the holder whose name appears first in the Rex Share Register as at the Scheme Record Date or to the joint holders.

Unclaimed monies

- 5.7 Rex may cancel a cheque issued under this clause 5 if the cheque:
- (a) is returned to Rex (or its agents); or
 - (b) has not been presented by a Scheme Shareholder within six months after the Implementation Date.
- 5.8 During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Rex (or the Rex Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), Rex must reissue a cheque that was previously cancelled under clause 5.7.
- 5.9 The *Unclaimed Money Act 2008 (Vic)* will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008 (Vic)*).

Orders of a court or Government Agency

- 5.10 If written notice is given to Rex (or the Rex Registry) of an order or direction made by a court of competent jurisdiction or by a Government Agency that:
- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Rex in accordance with this clause 5, then Rex will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (b) prevents Rex from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Rex will be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that order or direction or otherwise by law.
- 5.11 To the extent that amounts are so deducted or withheld in accordance with clause 5.10, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6. Dealings in Rex Shares

Determination of Scheme Shareholders

- 6.1 Each Scheme Shareholder will be entitled to participate in this Scheme.
- 6.2 To establish the identity of the Scheme Shareholders, dealings in Rex Shares will only be recognised if:
- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Rex Share Register as the holder of the relevant Rex Shares before the Scheme Record Date; and
 - (b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received by the Rex Registry before the Scheme Record Date,

and Rex must not accept for registration, nor recognise for any purpose (except a transfer to MACH Metals pursuant to the Scheme and any subsequent transfer by MACH Metals or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

Rex's obligation to register

- 6.3 Rex must register any registrable transfers or transmission applications of the Scheme Shares in accordance with clause 6.2(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.3 requires Rex to register a transfer that would result in a Rex Shareholder holding a parcel of Rex Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.3 'marketable parcel' has the meaning given in the Operating Rules).

Transfers after the Scheme Record Date

- 6.4 If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date, other than in accordance with this Scheme, and any attempt to do so will have no effect and Rex will be entitled to disregard any such disposal.

Maintenance of Rex Share Register

- 6.5 For the purpose of determining entitlements to the Scheme Consideration, Rex must, until the Scheme Consideration has been paid to the Scheme Shareholders, maintain the Rex Share Register in accordance with this clause 6. The Rex Share Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of holding statements

- 6.6 All statements of holding for Rex Shares (other than statements of holding in favour of MACH Metals) will cease to have effect after the Scheme Record Date as a document of title in respect of those shares.
- 6.7 Each entry on the Rex Share Register as at the Scheme Record Date (other than entries on the Rex Share Register in respect of MACH Metals) will cease to have any effect except other than as evidence of the entitlements of the Scheme Shareholders to the Scheme Consideration in respect of the Rex Shares relating to that entry.

Information to be made available to MACH Metals

- 6.8 As soon as practicable on or after the Scheme Record Date, and in any event within two Business Days after the Scheme Record Date, Rex will ensure that details of the names, Registered Addresses and holdings of Rex Shares for each Scheme Shareholder as shown in the Rex Share Register are available to MACH Metals in the form MACH Metals reasonably requires.

7. Quotation of Rex Shares

- 7.1 Rex must apply to ASX to suspend trading of Rex Shares on the ASX with effect from the close of trading on the Effective Date.
- 7.2 On a date after the Implementation Date to be determined by MACH Metals, Rex must take all steps reasonably necessary and within its power (including by applying to ASX and satisfying any conditions reasonably required by ASX) to procure:
- (a) the termination of the official quotation of Rex Shares on the ASX; and
 - (b) the removal of Rex from the official list of the ASX.

8. General Scheme provisions

Consent to amendments to this Scheme

- 8.1 If the Court proposes to approve this Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act:
- (a) Rex may by its counsel, and with the consent of MACH Metals, consent to those alterations or conditions on behalf of all persons concerned including, for the avoidance of doubt, all Scheme Shareholders; and
 - (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Rex has consented to.

Scheme Shareholders' agreements and warranties

- 8.2 Each Scheme Shareholder irrevocably:
- (a) agrees to the transfer of their Rex Shares together with all rights and entitlements attaching to those Rex Shares to MACH Metals in accordance with the terms of this Scheme;
 - (b) agrees to the variation, cancellation or modification of the rights attached to their Rex Shares constituted by or resulting from this Scheme;
 - (c) agrees to, on the direction of MACH Metals, destroy any holding statements or share certificates relating to their Rex Shares;
 - (d) agrees, if they hold their Rex Shares in a CHESS Holding, to the conversion of those Rex Shares to an Issuer Sponsored Holding and irrevocably authorises Rex to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;
 - (e) acknowledges and agrees that this Scheme binds Rex and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Rex; and
 - (f) consents to Rex and MACH Metals doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme,
- without the need for any further act by that Scheme Shareholder.

- 8.3 Each Scheme Shareholder is taken to have warranted to Rex and MACH Metals on the Implementation Date, and appointed and authorised Rex as its attorney and agent to warrant to MACH Metals on the Implementation Date, that:
- (a) all of its Rex Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (b) it has no existing right to be issued any shares, equity incentives or other securities; and
 - (c) it has full power and capacity to transfer its Rex Shares to MACH Metals together with any rights and entitlements attaching to those shares.
- 8.4 Rex undertakes in favour of each Scheme Shareholder that it will provide the warranties in clause 8.3, to the extent enforceable, to MACH Metals on behalf of that Scheme Shareholder.

Title to and rights in Scheme Shares

- 8.5 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to MACH Metals will, at the time of transfer of them to MACH Metals, vest in MACH Metals free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- 8.6 On and from the Implementation Date, subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and pending registration by Rex of MACH Metals as the holder of all Scheme Shares in the Rex Share Register, MACH Metals will be beneficially entitled to the Scheme Shares.

Appointment of sole proxy

- 8.7 Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and until registration by Rex of MACH Metals as the holder of all Scheme Shares in the Rex Share Register, each Scheme Shareholder:
- (a) is deemed to have appointed MACH Metals as attorney and agent (and directed MACH Metals in each such capacity) to appoint any director, officer, secretary or agent nominated by Mach as its sole proxy and, where applicable or appropriate, corporate representative to:
 - (i) attend shareholders' meetings;
 - (ii) exercise the votes attaching to the Scheme Shares registered in their name; and
 - (iii) sign any shareholders' resolution;
 - (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.7(a));
 - (c) must take all other actions in the capacity of a registered holder of Scheme Shares as MACH Metals reasonably directs; and
 - (d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), MACH Metals and any director, officer, secretary or agent nominated by MACH Metals under clause 8.7(a) may act in the best interests of MACH Metals as the intended registered holder of the Scheme Shares.

Authority given to Rex

- 8.8 Each Scheme Shareholder, without the need for any further act:
- (a) on the Effective Date, irrevocably appoints Rex and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against MACH Metals, and Rex undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against MACH Metals on behalf of and as agent and attorney for each Scheme Shareholder; and
 - (b) on the Implementation Date, irrevocably appoints Rex and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer.
- 8.9 Rex accepts each such appointment contemplated by clause 8.8. Rex as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under clause 8.8 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

Binding effect of Scheme

- 8.10 This Scheme binds Rex and all of the Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote on this Scheme, do not vote at the Scheme Meeting, or vote against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Rex.

Costs and stamp duty

- 8.11 MACH Metals will:
- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
 - (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.11(a).

Consent

- 8.12 Each of the Scheme Shareholders consents to Rex doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Rex or otherwise.

No liability when acting in good faith

- 8.13 Each Scheme Shareholder agrees that neither Rex nor MACH Metals, nor any of their respective directors, officers, agents or employees will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Notices

- 8.14 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Rex, it will not be deemed to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Rex's registered office or at the office of the Rex Registry.
- 8.15 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Rex Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

Further action

- 8.16 Rex must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

Governing law and jurisdiction

- 8.17 This Scheme is governed by the laws of Victoria, Australia. Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia and any courts which have jurisdiction to hear appeals from any of those courts in respect of any proceedings arising out of or in connection with this Scheme; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure B

Deed Poll

**Baker
McKenzie.**

Deed Poll

MACH Metals Australia Pty Ltd

In favour of each person registered as a holder of fully paid ordinary shares in Rex in the Rex Share Register as at the Scheme Record Date other than any Excluded Shareholder (**Scheme Shareholders**)

For personal use only

Baker & McKenzie
ABN 32 266 778 912
Level 19
181 William Street
Melbourne VIC 3000
Australia www.bakermckenzie.com
Richard Lustig / Rick Troiano

Title Deed Poll

Date 14th AUGUST 2024

Parties MACH Metals Australia Pty Ltd (ABN 80 670 989 269) of Suite 302, Level 3, 251 Wharf Road, Newcastle, New South Wales 2300 (**MACH Metals**)

In favour of each Scheme Shareholder

Recitals

- A Rex and MACH Metals entered into the Scheme Implementation Deed.
- B In the Scheme Implementation Deed, MACH Metals agreed to enter into this Deed Poll.
- C MACH Metals is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Scheme Implementation Deed and the Scheme.

Operative provisions

1. Definitions and interpretation

- 1.1 The meanings of the terms used in this Deed Poll are set out below.

Excluded Shareholder means any Rex Shareholder who is a Mach Group Member or any Rex Shareholder who holds any Rex Shares on behalf of, or for the benefit of, any Mach Group Member and does not hold Rex Shares on behalf of, or for the benefit of, any other person.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Rex Shareholder means each person who is registered as the holder of a Rex Share in the Rex Share Register.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Rex and the Scheme Shareholders, the form of which is set out in Schedule 2 to the Scheme Implementation Deed, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MACH Metals and Rex.

Scheme Implementation Deed means the scheme implementation deed entered into between Rex and MACH Metals dated 8 July 2024.

Scheme Shareholder means a Rex Shareholder recorded in the Rex Share Register as at the Scheme Record Date, other than an Excluded Shareholder.

- 1.2 Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this Deed Poll.
- 1.3 Section 1.2 of the Scheme applies to the interpretation of this Deed Poll, except that

references to 'this document' are to be read as references to 'this Deed Poll'.

2. Nature of Deed Poll

2.1 MACH Metals acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Rex and each of its directors and officers (jointly and each of them severally) as its agent and attorney to enforce this Deed Poll against MACH Metals.

3. Conditions precedent and termination

Conditions precedent

3.1 The obligations of MACH Metals under this Deed Poll are subject to the Scheme becoming Effective.

Termination

3.2 The obligations of MACH Metals under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no force or effect if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective on or before the End Date,

unless MACH Metals and Rex otherwise agree in writing (and, if required, as approved by the Court).

Consequences of termination

3.3 If this Deed Poll terminates under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) MACH Metals is released from its obligations to further perform this Deed Poll; and
- (b) each Scheme Shareholder retains the rights they have against MACH Metals in respect of any breach of this Deed Poll which occurred before it was terminated.

4. Performance of Obligations

4.1 Subject to clause 3, MACH Metals undertakes to:

- (a) by no later than two Business Days before the Implementation Date, deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account with an ADI operated by Rex as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to MACH Metals' account; and
- (b) undertake all other actions attributed to it under the Scheme,

subject to and in accordance with the terms of the Scheme and in favour of each Scheme Shareholder.

5. Representations and warranties

MACH Metals represents and warrants in favour of each Scheme Shareholder, in respect of

itself, that:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) it has the legal right and corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6. Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) MACH Metals has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.

7. Notices

7.1 Any notice (including any other communication) given to MACH Metals under or in connection with this Deed Poll must be:

- (a) in writing and in English;

- (b) addressed to MACH Metals at the address or email address set out

below: Address: Suite 302, Level 3, 251 Wharf Road
Newcastle, NSW 2300

Attention: Company Secretary

Email: legal@machenergy.com.au

With a copy to: Corrs Chambers Westgarth
Level 42, 111 Eagle Street
Brisbane, Queensland 4000

Attention: Jeremy Horwood and Alexandra
Feros

Email: jeremy.horwood@corrs.com.au
alexandra.feros@corrs.com.au

- (c) signed by or on behalf of the person giving the notice. If the notice is sent by email and does not contain a signature, it is deemed to be signed by the person identified as the sender of the email;
- (d) sent to by hand, prepaid post (airmail if to or from a place outside Australia) or email; and
- (e) if sent by email, in a form which:
 - (i) identifies the sender; and

- (ii) clearly indicates the subject matter of the notice in the subject heading of the email.

7.2 Without limiting any other means by which a person may prove that a notice has been received by MACH Metals, a notice is deemed to be received:

- (a) if sent by hand, when left at the address of MACH Metals;
- (b) if sent by prepaid post, five Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by email:
 - (i) at the time the email was delivered to the recipient's email server or the recipient read the email, as stated in an automated message received by the sender; or
 - (ii) one hour after the email was sent (as recorded on the device from which it was sent), unless within 24 hours of sending the email the sender receives an automated message that it was not delivered,

whichever is earlier, but any notice or other communication that, pursuant to this clause 7.2, would be considered to have been received by MACH Metals if a notice would otherwise be deemed to be received by MACH Metals on a day that is not a Business Day, or after 5.00 pm on a Business Day, the notice is deemed to be received by MACH Metals at 9.00 am on the next Business Day.

8. General

Stamp duty

8.1 MACH Metals will:

- (a) pay all stamp duty and any related fines and penalties in respect of the Scheme and this Deed Poll, the performance of this Deed Poll and each transaction effected by or made under the Scheme and this Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.1(a).

Waiver

- 8.2 A waiver by a person of a provision of, or of a right under, this Deed Poll is only binding on the person granting the waiver if it is given in writing and is signed by the person or an authorised officer of the person granting the waiver.
- 8.3 A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- 8.4 A single or partial exercise of a right by a person does not preclude another exercise of that right or the exercise of another right.
- 8.5 The failure to exercise, or the delay in exercising, a right does not operate as a waiver or prevent the person so failing or exercising its right from later doing so.

Variation

- 8.6 A provision of this Deed Poll may not be varied unless the variation is agreed to by MACH Metals and:
- (a) if before the First Court Date, the variation is agreed to by Rex; or
 - (b) if on or after the First Court Date, the variation is agreed to by Rex and the Court indicates that the variation would not of itself preclude approval of the Scheme,
- in which event MACH Metals will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

Rights cumulative

- 8.7 The rights, powers and remedies of MACH Metals and the Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

- 8.8 The rights created by this Deed Poll are personal to MACH Metals and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of MACH Metals.
- 8.9 Any purported dealing in contravention of clause 8.8 is invalid.

Further assurances

- 8.10 MACH Metals must, at its own expense, do all things and execute all documents necessary to give full effect to this Deed Poll and the transactions contemplated by it.

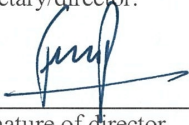
Governing law and jurisdiction

- 8.11 This Deed Poll is governed by the laws of Victoria, Australia.
- 8.12 MACH Metals irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Victoria, Australia and any courts which have jurisdiction to hear appeals from any of those courts in respect of any proceedings arising out of or in connection with this Deed Poll.

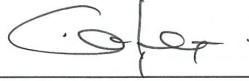
Execution

Executed as a deed poll.

Signed sealed and delivered
by **MACH Metals Australia Pty Ltd**
in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:



Signature of director



Signature of secretary / director

Ferdian Purnamasidi

Name of director (please print)

JASON CULPEPER

Name of secretary / director (please print)

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Annexure C

Notice of Scheme Meeting

REX MINERALS LIMITED ABN 12 124 960 523

Notice of Scheme Meeting

Notice is hereby given that, by an order of the Federal Court of Australia made on 4 September 2024, pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of Rex Minerals Limited (**Rex**) Shareholders (other than an Excluded Shareholder) will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne on **10 October 2024 at 10.00am** (Melbourne time) (**Scheme Meeting**).

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment, or any alterations or conditions required by the Court to which Rex and MACH Metals agree) proposed to be made between Rex and Rex Shareholders (other than an Excluded Shareholder) (**Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this Notice of Scheme Meeting forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this Notice of Scheme Meeting. Capitalised terms used but not defined in this Notice of Scheme Meeting have the defined meanings set out in section 10 of the Scheme Booklet, unless the context otherwise requires.

Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, to pass (with or without amendment) the following resolution (**Scheme Resolution**):

'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the scheme of arrangement proposed between Rex Minerals Limited and the holders of its ordinary shares (other than an Excluded Shareholder), as contained in and more particularly described in the Scheme Booklet of which the notice convening this Scheme Meeting forms part, is agreed to, with or without amendment, or any alterations or conditions as approved by the Federal Court of Australia to which Rex Minerals Limited and MACH Metals Australia Pty Ltd agree.'

By order of the Court and the Board of Rex Minerals Limited.



Mr Ian Smith
Chairman

Dated 4 September 2024

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Explanatory Notes

1. General

These explanatory notes relate to the Scheme, and should be read in conjunction with the Scheme Booklet dated 4 September 2024 (**Scheme Booklet**) and the Notice of Scheme Meeting. These explanatory notes and the Scheme Booklet form part of the Notice of Scheme Meeting. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure A of the Scheme Booklet.

Terms used in these explanatory notes, unless otherwise defined, have the same meaning as set out in the Glossary in section 10 of the Scheme Booklet.

2. Chair

The Court has directed that Ian Smith is to act as chair of the Scheme Meeting and that if he is unable or unwilling to act, Greg Robinson is to act as chair of the Scheme Meeting.

3. Required voting majority

For the proposed Scheme to be binding in accordance with section 411(4)(a) of the Corporations Act, the Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number of Rex Shareholders (other than an Excluded Shareholder) present and voting (either online or by proxy, attorney or, in the case of corporate Rex Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by Rex Shareholders (other than an Excluded Shareholder) present and voting (either online or by proxy, attorney or, in the case of corporate Rex Shareholders, body corporate representative).

4. Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without amendment, or any alterations or conditions required by the Court to which Rex and MACH Metals agree) is subject to approval by the Court. If the Scheme Resolution is passed by the requisite majorities set out above, and the other conditions to the Scheme (other than approval by the Court) are satisfied or waived (where capable of waiver) by the time required under the Scheme, Rex will apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

5. Entitlement to vote

For the purposes of the Scheme Meeting, Rex Shares will be taken to be held by the persons who are registered as members at 7.00pm (Melbourne time) on 8 October 2024. Only those Rex Shareholders (other than an Excluded Shareholder) entered on the Rex Share Register at that time will be entitled to participate in and vote at the Scheme Meeting in person, by proxy or attorney, or in the case of a corporate Rex Shareholder, by a body corporate representative. Accordingly, registrable transmission applications to transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to Rex Shareholders entitled to participate in and vote at the Scheme Meeting.

6. How to vote

Voting will be conducted by poll.

If you are a Rex Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- **(in person)** attending and voting in person;
- **(by proxy)** lodging a proxy form online at www.investorvote.com.au or by completing, signing and lodging a proxy form for the Scheme Meeting in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the Share Registry by 10.00am (Melbourne time) on 8 October 2024;
- **(by attorney)** appointing an attorney to attend the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Share Registry by 10.00am (Melbourne time) on 8 October 2024; or
- **(by corporate representative)** in the case of a body corporate which is a Rex Shareholder, by appointing a corporate representative to vote at the Scheme Meeting on behalf of that Rex Shareholder and providing a duly executed appointment of corporate representative (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting.

7. Jointly held securities

If you hold the Rex Shares with one or more persons, only one of you may vote. If more than one of you attempts to vote at the Scheme Meeting, only the vote of the shareholder whose name appears first on the Rex Share Register will be counted.

8. Voting

8.1 Voting in person

To vote in person, you must attend the Scheme Meeting to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria on 10 October 2024. The Scheme Meeting will commence at 10.00am.

A Rex Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosure at the point of entry to the Scheme Meeting once they have disclosed their name and address.

8.2 Voting by proxy

A Rex Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting as their proxy. To do so, either they should mark the box 'Appoint a Proxy' in step 1 of the proxy form to appoint the chair of the Scheme Meeting as their proxy, or insert the name and email address of their alternative proxy in the space provided. Please refer to section 8.5 of this Notice of Scheme Meeting below for further details in relation to how to submit a proxy form.

The following applies to proxy appointments:

- a proxy need not be another Rex Shareholder, and may be an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with sections 250D and 253B of the Corporations Act to exercise its powers as proxy at the Scheme Meeting;
- a Rex Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint one or two proxies. If you wish to appoint a second proxy, a second hard copy proxy form should be used, and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy proxy forms, you may obtain a second proxy form by contacting the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) on Monday to Friday between 9.00am to 5.00pm (Melbourne time) or online at www.investorvote.com.au, or by copying the proxy form. You cannot appoint a second proxy using the online platform. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the Rex Shareholder's voting rights. If a Rex Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Rex Shareholder's votes, each proxy may exercise half of that Rex Shareholder's votes with any fractions of votes disregarded;
- if you hold Rex Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either Rex Shareholder may sign the proxy form; and
- each proxy will have the right to vote and ask written questions at the Scheme Meeting.

A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority.

If you have appointed a proxy and participate in the Scheme Meeting and vote on the Scheme Resolution, the authority of your proxy to participate and vote, on your behalf, is automatically revoked. However, if you take part in the Scheme Meeting but do not vote on the Scheme Resolution, you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Share Registry before the start of the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways in section 8.5 below.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chair of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it, but your proxy does not participate in the Scheme Meeting, the chair of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chair of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Rex Shareholders.

Proxies of eligible Rex Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

8.3 Voting by attorney

You may appoint an attorney to participate in and vote at the Scheme Meeting on your behalf. Your attorney need not be another Rex Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you, and specify your name, the Company (being, Rex), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be received by the Share Registry before 10.00am (Melbourne time) on 8 October 2024 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways specified for proxy forms in section 8.5 below, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

Attorneys of eligible Rex Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

8.4 Voting by corporate representative

A body corporate that is a Rex Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its corporate representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D and 253B of the Corporations Act. An appointment of corporate representative may be downloaded via www.computershare.com/Investor and select "Printable Forms" or obtained from the Share Registry by calling 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) on Monday to Friday between 9.00am to 5.00pm (Melbourne time).

The appointment of corporate representative may set out restrictions on the corporate representative's powers. The appointment of corporate representative must be received by the Share Registry prior to the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting). Rex Shareholders may submit the appointment of corporate representative in any of the ways specified for proxy forms in section 8.5 of this Notice of Scheme Meeting, except that an appointment of corporate representative cannot be lodged online or by mobile device.

If an appointment of corporate representative is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed appointment of corporate representative unless the power of attorney or other authority has previously been received by the Share Registry.

Corporate representatives of eligible Rex Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors.

8.5 How to submit a proxy form

To appoint a proxy, you should complete and submit the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form.

To be effective, proxy appointments must be received by way of completed proxy forms by the Share Registry by 10.00am (Melbourne time) on 8 October 2024 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the following ways:

- **online:**

At www.investorvote.com.au by using the 6-digit control number and your SRN/HIN located on your proxy form.

- **by post in the provided reply-paid envelope to the Share Registry at the following address:**

Computershare Investor Services Pty Limited
GPO Box 1282
Melbourne VIC 3001

- **by hand delivery (during normal business hours) to the Share Registry at the following address:**

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

Proxy forms received after this time will be invalid.

If a proxy form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been received by the Share Registry.

For more information concerning the appointment of proxies and ways to lodge the proxy form, please refer to the proxy form.

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9. Questions

Rex Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting.

Rex Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions online by clicking 'Ask The Board' on the right hand side of the page when lodging an online proxy vote at www.investorvote.com.au. Alternatively, questions can be sent by email to rex@rexminerals.com.au. The chair of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Questions and comments may be moderated to avoid repetition and to make them more concise. Please note that individual responses will not be sent to Rex Shareholders.

Questions must be submitted by 10.00am (Melbourne time) on 8 October 2024.

10. Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chair will have regard to the number of Rex Shareholders impacted, and the extent to which participation in the business of the Scheme Meeting is affected. Where the chair considers it appropriate, the chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

11. Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone from the ASX website www.asx.com.au, from the Rex website www.rexminerals.com.au/investors or by contacting the Share Registry.

Annexure D

Independent Expert's Report

For personal use only

Rex Minerals Limited

Independent Expert's Report

28 August 2024

For personal use only



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9 Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

FINANCIAL SERVICES GUIDE

Dated: 28 August 2024

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd ('BDO Corporate Finance', 'we', 'us', 'our').

The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$115,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority ('AFCA') using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au



Table of contents

1.	Introduction	1
2.	Summary and opinion	1
3.	Scope of the Report	4
4.	Outline of the Scheme	6
5.	Profile of Rex	8
6.	Profile of MACH Metals	16
7.	Economic analysis	17
8.	Industry analysis	20
9.	Valuation approach adopted	28
10.	Valuation of Rex	31
11.	Valuation of Scheme Consideration	57
12.	Is the Scheme fair?	57
13.	Is the Scheme reasonable?	58
14.	Conclusion	61
15.	Sources of information	61
16.	Independence	61
17.	Qualifications	62
18.	Disclaimers and consents	62

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Discount Rate

Appendix 4 - Independent Technical Specialist Report prepared by Behre Dolbear Australia Pty Ltd



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Level 9 Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

28 August 2024

The Directors
Rex Minerals Limited
PO Box 3435
Rundle Mall SA 5000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 8 July 2024 Rex Minerals Limited ('Rex' or 'the Company') announced that it had entered into a Scheme Implementation Deed ('SID') with MACH Metals Australia Pty Ltd ('MACH Metals'), under which MACH Metals will acquire all of the shares in Rex that it does not already own by way of a scheme of arrangement under the Australian Corporations Act 2001 (Cth) ('the Scheme'). Under the Scheme, Rex shareholders not associated with MACH Metals will receive cash consideration of \$0.47 for every Rex share that they hold ('Scheme Consideration').

Further information on the Scheme can be found in Section 4 of our Report.

All currencies are quoted in Australian dollars unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Rex have requested that BDO Corporate Finance Australia Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Scheme is in the best interests of the shareholders of Rex not associated with MACH Metals ('Shareholders').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 ('Corporations Act' or 'the Act') and is to be included in the scheme booklet ('Scheme Booklet') prepared by the Directors of Rex in order to assist Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 60 'Schemes of arrangements' ('RG 60'), Regulatory Guide 111 'Content of expert reports' ('RG 111') and Regulatory Guide 112 'Independence of experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report.

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We have considered:

- How the value of a Rex share (on a controlling interest basis) compares to the value of the Scheme Consideration;
- The likelihood of an alternative offer being made to Rex;
- Other factors which we consider to be relevant to Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

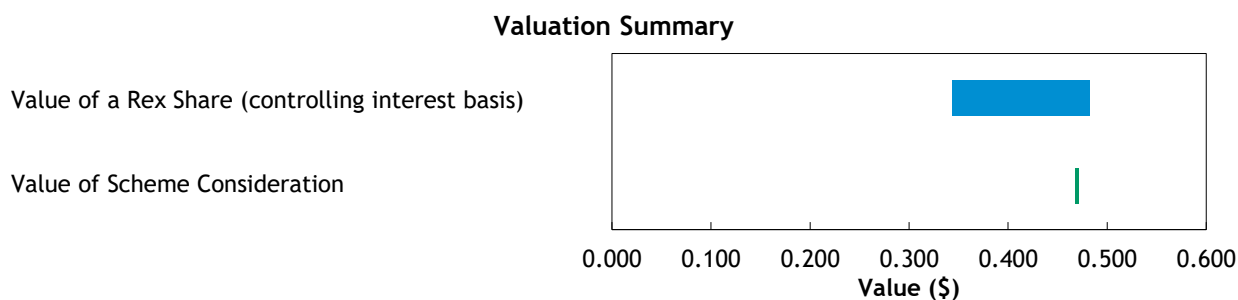
2.4 Fairness

In Section 12, we determined that the value of a Rex share prior to the implementation of the Scheme (on a controlling interest basis) compares to the value of the Scheme Consideration, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Rex Share (on a controlling interest basis)	10.3	0.346	0.412	0.484
Value of the Scheme Consideration	11	0.470	0.470	0.470

Source: BDO analysis

The above valuation ranges are graphically presented below:



Under RG111.11 an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The above pricing indicates that, in the absence of a superior proposal, the Scheme is fair for Shareholders. We note that our assessed high value of a Rex share is greater than the value of the Scheme Consideration, however given that our low and preferred value and a majority of the range of values is below the value of the Scheme Consideration, we consider the Scheme to be fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this Report, in terms of the following:

- Advantages and disadvantages of the Scheme.
- Other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.2	The Scheme is fair	13.3	Shareholders will forego the opportunity to potentially receive dividends in the future
13.2	Shareholders obtain cash under the Scheme	13.3	Shareholders will forego the opportunity to participate in the potential upside of the Company's projects, should it materialise.
13.2	The Scheme Consideration offered is at a premium to the last traded price of a Rex share prior to the announcement of the Scheme		
13.2	Shareholders will no longer be exposed to risks associated with being a shareholder of Rex		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposals
13.4	Consequences of not approving the Scheme

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3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 (**‘Regulations’**) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act (**‘Section 411’**).

An independent expert’s report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

MACH Metals or its associates, do not hold more than 30% of the voting shares in Rex and there are no common directors between the two companies. Accordingly, there is no requirement for this report pursuant to Section 411. Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Scheme, the directors of Rex have requested that BDO prepare this report as if it were an independent expert’s report pursuant to Section 411 and to provide an opinion as to whether the Scheme is fair and reasonable and in the best interests of Shareholders.

The requirement for an independent expert’s report is also a condition precedent in the SID, which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders and does not publicly change or withdraw that conclusion before 8:00am on the second court date.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term ‘in the best interests of’. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of ‘control’ transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is ‘fair and reasonable’. While there is no definition of ‘fair and reasonable’, RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, ‘in the best interests’ must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall

commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Rex share including a premium for control and the Scheme Consideration (fairness - see Section 12 'Is the Scheme Fair?').
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 13 'Is the Scheme Reasonable?').
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

On 8 July 2024, Rex announced it had entered into a SID with MACH Metals, under which it is proposed that MACH Metals will acquire all of the issued capital of Rex which it does not already own by way of a scheme of arrangement under the Corporations Act.

Under the terms of the SID, each Rex shareholder will receive \$0.47 cash for each Rex share held on the Scheme record date.

Conditions precedent

The Scheme is subject to various conditions precedent, including:

- approval by Shareholders at the Scheme meeting by the requisite majorities (at least 75% of all votes cast by Shareholders and (unless the Court orders otherwise) more than 50% of the number of Shareholders who vote at the Scheme meeting);
- approval of the Court;
- approval of the Australian Foreign Investment Review Board ('FIRB');
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders; and
- customary conditions including no material adverse change, no restraints and no prescribed occurrences, as detailed in the SID.

Full details of the terms and conditions of the Scheme are set out in the SID which is contained within the 8 July 2024 announcement by Rex.

Break fees

Pursuant to the SID, Rex must pay MACH Metals a break fee of \$3.4 million if:

- during the exclusivity period, any Rex board member changes, withdraws or adversely modifies or revises his or her recommendation that the Shareholders vote in favour of the Scheme, or recommends a competing proposal, except in the circumstances permitted under the SID being:
 - as a result of the independent expert opining (including in any update of, or revision, amendment or supplement to, the Independent Expert Report) that the Scheme is not in the best interests of Shareholders (other than where the reason for that opinion is a competing proposal);
 - as a result of any matter or thing giving Rex the right to terminate (set out in the SID) and that right has been exercised; or
 - as a result of a failure of the conditions precedent (set out in the SID), giving rise to a right of Rex to terminate this deed and Rex has exercised that right.
- a competing proposal of any kind is announced or made during the exclusivity period and, within 9 months of the announcement the third-party proponent (or their associate) completes the competing proposal
- MACH Metals validly terminates the SID under certain clauses relating to a material breach of the SID by Rex.

Refer to the SID for the full set of circumstances under which the break fee is payable by Rex.

Option Cancellation Deed

We note that Rex has entered into option cancellation deeds with each of the option holders of Rex (**'Option holders'**), with Option holders entitled to receive a cash payment per option equal to the Scheme Consideration less the exercise price of the option. Option holders that accept the cash payment will have their options cancelled. The cancellation of the Options is conditional on the Scheme becoming effective and necessary regulatory approvals, consents and waivers.

Consideration Rights

The Hog Ranch Consideration Rights (**'Consideration Rights'**) were issued following the receipt of Shareholders' approval on 21 November 2019. The Consideration Rights convert to Rex shares upon the single remaining milestone, namely announcement by Rex to the ASX, by no later than 31 October 2024, that the Board has approved a decision to mine the Hog Ranch Property.

Pursuant to the SID, Rex must give effect to the treatment of the Consideration Rights in accordance with their terms of issue, namely:

- if Shareholder approval for the Scheme is obtained on or before 31 October 2024, each Consideration Right will convert into a Rex Share
- otherwise, each Consideration Right will expire.

5. Profile of Rex

5.1 History

Rex is an Australian Securities Exchange ('ASX') listed copper and gold exploration and development company. Rex's flagship project is the Hillside copper-gold project ('Hillside Project' or 'the Project') located on the Yorke Peninsula, South Australia ('SA'). The Company also has 100% interest in the Hog Ranch Property ('Hog Ranch') located in Nevada, United States of America ('USA'), that hosts a gold mineral resource and lithium prospects. Rex was incorporated and listed on the ASX in 2007. The Company is headquartered in Pine Point, SA.

The current directors of Rex are:

- Ian Smith - Non-Executive Chairman
- Richard Laufmann - Chief Executive Officer and Managing Director
- Amber Rivamonte - Chief Financial Officer and Executive Director of Finance
- Gregory Robinson - Non-Executive Director
- Andrew Seaton - Non-Executive Director.

5.2 Hillside Project

Rex's 100% owned Hillside Project is an iron oxide copper gold deposit located in the Gawler Craton on the Yorke Peninsula, SA. The Gawler Craton also hosts the Olympic Dam, Prominent Hill and Carrapateena deposits. The Project is situated approximately 165 kilometres ('km') from Adelaide and 12 km south of the town of Ardrossan.

Copper-gold mineralisation at the Hillside Project was first identified by Rex in 2008. Rex commenced resource definition drilling at the Hillside project in January 2010 and in July 2010 announced that it had completed its first Mineral Resource Estimate ('MRE'). Further drilling and resource upgrades were made in 2011. In July 2011 the Company released the results of a conceptual study of the Hillside Project and in October 2012 the Company announced the completion of a Pre-Feasibility Study ('PFS') for the Hillside Project, which confirmed the technical and economic viability of the Hillside Project.

Following completion of the PFS in 2012, the Company submitted tenement applications to the Minister for Mineral Resources and Energy, seeking a Mineral Lease, Extractive Minerals Lease and Miscellaneous Purposes Licence for the Hillside Project. In September 2014, the South Australian Government granted Rex:

- Mineral Lease 6438 ('ML 6438') - for the mineral extraction of iron ore, copper, and gold, valid for a period of 21 years;
- Extractive Mineral Lease 6349 ('EML 6439') - for the extraction of gravel and sand, valid until 2026; and
- Miscellaneous Purposes Licence 146 ('MPL 146') - for the purpose of pipeline and high voltage powerline construction, valid for a period of 21 years.

Rex owns the Hillside Project through Rex Minerals (SA) Pty Ltd which holds the three project tenements listed above and Rex Hillside (Property) Pty Ltd which is the owner of the freehold land on which the mine is to be located.

The development of the Hillside Project has been split into several stages. Details of the staged development plan for the Hillside Project are set out below:

Item	Stage 1	Stage 2	Stage 3	Stage 4	Total
Contained Copper (Kt)	507	525	417	214	1,663
Contained Gold (Koz)	436	433	462	197	1,528
Cumulative Mine Life (years)	11	22	30+	~40	
Stage status	OFS Completed PEPR Approval	PFS Complete	No studies completed	No studies completed	

Source: Rex annual reports and BDO analysis

Stage 1

In May 2015, Rex completed an Extended Feasibility Study ('EFS') for Stage 1. The EFS included an updated optimised open pit mine design, aimed to deliver approximately 6 million tonnes per annum ('Mtpa') of ore to the processing plant to produce copper-gold concentrate.

In July 2020, the South Australian Government approved the Program for Environment Protection and Rehabilitation ('PEPR') for Stage 1 of the Project.

On 14 December 2022, Rex announced the completion of the Optimised Feasibility and Definition Phase Engineering Study ('OFS'). The OFS provided an updated Stage 1 mine plan, for immediate and future expansion, optimised production for the expanded processing plant and revised the schedule and costings. The OFS superseded historical MREs and complied with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - 2012 Edition ('JORC Code').

Per the OFS, Stage 1 mining operations will use open pit extraction. Copper separation will employ a conventional flotation processing method, with tailings stored in a dedicated tailings storage facility. Concentrate will be transported by road and shipped from Port Adelaide. The Project has access to the existing electricity grid, roads, water and skilled labour.

Stage 1 will target 51% of the ore reserve estimate ('ORE') and 26% of the MRE, with expected production of 507 kt of copper and 436 koz of gold over an 11-year mine life. Plant throughput will commence at 6 Mtpa, with ability to expand to 8 Mtpa once stable mining and processing operation is achieved.

Pre-development activities on Stage 1 commenced in 2022. Recent developments undertaken by Rex at the Hillside Project include:

- In March 2022, Rex announced it had partnered with Ausenco for the provision of engineering procurement and construction management ('EPCM') services at the Hillside Project.
- In August 2022, Rex announced it had executed a non-binding letter of intent ('LOI') with Thiess Pty Ltd ('Thiess') for the provision of mining services at the Hillside Project.
- During the March quarter of 2023, Rex completed the purchase of freehold land parcels required for the processing plant and road diversion at the Hillside Project. Following the acquisition of these parcels, Rex owns all the freehold land required for Stage 1 of the Hillside Project.
- In May 2023, Rex announced it had executed a LOI with Hitachi Construction Machinery (Australia) Pty Ltd ('HCA') for the provision of a mining fleet for the Hillside Project. In addition to the mining fleet, HCA is expected to provide SA based facilities and after sales support including parts

inventory, staff training using simulation, technical support and equipment servicing. This LOI locks in the build slots for long lead-time items to meet the Hillside Project timeline and ensures key mining equipment availability. The LOI also allows the fleet to be assigned to a third-party mining services contractor if Rex elects to do so.

- During the December 2023 quarter, Rex installed additional environmental monitoring equipment at the Hillside Project, in accordance with the PEPR.
- During the March 2024 quarter, Rex completed a solar farm feasibility study. The study will be compared against the option of full utilisation of the SA State-based electricity grid that will be 100% renewable by the time the mine is operational.
- During the March 2024 quarter, tailing storage facility construction drawings were finalised by ACT Williams Pty Ltd.

Stage 2

Stage 2 was defined in a PFS completed in 2021. The PFS included a mine plan, tailings expansion design and updated production schedule. Stage 2 extends the mine life by an additional 11 years, resulting in a mine life of 22 years for Stage 1 and Stage 2 development.

Stage 2 is expected to produce 525 kt of copper and 433 koz of gold, extracting a further 25% of the MRE. The processing plant has a 10 Mtpa future upgrade, with the addition of a coarse particle flotation circuit. Stage 2 is subject to further regulatory and board approvals and Rex would be required to develop and submit an amended PEPR.

Further development

Rex also has a prospective stage 3 ('**Stage 3**') and stage 4 ('**Stage 4**') mine plan, extending the mine life and contained resources as summarised below:

- The Stage 3 would extend the expected mine life to up to 30 years, with additional copper and gold mineral resources.
- The Stage 4 could extend the expected mine life to beyond 30 years, with further additional copper and gold mineral resources.

The Stage 3 and Stage 4 of the Hillside Project remain prospective, with studies yet to be completed to determine the feasibility. Rex holds additional regional exploration properties surrounding the Hillside Project. Rex is evaluating these licences as part of an overall regional copper strategy.

Further information on the Hillside Project can be found in the independent technical assessment and valuation report prepared by Behre Dolbear Australia Pty Ltd ('**Behre Dolbear**') ('**Technical Specialist Report**') in Appendix 4 of our Report.

5.3 Hog Ranch

The Hog Ranch property is located in Washoe County, north-west Nevada, approximately 45 km from the California border and 91 km from the Oregon border. Hog Ranch is an epithermal gold resource, which was first discovered in 1980. Hog Ranch was mined from 1988 to 1992, with six pits yielding approximately 200 ounces ('oz') of gold, prior to site rehabilitation being completed in 1994.

Hog Ranch was acquired by Rex in 2019, as a prospective gold mining claim. The Hog Ranch property is made up of 1,737 unpatented mining claims, of which, Hog Ranch Minerals Inc (wholly owned subsidiary of

Rex) directly owns 1,490 Mining Claims and controls the remaining 247 mining claims through a mining lease with purchase option with Nevada Select Royalty Inc.

In September 2019, Rex released its maiden MRE for Hog Ranch. In June 2020, Rex completed a scoping study for the Bells Project ('Bells') for a small-scale operation, representing less than 20% of the MRE.

In March 2021, Rex updated the MRE across four deposits, namely Bells, Krista deposit ('Krista'), Cameco deposit ('Cameco') and Airport deposit ('Airport'). Bells is situated at the southern end and Krista (is situated at the northern end of the property. Other deposits and prospects extend in a north-westerly direction from Krista, including Cameco and Airport and the recently staked Gillam prospect.

In September 2023, Rex announced that it had identified lithium mineralisation at Hog Ranch. Lithium clay mineralisation of 12.2 m @ 971 parts per million ('ppm') of lithium. Rex expanded the total Mining Claims by 70% to secure the ground deemed prospective for lithium.

In May 2024, Rex announced that the US Department of Interior's Bureau of Land Management ('BLM') approved the land of operations for Rex's proposed exploration activities over the Krista and Bells areas.

Further information on the Hog Ranch can be found in the Technical Specialist Report in Appendix 4 of our Report.

5.4 Recent Corporate Events

Project funding and potential joint venture arrangements

The introduction of a strategic partner is a key element of the funding solution for the Hillside Project, with Rex seeking to finance the Hillside Project with a funding package consisting of a mixture of debt and equity financing.

In February 2023, Rex announced it had commenced the partnering process to seek a direct partnership via a minority interest in the Hillside Project. Macquarie Capital was appointed as the financial advisor to assist in managing the partnering process. Rex also announced that a senior debt process was also running in parallel to the equity partnership, with interest from domestic and international banks. Behre Dolbear was appointed to act as the lender's Independent Technical Expert ('ITE') to conduct technical due diligence and produce an ITE report suitable for financing purposes.

In December 2023, Rex announced it had executed a non-binding LOI with Nittetsu Mining Co. Ltd. ('Nittetsu'), a Japanese public company with global mining experience, to establish a Joint Venture in respect of the Company's Hillside Project. The LOI sets out the principal terms on which Nittetsu could initially acquire a 15% participating interest in the Hillside Project, with optionality to increase its investment up to 45% in the future.

Equity raisings and placements

Rex has undertaken several capital raises over recent periods to provide working capital to fund Rex through to the Hillside Project's final investment decision including pre-construction activities and pursuing additional value at Hog Ranch. Rex's recent equity placements are summarised below:

- On 6 August 2021, Rex announced it had completed a \$50 million (before costs) two tranche placement. Tranche one included the issue of 17.8 million new fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.30 per share to raise \$5.3 million. Tranche 2 included the issue of 148.8 million new fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.30 per share to raise \$44.7 million.

- On 3 August 2023, Rex announced that it had completed a \$8.0 million (before costs) placement through the issue of 40.0 million new fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.20 per share. As part of the placement, the Company issued one new unlisted option for every two new shares issued, resulting in a total of 20,000,006 new unlisted options being issued. The unlisted options were exercisable at \$0.30 each and had an expiry date of 9 August 2024.
- On 18 January 2024, Rex announced the completion of the strategic placement and the accelerated component of the entitlement offer, which raised a total of \$15.5 million. The accelerated component of the entitlement offer at \$0.17 per share comprised \$1.4 million to institutional investors and a \$2.3 million shortfall, which was allocated to MACH Metals as sub-underwriter. The strategic placement to MACH Metals raised a further \$11.8 million at \$0.185 per share. On 7 February 2024, the entitlement offer to eligible shareholders closed and raised a further \$7.1 million. Retail shareholders raised \$1.5 million at \$0.17 per share and a further \$5.6 million was allocated to MACH Metals as the sub-underwriter. The strategic placement and the entitlement offer raised a total of \$22.6 million. As part of the strategic placement and entitlement offer, MACH Metals established itself as a cornerstone investor, acquiring 121,525,069 shares, equivalent to a 15.83% holding in Rex.

Option Incentive Plan

The Company's Option Incentive Plan ('OIP') was approved at its Annual General Meeting ('AGM') on 16 November 2021.

On 19 July 2023, Rex proposed the issue of 30 million unlisted options to key management personal (five million options each to the three Non-Executive Directors and three key executives (Chief Executive Officer ('CEO'), Chief Financial Officer ('CFO') and Chief Operating Officer ('COO')). Subsequently, on 15 December 2023, Rex issued 5 million options each to its CEO, CFO and COO, which were approved by shareholders at its AGM. The unlisted options were issued with an exercise price of \$0.40, vesting in two tranches with an expiry date of 15 December 2027.

On 1 September 2023, Rex announced that it had issued 3,750,000 options under the terms of the OIP. The unlisted options were issued with an exercise price of \$0.22, vesting in three equal tranches with an expiry date of 2 August 2027.

On 29 May 2024, Rex announced the issue of 1,500,000 options to an employee under the OIP. The unlisted options were issued with an exercise price of \$0.30, vesting in three equal tranches with an expiry date of 19 May 2028.

On 12 July 2024, Rex announced the issue of 6,516,071 fully paid ordinary shares following the exercise of unlisted options at an exercise price of \$0.30 with an expiry date of 9 August 2024.

On 31 July 2024, Rex announced the issue of 4,769,288 fully paid ordinary shares following the exercise of unlisted options at an exercise price of \$0.30 with an expiry date of 9 August 2024.

Hog Ranch Acquisition

On 20 August 2019, Rex acquired Hog Ranch Group Pty Ltd and the entities it controls including the Hog Ranch Property for \$1.6 million. As part of the acquisition, Rex issued 10 million ordinary Rex shares and 20 million Consideration Rights.

Upon announcement of the acquisition to the ASX, 5 million of the Consideration Rights vested. Rex currently has on issue 15 million Consideration Rights which will convert to Rex shares upon the single

remaining milestone, namely announcement by Rex to the ASX, by no later than 31 October 2024, that the Board has approved a decision to mine the Hog Ranch Property.

As set out in section 4, the Consideration Rights will vest if the Scheme is approved by Shareholders on or before 31 October 2024.

5.5 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-23 \$'000	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5,516	6,568	44,139
Trade and other receivables	3,285	2,630	411
Prepayments	942	830	1,019
TOTAL CURRENT ASSETS	9,743	10,028	45,569
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3,243	3,243	3,243
Property, plant and equipment	26,381	26,342	14,263
Water infrastructure	4,076	4,076	4,076
TOTAL NON-CURRENT ASSETS	33,700	33,661	21,582
TOTAL ASSETS	43,443	43,689	67,151
CURRENT LIABILITIES			
Trade and other payables	603	1,519	1,144
Employee benefits	1,223	1,169	793
TOTAL CURRENT LIABILITIES	1,826	2,688	1,937
NON-CURRENT LIABILITIES			
Employee benefits	55	64	106
TOTAL NON-CURRENT LIABILITIES	55	64	106
TOTAL LIABILITIES	1,881	2,752	2,043
NET ASSETS	41,562	40,937	65,108
EQUITY			
Issued capital	272,034	264,855	264,846
Reserves	2,516	1,775	1,140
Accumulated losses	(232,988)	(225,693)	(200,878)
TOTAL EQUITY	41,562	40,937	65,108

Source: Rex's audited financial statements for the years ended 30 June 2022 and 30 June 2023, and reviewed financial statements for the half year ended 31 December 2023.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents decreased from \$44.14 million as at 30 June 2022 to \$6.57 million as at 30 June 2023. The decrease of approximately \$37.57 million was primarily the result of exploration and evaluation payments of \$18.19 million, acquisition of property, plant and equipment of \$12.06 million and payments to suppliers and employees of \$7.21 million.
- Cash and cash equivalents decreased from \$6.57 million as at 30 June 2023 to \$5.52 million as at 31 December 2023. The decrease of approximately \$1.05 million was primarily the result of exploration and evaluation payments of \$4.89 million and payments to suppliers and employees of \$4.31 million. This was partially offset by proceeds from the issue of shares of \$8.29 million.
- Prepayments of \$0.94 million as at 30 June 2023 included \$0.57 million of payments made to secure fixed assets that are expected to be completed before 30 June 2024.

- Exploration and evaluation expenditure (excluding acquisition costs) is expensed within the profit and loss as incurred. Exploration and evaluation expenditure assets of \$3.24 million as at 30 June 2023 includes costs related to acquiring rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.
- Property, plant and equipment ('PP&E') increased from \$14.26 million as at 30 June 2022 to \$26.34 million as at 30 June 2023. The increase in PP&E during the period to 30 June 2023 was primarily land additions of \$11.32 million.
- Water infrastructure asset of \$4.08 million as at 31 December 2023 represents a prepayment to SA Water for infrastructure upgrades which will be amortised to the profit and loss over the life of future water contracts and recognised as water expense.

5.6 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-23 \$'000	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000
Finance income	143	537	92
Government grants	-	-	92
Corporate and compliance	(940)	(2,143)	(1,318)
Depreciation expense	(94)	(105)	(41)
Employee benefits expense	(3,233)	(5,661)	(3,295)
Marketing expense	(73)	(310)	(220)
Exploration and evaluation expense	(3,172)	(17,054)	(8,344)
Foreign currency loss/(gain)	(5)	(82)	257
Loss on disposal of fixed assets	(21)	-	-
Loss before income tax	(7,395)	(24,818)	(12,777)
Income tax benefit	-	-	-
Loss for the year from continuing operations	(7,395)	(24,818)	(12,777)
Other comprehensive income	-	-	-
Total comprehensive loss for the year, net of tax	(7,395)	(24,818)	(12,777)

Source: Rex's audited financial statements for the years ended 30 June 2022 and 30 June 2023, and reviewed financial statements for the half year ended 31 December 2023.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Finance income of \$0.54 million for the year ended 30 June 2023 and \$0.14 million for the half year ended 31 December 2023 related to interest income on funds invested.
- Rex's accounting policy in relation to exploration and evaluation expenditure is that costs are expensed in the year that they are incurred, apart from acquisition costs. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where the exploration and evaluation has not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. In accordance with this policy, exploration and evaluation expenses were \$3.17 million for the half year ended 31 December 2023 and \$17.05 million for the year ended 30 June 2023.

5.7 Capital structure

The share structure of Rex as at 13 August 2024 is outlined below:

	Number
Total ordinary shares on issue	783,265,822
Top 20 shareholders	382,360,514
Top 20 shareholders - % of shares on issue	48.82%

Source: Rex share registry information

The range of shares held in Rex as at 13 August 2024 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	558	206,334	0.03%
1,001 - 5,000	1,665	4,950,728	0.63%
5,001 - 10,000	904	7,095,743	0.91%
10,001 - 100,000	2,401	88,725,270	11.33%
100,001 - and over	663	682,287,747	87.11%
TOTAL	6,191	783,265,822	100.00%

Source: Rex share registry information

The ordinary shares held by substantial shareholders as at 13 August 2024 are detailed below:

Name	No. of ordinary shares	Percentage of issued shares (%)
Mach Investment Enterprise Pty Ltd	121,525,069	15.52%
Others	661,740,753	84.48%
Total ordinary shares on Issue	783,265,822	100.00%

Source: Rex share registry information

The options on issue in Rex as at 13 August 2024 are outlined below:

Description	No. of Options	Exercise price (\$)	Expiry date
Unlisted options	5,000,000	\$0.175	30-Nov-24
Unlisted options	200,000	\$0.470	28-May-25
Unlisted options	280,000	\$0.330	24-Nov-25
Unlisted options	7,000,000	\$0.253	2-Mar-26
Unlisted options	1,000,000	\$0.300	17-Apr-26
Unlisted options	3,750,000	\$0.220	2-Aug-27
Unlisted options	1,500,000	\$0.300	19-May-28
Unlisted options	15,000,000	\$0.400	15-Dec-27
Total number of options	33,730,000		

Source: Rex share registry information

In addition to the options set out above, Rex has the following Consideration Rights on issue:

Description	No. of Rights	Vesting Conditions	Expiry date
Consideration Rights	15,000,000	On announcement by Rex to ASX by no later than 31 October 2024 of the Board of Directors approving a decision to mine the Hog Ranch Project.	31 Oct 24

6. Profile of MACH Metals

MACH Metals is a wholly owned subsidiary of MACH Australia Holdings Pty Ltd (**'MACH Australia Holdings'**). MACH Australia Holdings holds all the issued shares in MACH Metals and MACH Energy Australia Pty Ltd (**'MACH Energy'**), which collectively form the MACH Group. The MACH Group, through MACH Energy, operates the Mount Pleasant coal project located in New South Wales, in a joint venture between MACH Energy and Japan Coal Development Australia Pty Ltd. The MACH Group is an experienced operator of mining assets in Australia and is part of the Salim Group which has a diverse portfolio of investments across manufacturing, food production and mining.

As at the date of this Report, MACH Metals owns 121,525,069 Rex shares equating to 15.52% of Rex's issued equity.

7. Economic analysis

Rex is primarily exposed to the risks and opportunities of the Australian and United States of America markets, through their listing on the ASX and the geographical location of their main projects in South Australia and Nevada. As such, we have presented an analysis on the Australian and United States of America economies to the extent that it relates to considerations for our assessment.

7.1 Australia

As at the August 2024 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') left the cash rate unchanged at 4.35%. Since the November 2023 meeting, the Board of the RBA ('the RBA Board') has kept interest rates at the highest since April 2022, in line with the post COVID 19 deflationary policy. The current monetary policy is aimed at returning inflation to the RBA's target of 2-3% within a reasonable timeframe, noting that indicators such as a strengthening of the labour market and growing labour and non-labour costs pose upside risks to inflation. In line with the June 2024 meeting, progress in disinflation appears to be slowing, with inflation sitting outside the target band. For the year ended June 2024, the trimmed mean consumer price index ('CPI') rose by 3.9%, 0.1% more growth than the prior period, which was forecast in the May 2024 Statement of Monetary Policy.

At the August 2023 meeting, in a slight adjustment to the May 2024 forecast, the RBA predicted inflation to approach, and sit within, the target 2-3% range by late 2025, with a focus on gradually approaching the midpoint through 2026. The adjustment to the inflation forecast represents the RBA Board's assessment that the economy is weaker than previously forecast based on less capacity to meet economic demand. In addition, indicators of household consumption and economic activity appear to be slowing where the unemployment rate is gradually rising.

Economic recovery appears to be slower than estimated headlined by disruptions to the economic position of Australia's trading partners, specifically China and the United States. In China, property woes have led to weaker consumption and commodity prices such iron ore, where in the United States, an unexpectedly weaker labour market and higher than expected inflation have had a dampening effect on economic growth.

Based on the most recent data, household and public consumption led to a strengthening of domestic demand, greater than forecast in May 2024, although the net effect of import growth and softer exports have had a negative effect on gross domestic product ('GDP') growth. For the year ended June 2024, GDP growth was 0.9%, which is lower than the forecasted outcome from May 2024 of 1.2%.

Since late 2022, equity prices in Australia have continued to increase, following suit from the United States equity market. The rise in equity prices has largely been driven by increased expectations of future earnings growth, most notably in the technology sector, although in the recent weeks, markets have seen significant pullbacks due to lower than expected earnings of some large technology companies and scepticism over the convertibility of investment in artificial intelligence into earnings. More recently, global equities were significantly set back by a rise in interest rates by the Bank of Japan as the policy setters looked to support a struggling Yen, causing a sell off of both Japanese and global equities, including in Australia.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. In Australia, as in many advanced economies, persistent systematic inflation and energy prices have weighed on demand. For the remainder of 2024, it is anticipated that GDP growth in Australia's key trading partners will continue to fall below expectations. As Chinese domestic consumption struggles and the property sector

continues to face significant challenges, China's growth is expected to remain subdued over the remainder of 2024 and 2025.

Outlook

The economic outlook remains uncertain, and according to the RBA Board, recent data indicates that the process of returning inflation to target is unlikely to be smooth and may take longer than previously expected. To date, medium-term inflation expectations have been consistent with the inflation target and the RBA Board emphasised the importance of this remaining the case. Inflation is easing but at a slower pace than previously expected. Returning inflation to target within a reasonable timeframe remains the RBA Board's highest priority, however, they expect it will take some time. Services price inflation remains high, as observed overseas, however, it is expected to gradually decline as domestic inflationary pressures moderate and growth in labour and non-labour costs ease.

Conditions in the labour market are expected to further ease to align broadly with full employment conditions that can be sustained over time without contributing to inflationary pressures in the coming years. Nominal wage growth is expected to remain strong in the near term and then gradually decline in line with labour market easing.

Economic growth in Australia is forecast to remain subdued as earlier interest rate hikes and inflation continue to weigh on consumption, albeit at a gradual pace. Growth is expected to gradually increase from late 2024 as inflation declines and household income pressure eases. However, the full impact of policy tightening on household consumption is uncertain and seems to be lagging behind. Household consumption is expected to experience growth to levels seen pre-pandemic by around mid-2025 supported by increases in real income growth due to tax cuts and declining inflation.

Considering that economic growth of Australia's trading partners has been slower than expected, domestic growth expectations have been pushed out. However, there remains a high level of uncertainty around the Chinese economic outlook and the implications of the conflicts in Ukraine and the Middle East, which may have significant implications for supply chains.

Source: www.rba.gov.au Statement by the Reserve Bank Board: Monetary Policy Decision dated 6 August 2024 and prior periods, www.rba.gov.au Minutes of the Monetary Policy Meeting of the Reserve Bank Board 6 August 2024 and prior periods.

7.2 United States of America

Following strong growth in Real GDP for the US economy in 2023, growth for the first quarter of 2024 has come in at a slower pace. Real GDP growth in the first quarter of 2024 rose by an annualised 1.4% compared with an annualised rise of 3.4% for the fourth quarter of 2023. Previously strong real consumption growth, which contributed significantly to last year's strong performance, has been more muted in 2024. Decreasing net exports and inventory investment also contributed to this slower growth, while real business fixed investment grew even against a challenging financial environment.

Consumer spending adjusted for inflation grew at an annualised 1.5% for the first quarter of 2024, having risen by an annualised 3.0% in the second half of 2023 and by 2.7% for 2023 as a whole. Lower growth in consumer spending for 2024 coincides with the observable slowdown in both the labour market and in the growth rate of disposable personal incomes compared to the year prior. In 2023, consumers primarily drew down on liquid assets such as checking accounts and lines of credit to fund their expenditure, while also enjoying modest increases in wages. As consumers now begin to feel the squeeze of tighter financial conditions and more moderate wage growth, credit card and auto loan delinquencies have continued to rise into the first quarter of 2024. The consumer savings rate also continues to remain far below the pre-pandemic average of 6.0% at 3.8% in the first quarter of 2024.

Real GDP growth for the remainder of 2024 is expected to be at an annualised 2.0% and continue to grow at this rate through 2025 and into the first half of 2026, otherwise moving between an expected range of 0% and 4% - according to projections by the Federal Reserve. The loosening of the current contractionary monetary policy, fiscal consolidation, ongoing supply disruptions and political and economic uncertainty are expected to continue weighing on growth going forward. However, the reorientation of domestic demand back towards the services sector and the reduction in headline inflation is expected to alleviate some supply shortages. The labour market has remained tight but shows signs of abating, with tight monetary conditions beginning to have its desired effect on the unemployment rate, which is rising from historic lows. Though, job openings and wage growth still remain high, current trends suggest these will begin to fall through 2024. Consumer price inflation, as measured by the 12-month change in the price index for personal consumption expenditures ('PCE'), was at 2.6% in May 2024, and subsequently fell by 0.1% in June 2024, down from a peak of 7.1% in 2022. The annual US inflation was 3.0% in June 2024, and is still above the US Federal Reserve's ('Fed') long term target of 2.0%.

In March 2022, the federal funds rate was 0.25%. Since then, the Fed has raised the rate by between 25 and 75 basis points in several of its Federal Open Market Committee's ('FOMC') meetings. In the most recent FOMC meeting in June 2024, the Fed decided to maintain the target range at 5.25% to 5.50% which was set in the July 2023 meeting.

Outlook

Although the war in Ukraine caused supply chain issues and drove up energy prices in 2022, these effects began to unwind in the beginning of 2023. Notably, the US has not endured energy supply issues related to the war to the extent that parts of Europe have. However, with the conflict in the Middle East and as the Ukraine war develops going forward, it may have a further negative impact on GDP growth and increasingly exacerbate inflationary pressures.

Acute stress in the US banking system has receded since March 2023 when federal regulators closed the Silicon Valley Bank after the lender was unable to meet demands from depositors for their money. The US financial markets also continue to be buoyant over the first quarter of 2024, with the S&P 500 index exceeding the record-high levels seen at the end of 2021. Although the increase has been broad across small and large capitalisation firms, it has primarily been driven by the largest seven companies which constitute approximately a quarter of the S&P 500.

Despite persistently high inflation and ongoing conflicts in the Middle East and Ukraine, the US financial system has remained resilient. Economic indicators remain favourable for a soft landing of the US economy. In conjunction with the June 2024 FOMC meeting, participants submitted their projections for key US economic indicators each year up to and post-2026 and the medians of these projections were publicised. Based on this, real GDP is expected to increase by 2.1% in 2024, 2.0% in 2025 and 2.0% in 2026, the unemployment rate is expected to be at 4.0% in 2024, 4.2% in 2025, and 4.1% in 2026, and PCE is expected to be 2.6% in 2024, 2.3% in 2025 and 2.0% thereafter.

Source: www.federalreserve.gov Monetary Policy Report July 2024 and prior periods, FOMC Meeting minutes June 2024, Bureau of Economic Analysis (BEA), U.S. Bureau of Labor Statistics, Federal Housing Finance Agency April 2024 www.fhfa.gov, US Department of the Treasury www.treasury.gov, Bloomberg and BDO analysis.

8. Industry analysis

Rex is a copper and gold exploration and development company listed on the ASX. As such, we have presented an overview of the copper and gold mining industries to the extent that it relates to considerations for our assessment.

8.1 Copper

Copper is a soft, tough and malleable metal which is highly sought after due to its importance in a variety of practical applications. Copper is very ductile and a good conductor of electricity which is why it is used in electrical wires, electrical generators and in electronic goods such as radios and TVs. Copper is also used in motor vehicle radiators, air conditioners and heating systems because it is a good conductor of heat. More recently, copper has been replacing aluminium in computer chips. Copper is also one of the few materials that does not degrade or lose its chemical properties during the recycling process. Therefore, recycling of copper has the positive effect of efficiently reducing waste and extending the life of existing resources.

Due to some of the applications outlined above, copper is going to be an extremely important resource in the energy transition. As fossil fuels are phased out, technologies that were previously fossil fuel powered will need to be electrified. As an example, electric vehicles use four times as much copper as petrol-fuelled cars. This will lead to increased demand for copper as the world looks to achieve its climate change related targets.

Open pit mining is widely utilised in most copper producing countries except for in Australia where approximately 93% of copper is extracted through underground mining. Copper is often found in conjunction with gold, lead, cobalt or zinc, and a number of industry operators mine these metals and ores as well.

There are two main copper ore types of concern, copper oxide ores and copper sulphide ores. The majority of the global copper supply comes from sulphide copper ores. Sulphide ores are the most profitable as they have a high copper content as well as the copper being more easily extracted than oxide ores. While oxide ores are more abundant than sulphide ores, they are not as popular due to their lower grade.

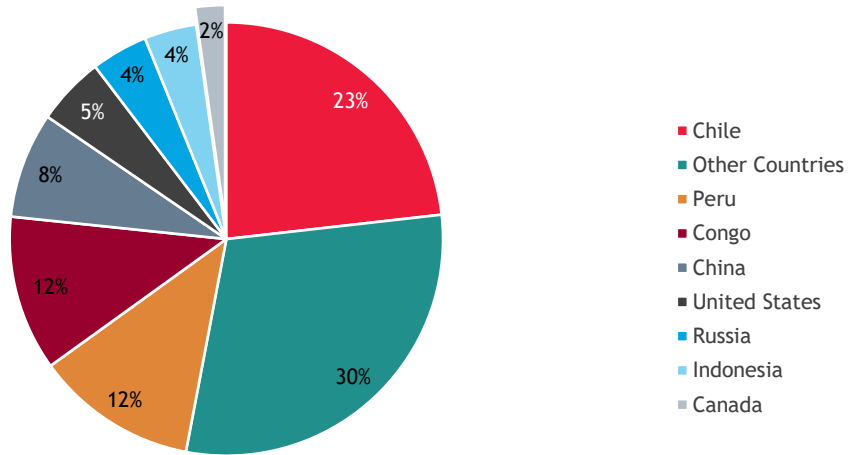
The extraction of copper from sulphides involves a beneficiation process which produces a concentrate. The concentrate generally contains between 25 and 30% copper depending on the type of copper containing minerals being processed. However, this may be as high as 60% copper in certain circumstances. The concentrate is then processed in a smelter.

Copper production and reserves

Copper supply had been forecasted to be in surplus headed into 2024. However, this has rapidly reversed with the closure of First Quantum Minerals \$10 Billion mine in Panama combined with Anglo American reducing its copper production target by 200,000 tonnes. As for demand, the International Copper Association expects the green energy transition to drive consumption of copper from 28.3 million tonnes in 2020 to 40.9 million tonnes in 2040. This equates to compounded annual growth rate ('CAGR') of 1.85%.

The USGS estimates that overall global copper production in 2023 remained relatively unchanged from 2022. As production decreases in Chile, China and the US were offset by production increases in Peru and The Democratic Republic of Congo.

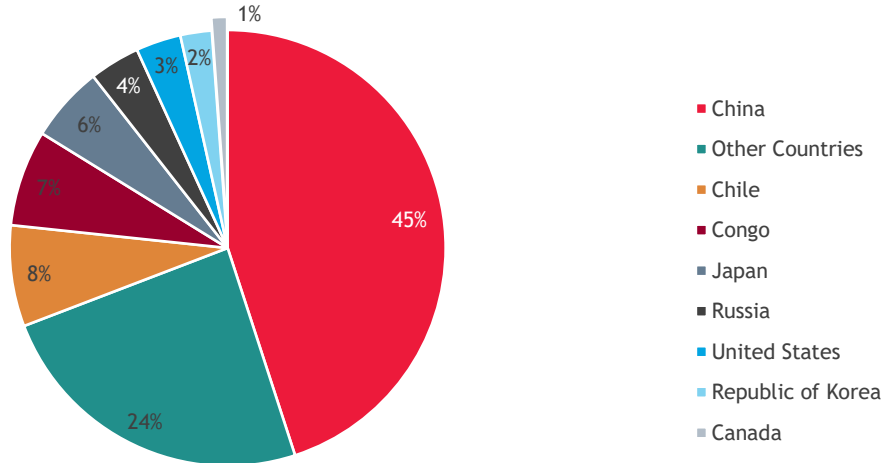
Global Copper Mine Production 2023



Source: U.S. Geological Survey, January 2024

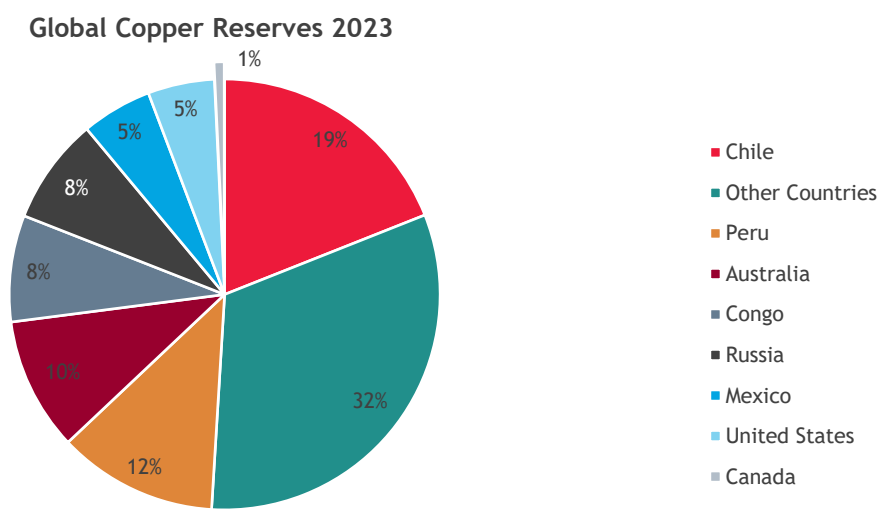
Despite Chile being the largest mine producer, China is the leading refinery producer of copper globally.

Global Copper Refinery Production 2023



Source: U.S. Geological Survey, January 2024

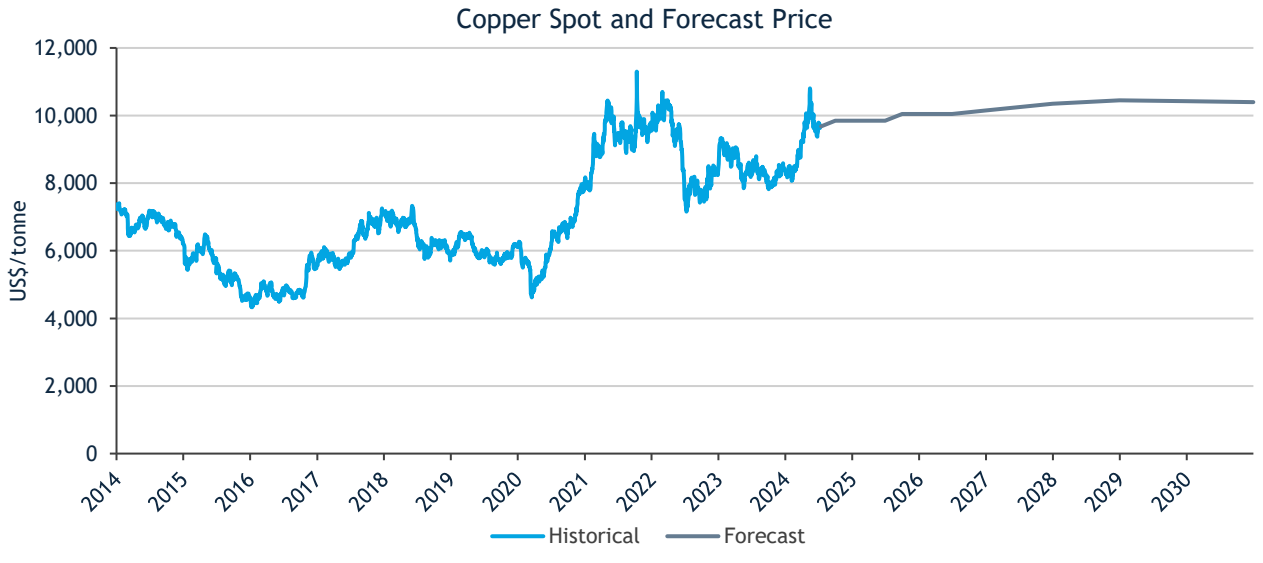
Chile also has the largest copper reserves globally, with Peru’s reserves following closely as the second largest, according to the United States Geological Survey (‘USGS’). As depicted below, the USGS estimates that collectively, Chile, Peru and Australia account for approximately 41% of global copper reserves.



Source: U.S. Geological Survey, January 2024

Copper prices

The US\$ price for copper is quoted on the London Metal Exchange ('LME'). A key driver of the copper price relates to stock levels held in the LME warehouses, being large global copper depositories. Like zinc, copper prices are driven heavily by Chinese demand and mine production. The global balance between demand for and supply of copper, along with speculative influences, determines the price.



Source: Bloomberg, Consensus Economics Survey dated 15 July 2024, and BDO analysis

The figure above illustrates the historical fluctuations in the copper spot prices from January 2014 to July 2024 as well as forecasts for copper prices from the remainder of 2024 to 2030 based on forecast data from Bloomberg, Consensus Economics and BDO analysis.

Between 2013 and 2017, the copper price steadily declined, before increasing in mid-February 2017, relating to a strike action at the world's largest copper mine Escondida, located in Chile. The average copper price traded around US\$7,000/t for most of 2018 but then traded lower around US\$6,000/t for most of 2019.

Global uncertainty and low confidence resulting from the emergence of the COVID-19 pandemic was a major influence in the decline in copper prices throughout the first quarter of 2020, with prices dropping to a 4-year low of US\$4,625/t on 23 March 2020. The subsequent decline in global production stemming from global lockdown regulations in April and May 2020, coupled with an improvement in copper demand from China, caused prices to spike over the remainder of that year. Chinese government stimulus measures further increased Chinese demand, with the industry experiencing supply constraints and an excess of demand, which pushed the price to exceed US\$10,000/t in May and June 2021. The price stumbled in late June following outbreaks of the Delta-variant of COVID and was US\$9,800/t towards the end of July 2021. Prices remained stable until late October 2021, where copper hit a five-month high of over US\$11,000/t, quickly declining back to around US\$10,000/t. The price averaged around US\$9,600/t for the remainder of 2021.

In the first quarter of 2022, copper prices remained relatively stable, averaging just under US\$10,000/t. In late April 2022, prices began to fall sharply, averaging approximately \$9,500/t in the second quarter, primarily attributable to concerns about supply disruptions stemming from Russia's invasion of Ukraine. In July 2022, prices reached a yearly low of US\$7,160/t and remained volatile for the remainder of the third quarter, averaging US\$7,700/t. This volatility mainly stemmed from competing supply and demand factors. Throughout the second half of the year demand for copper was capped by the war in Ukraine, global inflation, disrupted industrial activity and a stronger US dollar. Prices increased in the fourth quarter of 2022, reaching US\$8,500/t in December as a result of supply disruptions in Latin America.

From January 2023 through January 2024, copper prices averaged US\$8,485/t, and exhibited an increase on the back of the fourth quarter of 2022, primarily due to the expected demand increase associated with China's economic reopening, which coincided with a year to date high of US\$9,330/t in January 2023. After a decline in prices in the first half of 2023 due to a decrease in industrial activity and uncertainty stemming from global inflationary pressures, prices rebounded in the beginning of 2024. This was due to constrained supply, record low inventories and growing demand from renewable sectors.

After reaching record highs of over US\$11,100/t in May 2024, a sharp rise in inventories and soft US job openings has seen copper prices fall as low as US\$8,995/t in late July 2024.

According to Consensus Economics, Bloomberg forecasts and BDO analysis, the medium term forecast copper price from 2026 to 2029 is expected to range between US\$10,150/t and US\$10,450/t. The long term nominal forecast from 2030 onwards is within this range, at approximately US\$10,400/t

Source: Bloomberg, Consensus Economics, IBISWorld, S&P Global and BDO analysis.

8.2 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years. More recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The mining and mineral processing techniques applied to gold is determined by the nature of the ore deposit. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the

gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022	2023
Mine production	3,576	3,656	3,596	3,482	3,589	3,625	3,644
Net producer hedging	(26)	(12)	6	(39)	(7)	(13)	17
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,140	1,237
Total supply	4,662	4,776	4,878	4,736	4,718	4,752	4,899

Source: World Gold Council Statistics, 31 January 2024

The World Gold Council expects gold to remain supported with the development of new mines in North America, Asia and Australia scheduled for 2024. Heightened geopolitical tension during a key election year for many major economies and ongoing financial uncertainty from weakening global economic conditions should see gold experience persisting strong demand. Continued purchases by major central banks and concerns about a global recession is anticipated to offer further backing for the commodity. However, the risk of tighter monetary policy or an economic soft landing, particularly concerning the USA economy, could result in gold divestment.

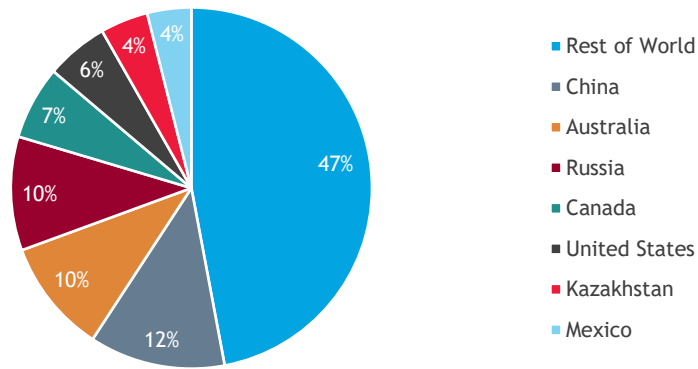
Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing, and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the USGS, total estimated global gold ore mined for 2023 was approximately 3,000 metric tonnes. The charts below illustrate the estimated global gold production and reserves by country for 2023.

Gold production and reserves

The USGS estimates that overall global gold production in 2023 remained relatively unchanged from 2022 as production decreases in Peru and Mali were more than offset by production increases in Kazakhstan, South Africa and Tanzania.

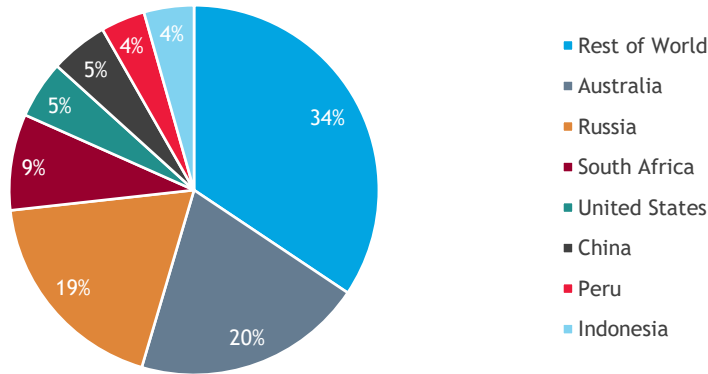
Gold Production by Country, 2023



Source: U.S. Geological Survey, January 2024

Despite China leading global gold production in 2023, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 48% of global gold reserves.

Gold Reserves by Country, as at January 2024



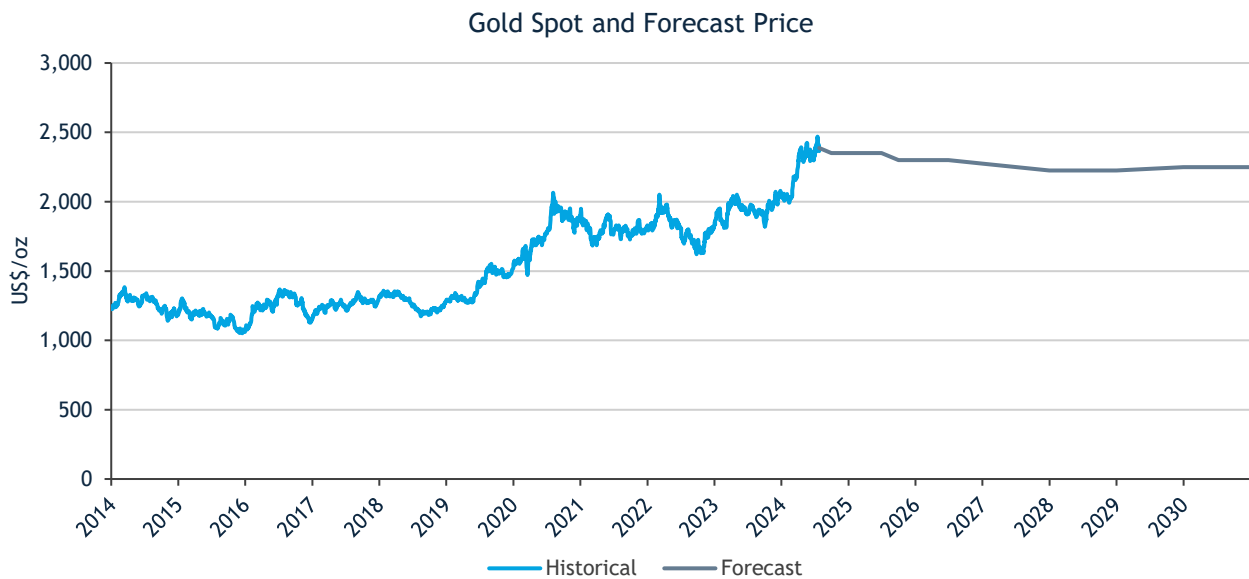
Source: U.S. Geological Survey, January 2024

According to USGS, Australia’s gold reserves amount to 12,000 tonnes, representing over 20% of global reserves and the largest held by any one country.

Australian gold producers

The Australian gold mining industry exhibits a moderate concentration comprising several large producers such as Newmont Corporation (Australia), Gold Fields and Northern Star Resources Limited, as well as many mid-tier gold producers.

Gold prices



Source: Bloomberg, Consensus Economics Survey dated 15 July 2024, and BDO analysis

The figure above illustrates the historical fluctuations in the gold spot prices from January 2014 to July 2024 as well as forecasts for copper prices from the remainder of 2024 to 2030 based on forecast data from Bloomberg, Consensus Economics and BDO analysis.

Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100/oz and US\$1,400/oz. Throughout 2020, gold prices fluctuated significantly. Demand for gold increased in response to the uncertainty created by the pandemic, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst growing uncertainty. Gold spot prices fell to a yearly low of US\$1,471/oz, before rallying in late July and early August to exceed US\$2,000/oz. COVID-19 was the primary driver of the increase in gold price, as central banks injected billions of dollars into financial markets and investors flocked to safe asset. Additionally, the prevailing low interest rate environment at the time increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased due to further fallout from the US Election, climbing back over US\$1,900/oz after remaining in the US\$1,800s/oz through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600/oz and US\$1,900/oz as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the Delta Variant of COVID-19 increased gold's appeal as a safe-haven asset. The price of gold exceeded US\$1,800/oz in early July 2021. However, this was quickly reversed in the following months as the US Federal Reserve signalled policy tightening, which coming sooner than anticipated, drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds, as well as the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900/oz and peak at US\$2,039/oz during March, in response to several economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800/oz following the US Federal Reserve's aggressive monetary tightening to control

rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

In the first quarter of 2023, several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, faced liquidity and investor confidence issues. A lack of confidence in some parts of the banking sector supported the gold price. Early April 2023 saw gold prices surpass US\$2,000/oz as investors speculated a nearing of the end of interest rate tightening in the US.

During January and February of 2024, gold continued to largely trade above US\$2,000/oz. However, in March, the gold price rapidly increased to over US\$2,400/oz in May, reaching a record high. The rise in the gold price was attributed to several factors including geopolitical instability from conflicts in Ukraine and the Middle East, global inflation, and an increased holding in gold by central banks in developing countries. Although the price of gold in June retreated from its highs set in May, it continues to remain resilient, supported by US economic data which support the case for interest rate cuts.

According to Consensus Economics, Bloomberg forecasts and BDO analysis, the gold price is expected to continue to trade around current levels in the near term before gradually weakening over 2026 to 2029. From 2026 to 2029, the gold price is expected to range between around US\$2,200/oz and US\$2,300/oz. The long term nominal forecast from 2030 onwards is within this range, at approximately US\$2,250/oz.

Source: Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment such as a resource multiple.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.

The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

9.1 Valuation of Rex

In our assessment of the value of a Rex share, we have chosen to employ (and disregard) the following methodologies for the following reasons:

- Sum-of-Parts method, as our primary method, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods. The component parts of Rex are valued using the NAV method and the DCF method;
- We have chosen the QMP methodology as our secondary methodology and as a cross check. The QMP basis is a relevant methodology to consider because Rex's shares are listed on the ASX. This means that there is a regulated and observable market where Rex shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities; and
- We have not used a FME valuation to value Rex as the core value of the Company lies in its mining assets which are finite life assets. As such, it would not be appropriate to value Rex using a FME approach.

Methodologies adopted for Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in assessing the fair market value of Rex by aggregating the estimated fair market value of its underlying assets and liabilities, having consideration for the following;

- The core value of Rex lies in the future cash flows to be generated from its interest in the Hillside Project. These cash flows are most appropriately valued using the DCF approach. Based on the Company completing an OFS in 2022 with JORC Code compliant Ore Reserves, and following

consultation with Behre Dolbear (independent technical specialist that produced the Independent Technical Specialist Report ('ITSR') found in Appendix 4 of our Report), we consider there to be sufficient reasonable grounds for a DCF valuation of the Hillside Project. We have considered the guidance contained in ASIC's *Regulatory Guide 170 Prospective Financial Information* ('RG 170') and *Information Sheet 214 Mining and resources - Forward-looking statements* ('IS 214'), as well as advice from the independent technical specialist, Behre Dolbear, to inform our assessment of whether there are sufficient reasonable grounds for a DCF valuation of the Hillside Project prior to the Scheme;

- We have been provided with a financial model for the Hillside Project on an unfunded basis. RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology. We have considered the funding requirements further below and in Section 10 of this Report.
- Behre Dolbear has valued the residual resources and exploration potential of the Hillside Project and the Hog Ranch Project as part of their engagement as technical specialist. Further detail on Behre Dolbear's valuation approach can be found in the ITSR in Appendix 4;
- We have considered the work performed by Behre Dolbear as well as the methodologies used and consider them to be in accordance with industry practices and compliant with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) ('Valmin Code'). A copy of Behre Dolbear's ITSR is attached in Appendix 4; and
- We have valued Rex's other assets and liabilities using the cost approach as they reflect the assets and liabilities which are not included in the DCF methodology and are not income generating in themselves.

Notional funding and prospective introduction of a joint venture partner for the Hillside Project in the absence of the Scheme

As noted above, RG 111.15 states that funding requirements for a company that is not in financial distress should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology, with further guidance to be found in ASIC Information Sheet 214: *Mining and resources: forward-looking statements*.

We note that the cashflow model upon which our DCF valuation is based has been prepared on an unfunded basis and therefore does not consider any costs associated with debt funding, or any dilution resulting from an equity raising. Therefore, there is a funding requirement for the development of the Hillside Project to realise the value.

In the absence of the Scheme, we have considered the alternatives available to Rex to fund the development of the Hillside Project.

Rex's strategy is that the pre-production capital would be funded by the Company's existing cash reserves, debt financing, a partial divestment of the Hillside Project and a notional capital raise.

Management has advised that, prior to the Scheme, Rex was in advanced discussions with domestic and international banks to provide approximately \$500 million of debt funding for the development of the Hillside Project. Given that the Company has not currently entered into binding terms sheets with these debt financiers, we have estimated the terms of the debt based on preliminary terms provided by the Company and debt held by comparable companies, which is detailed in Section 10.1.1.1 of our Report.

Management has also advised that, prior to the Scheme, Rex was attempting to divest a portion of its interest in the Hillside Project to fund part of the remaining pre-production capital expenditure requirement. Based on discussions with management, we have assumed the scenario whereby Rex would undertake a 45% selldown of the Hillside Project, upon completion of which Rex would hold a 55% beneficial interest in the Hillside Project (**'Hillside Selldown'**). This approach is detailed in Section 10.1.4 of our Report. We have also considered various other selldown scenarios of the Hillside Project.

Rex will be required to fund the remaining pre-production funding requirement after considering Rex's existing cash reserves and the total funds raised under the Hillside Selldown. Rex will raise the shortfall through a notional equity raise, which is detailed in Section 10.1.5 of our Report.

We note that the funding assumptions impact the level of Rex's beneficial interest in the Hillside Project. Further details of the notional funding assumptions for the development of the Hillside Project are detailed in Section 10 of our Report.

10. Valuation of Rex

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Rex share prior to the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of Rex's beneficial interest in the Hillside Project;
- Value of Rex's beneficial interest in the residual resource at the Hillside Project not included in the DCF valuation;
- Value of the Hog Ranch exploration assets, as valued by Behre Dolbear;
- Amount of cash received from the notional sell-down of the Hillside Project;
- Amount of cash received from a notional capital raising (to fund the development expenditure and working capital of the Hillside Project);
- Value of the other assets and liabilities of Rex not included in the DCF valuation;
- Present value of Rex's corporate overhead costs; and
- Transaction costs borne by Rex regardless of the outcome of the Scheme.

10.1 Sum-of-Parts valuation of Rex

The value of Rex's assets on a going concern basis is reflected in our valuation below:

Sum-of-Parts Valuation	Ref	Low value \$000s	Preferred value \$000s	High value \$000s
Value of the Hillside Project (assuming 55% ownership)	10.1.1	263,000	292,000	321,000
Value of residual inferred resource at the Hillside Project (assuming 55% ownership)	10.1.2	12,100	16,500	20,900
Value of the Hog Ranch exploration assets (100% ownership)	10.1.3	31,000	39,000	47,000
Cash received from sell-down of the Hillside Project	10.1.4	110,250	119,070	127,890
Cash received from notional capital raising	10.1.5	151,170	142,350	133,530
Value of Rex's other assets and liabilities	10.1.6	30,341	30,341	30,341
Present value of Rex's corporate overhead costs	10.1.7	(77,101)	(66,682)	(56,264)
Transaction costs	10.1.8	(810)	(810)	(810)
Value of Rex prior to the Scheme (control)		519,951	571,769	623,587
Number of shares on issue (post notional capital raising)	10.1.9	1,504,773,643	1,387,187,245	1,289,369,213
Value per Rex share (control) (\$)		0.346	0.412	0.484

Source: BDO analysis

The table above indicates that the value of a Rex share prior to the Scheme on a control basis is between \$0.346 and \$0.484, with a preferred value of \$0.412.

10.1.1. Value of the Hillside Project (assuming 55% ownership)

We elected to use the DCF approach in valuing the Hillside Project. The DCF approach estimates the fair market value by discounting the future cash flows arising from the Hillside Project to their net present value. Performing a DCF valuation requires the determination of the following:

- The expected future cash flows that the Hillside Project is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Hillside Project to convert them to present value equivalent.

10.1.1.1. Future cash flows

A detailed cash flow model of the Hillside Project was prepared by the management of Rex (**'the Model'**). The Model estimates the future cash flows expected from copper and gold production at the Hillside Project. The Model depicts forecasts of real post-tax cash flows over the life of mine on a yearly basis from financial year ('FY') 2025 to FY50. We have reviewed the Model and material assumptions that underpin it.

BDO has made certain adjustments to the Model where it was considered appropriate to arrive at an adjusted model (**'Adjusted Model'**). In particular, we have adjusted the Model to reflect any changes to technical assumptions as a result of Behre Dolbear's review and any changes to the economic and other input assumptions from our research. We have also adjusted the Model by converting the cash flows to be on a nominal basis. We have also assumed a notional start date for the construction of the Hillside Project of 1 July 2025 that would provide Rex with the time required to finalise funding requirements of the Hillside Project, in the absence of the Scheme.

As discussed below, the funding assumptions for the development of the Hillside Project result in Rex holding a 55% beneficial interest in the Hillside Project. The Model reflects the cash flows of the Hillside Project on a 100% interest basis. We have adjusted the cash flows in the Model to reflect Rex's 55% beneficial interest in the Hillside Project over the life of the project to reflect the post-selldown interest and appropriate corporate taxation treatment for Rex.

The Model was prepared based on estimates of a production profile, operating costs and start-up and sustaining capital expenditure. The main assumptions underlying the Adjusted Model include:

- Mining and production volumes;
- Commodity prices;
- Operating costs;
- Start-up and sustaining capital expenditure;
- Foreign exchange rates;
- Royalties;
- Corporate tax; and
- Discount rate.

We undertook the following analysis of the Model:

- Appointed Behre Dolbear as a technical expert to review, and where required, provide changes to the technical assumptions underlying the Model;
- Conducted independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and discount rate applicable to the future cash flows of the Hillside Project;
- Held discussions with Rex's management regarding the preparation of the forecasts in the Model and its views; and
- Performed a sensitivity analysis on the value of the Hillside Project as a result of flexing selected assumptions and inputs.

We have not undertaken a review of the cash flows in accordance with the Standard on Assurance Engagements ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' and do not express an opinion on the reasonableness of the assumptions or their achievability. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

Behre Dolbear was engaged to prepare the Independent Technical Specialist Report which includes a technical assessment of the Hillside Project assumptions underpinning the Model. Behre Dolbear's assessment involved the review and provision of input on the assumptions adopted in the Model, including but not limited to:

- Mining physicals (including volume mined, recovery and grade);
- Processing assumptions (including products and recovery);
- Operating expenditure (comprising direct operating expenditure and certain fixed costs);
- Capital expenditure (development and sustaining capital expenditure required); and
- Other relevant assumptions.

Based on current reserves, Stage 1 and Stage 2 of the Hillside Project is expected to have a mine life of approximately 22 years.

A copy of Behre Dolbear's ITSR is included in Appendix 4.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Inflation

We note that all cash flows contained in the Model were calculated on a real basis. We have therefore applied the forecast inflation rate to the costs (including operating and capital expenditure) in the Adjusted Model to convert them to nominal cash flows.

The Model forecasts operating costs in Australian Dollars, therefore we consider the Australian inflation rate to be the most appropriate inflation rate to apply to the cash flows in the Adjusted Model.

In forming our assessment of the forecast inflation rate, we have had regard to consensus views of forecast inflation as sourced from Bloomberg, as well as consideration of the recent trend of inflation in Australia. The inflation assumptions we have adopted are outlined in the table below, with long-term inflation from FY28 and beyond assumed to be flat at 2.5% per annum, consistent with the Reserve Bank of Australia's long-term inflation target of between 2% to 3%.

Australian inflation rate	FY25	FY26	FY27	FY28+
Average inflation rate	3.1%	2.7%	2.6%	2.5%

Source: Bloomberg and BDO analysis

Foreign exchange

The forecast copper and gold pricing we have adopted in the Adjusted Model is denominated in US dollars. As we are assessing the value of Rex, an Australian company, we have converted all the cash flows in the Adjusted Model to Australian Dollars at the forecast exchange rates as set out below.

AUD:USD Exchange Rate	FY25	FY26	FY27	FY28	FY29	FY30+
AUD:USD	0.675	0.710	0.720	0.730	0.730	0.720

Source: Bloomberg and BDO analysis

In our assessment of foreign exchange rates, we have considered historical exchange rates as well as forecasts prepared by economic analysts and other publicly available information, including broker consensus, to arrive at our foreign exchange rate assumptions. We have assumed the exchange rate remains constant beyond FY30, given the long-term difference in inflation between the Australian and US economies is minimal. We note that Rex has not entered into any hedging arrangements to mitigate fluctuations in foreign exchange rates. Therefore, we have not considered the inclusion of any hedging in the Adjusted Model.

Pricing

The Hillside Project will receive revenue from the sale of copper and gold.

In assessing the forecast copper and gold prices, we have considered the most recent Consensus Economics price forecasts as at July 2024 and recent Bloomberg analysts' forecasts. In forming our long-term nominal pricing for copper and gold, we have considered the long-term real prices and inflated them for our inflation assumptions (outlined above). The final column in the table below indicates the average nominal pricing adopted in FY30, with prices inflated in the subsequent periods at our long-term inflation assumption of 2.5% per annum.

Based on our analysis, we have adopted the following future copper and gold prices (in nominal terms):

		FY25	FY26	FY27	FY28	FY29	FY30+
Copper Price	US\$/t	9,850	10,050	10,250	10,450	10,450	10,400
Gold Price	US\$/oz	2,350	2,300	2,250	2,200	2,250	2,250

Source: Consensus Economics and BDO analysis

Capital Expenditure

The capital expenditure ('CapEx') requirements for the Hillside Project relate to pre-production, sustaining and rehabilitation capital costs. In preparing the Adjusted Model, we have applied our assessed forecast inflation rate to the forecast capital expenditure.

Behre Dolbear considers an increase of 8% to the CapEx in the Model to be a reasonable estimate of updated costings of figures taken from the 2022 Hillside Project OFS. Behre Dolbear also considers an additional \$2.1 to \$2.7 million per annum (in real terms) to be added to the processing sustaining CapEx in the Model. This results in the annual processing sustaining CapEx totalling approximately \$3.5 million and \$4.0 million (real terms) in Stage 1 and Stage 2, respectively, as noted in the ITSR. We have included this 8% increase to the CapEx and the additional processing sustaining CapEx in the Adjusted Model, based on Behre Dolbear's recommendation.

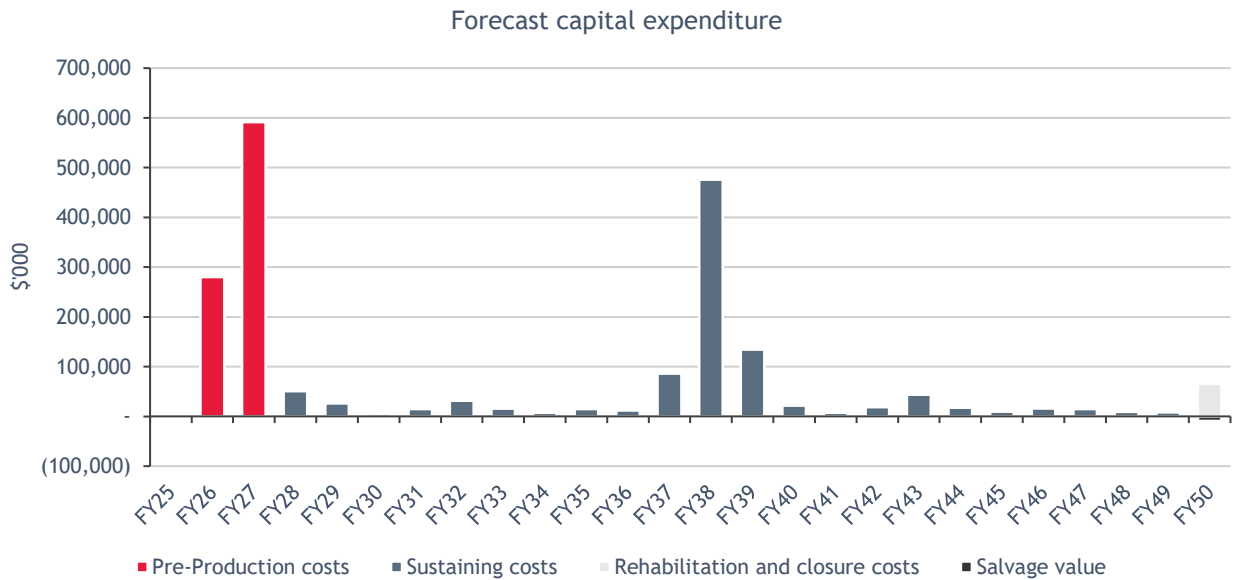
We note that sustaining costs in FY28 includes the purchase of additional mining fleet as part of the initial ramp up phase. We also note that the expansion costs for the commencement of Stage 2 of the Hillside Project total approximately \$400 million (in real terms), to be incurred in FY38 and FY39, are also included in sustaining costs.

The Model includes total mine closure costs of \$35.0 million (in real terms) and a salvage value of \$35.0 million (in real terms). Behre Dolbear has deemed the mine closure costs to be a reasonable mine closure cost estimate but considers a salvage value of \$5.0 million (in real terms) to be a reasonable estimate, which we have amended in our Adjusted Model based on Behre Dolbear's recommendation.

We note that all adjustments made to the Adjusted Model as a result of the above recommendations provided by Behre Dolbear have been converted to nominal terms.

The details of these assessments can be found in Behre Dolbear's ITSR included as Appendix 4 to our Report.

The graph below outlines the projected Capex for the Hillside Project on a nominal basis over the life of mine.



Source: Adjusted Model

Mining Physicals

The proposed production outlook of the Hillside Project is approximately 22 years from FY27 to FY48.

We note the increase in ore forecast to be mined from FY37 onwards and ore forecast to be processed from FY40 onwards. The increase in ore forecast to be mined marks the beginning of Stage 2, with an expanded resource base. As part of the development of Stage 2, the processing plant will be expanded to have an increased capacity from 8 Mtpa in Stage 1 to 10 Mtpa from FY40 onwards.

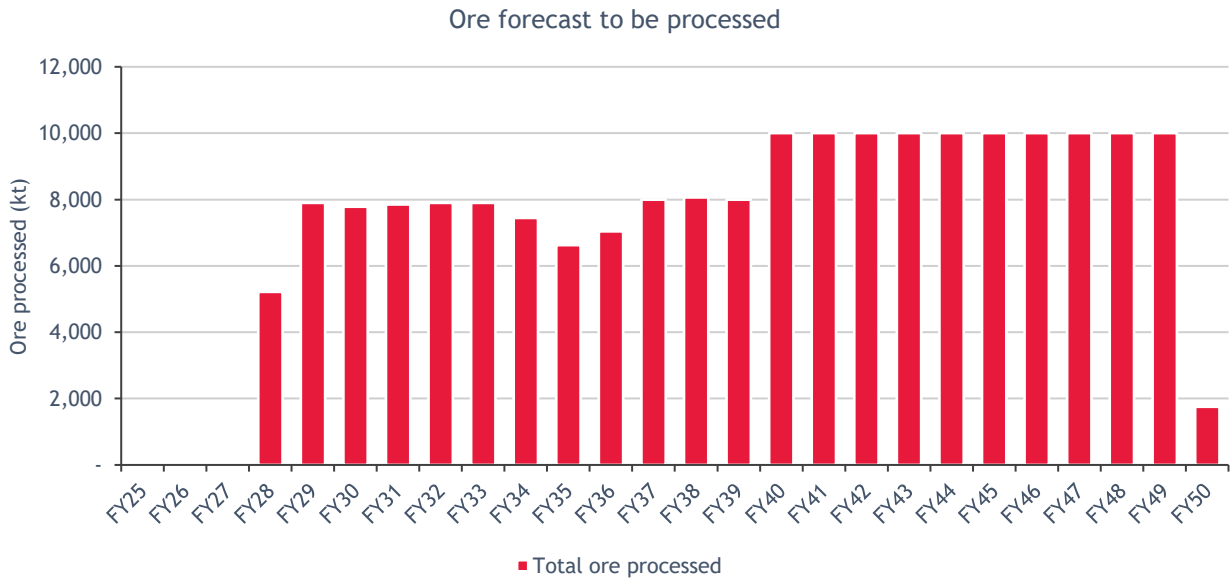
Behre Dolbear has confirmed the reasonableness of the mining physicals in the ITSR found in Appendix 4.

The graph below shows the forecast total ore mined of the Hillside Project, separating ore and waste.



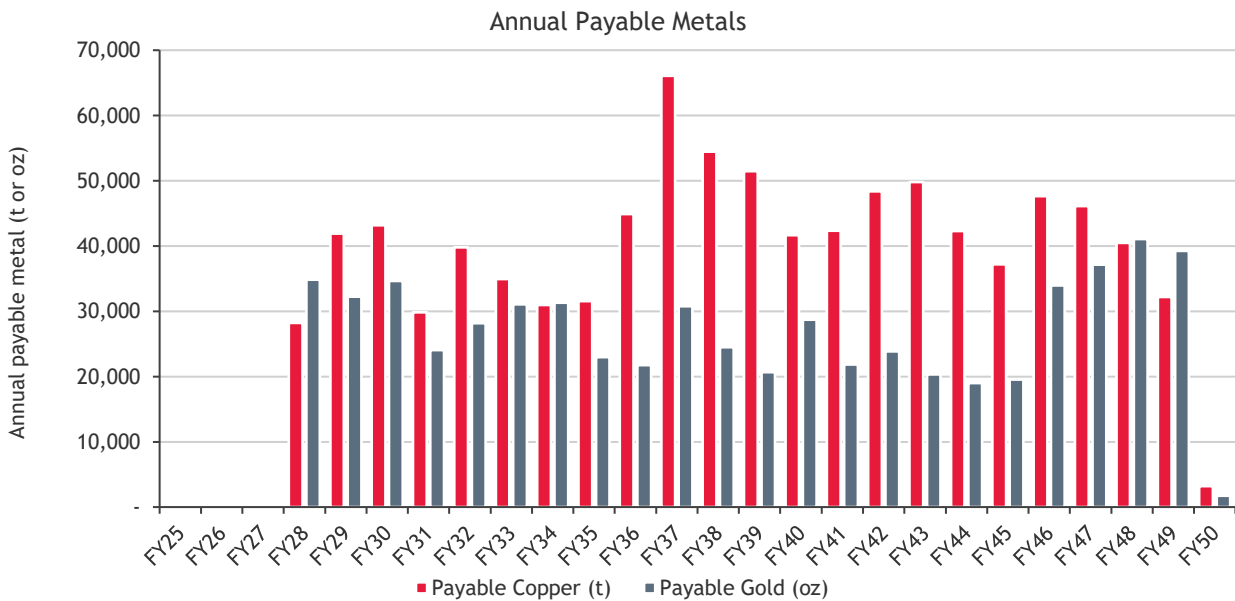
Source: Adjusted Model

The total ore processed over the life of the Hillside Project is presented graphically below.



Source: Adjusted Model

The graph below shows the copper and gold produced over the life of the Hillside Project.



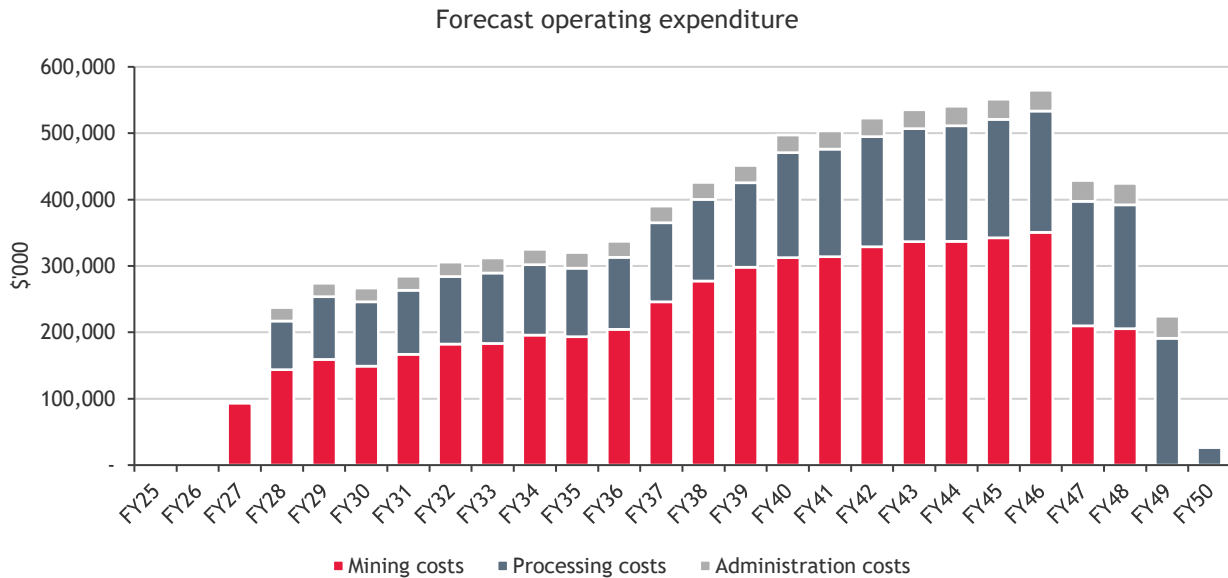
Source: Adjusted Model

Operating Expenditure

Operating expenditure included in the Adjusted Model consists of mining, processing and site administration costs. In preparing the Adjusted Model, we have applied our assessed forecast inflation rate to the forecast operating expenditure. Behre Dolbear considers an increase of 9% to the operating expenditure in the Model to be a reasonable estimate of updated costings from values taken from the 2022 Hillside Project OFS. We have included this 9% increase to the operating expenses in the Adjusted Model,

based on Behre Dolbear’s recommendation. Further detail on Behre Dolbear’s assessment of the reasonableness of the operating expenditure at the Hillside Project can be found in Appendix 4.

The graph below outlines the projected operating expenditure for the Hillside Project on a nominal basis over the life of mine.



Source: Adjusted Model

Royalties

South Australian Royalties

Mineral ores produced at the Hillside Project are subject to a 5% royalty payable to the South Australian government. However, from 1 July 2020 any approved mines are eligible for a reduced royalty of 2% on the value of the minerals for up to five years from the first royalty or until 30 June 2026, whichever occurs first.

As such, in our Adjusted Model, we have reflected the reduced 2% royalty until 30 June 2026 and the 5% royalty for the remainder of the Hillside Project life. Behre Dolbear has confirmed these rates in the Behre Dolbear report included as Appendix 4.

Depreciation

We note that the capital expenditure has been depreciated over the life of mine and has been deducted from the pre-tax cash flows to arrive at the taxable income, thereby providing a tax shield benefit.

Receivables and payables

We have not reflected the receivables and payables balances as at 30 June 2024 in the Adjusted Model as these balances are considered separately in our Sum-of-Parts valuation.

Taxation

We have modelled taxes within the Adjusted Model incorporating the available carried forward tax losses as at 30 June 2023 of approximately \$201.4 million. We have been advised by management that the tax losses incurred subsequent to 30 June 2023 are not material. In modelling taxes, we have reflected our assumptions on financing and corporate costs, as well as depreciation and amortisation of plant and

equipment and mining assets, when assessing taxable income. The Australian corporate tax rate of 30% is then applied in the calculation of taxes payable.

Debt cash flows

Management has advised that debt financing will be required to fund part of the Company's pre-production capital expenditure requirement for the development of the Hillside Project. Rex has entered into discussions with domestic and international banks, with preliminary estimates of \$500 million of debt financing for the development of the Hillside Project. Our assumed capital structure for the funding of the Hillside Project is detailed in Appendix 4.

The Adjusted Model reflects the cash flows to equity holders, as it includes the drawdown of \$500 million of debt, the servicing of this debt, as well as the repayment of this debt from project cash flows. We have also assumed a 2% loan establishment fee of \$10 million in the Adjusted Model.

We have assumed that the debt will be drawn down as required, for capital expenditure to fund the development of the Hillside Project over the two year construction period. We have also assumed that once the Hillside Project is cash flow positive, the cash flow available will be used to repay the debt financing. We have also assumed that interest is capitalised and added to the balance outstanding.

Given that the Company has not currently entered into binding terms sheets with debt financiers, we have estimated the likely cost of debt based on the interest rates paid on debt held by comparable companies which have a similar risk profile to Rex. A summary of our identified comparable companies with debt and the respective interest rates on this debt is set out in the table below.

Company Name	Market Capitalisation (\$m)	Cost of Debt	Commodity	Country of Operation
29Metals Limited	294.78	8.36%	Copper	Australia
Aeris Resources Limited	203.18	15.46%	Copper	Australia
Metals Acquisition Ltd	1,584.50	8.32%	Copper	Australia
NT Minerals Ltd	5.09	8.00%	Copper	Australia
Aurelia Metals Limited	321.40	8.16%	Copper	Australia
Sandfire Resources Limited	3,992.78	9.45%	Copper	Australia
Mean	1,066.95	9.63%		
Median	308.09	8.34%		

Source: CapIQ, Bloomberg and BDO analysis

The above analysis is used to support our assessment of a market rate of debt available to Rex of approximately 9%. We note that changes to the cost of debt assumptions used in the Adjusted Model do not have a material impact on our valuation, nor would such changes impact our opinion.

10.1.1.2. Discount rate

In our assessment of an appropriate discount rate to apply to the Hillside Project, we consider the most appropriate discount rate to be Rex's cost of equity. This is because the Adjusted Model includes debt cash flows and therefore, the cash flows in the Adjusted Model represent cash flows to equity holders.

We have selected a nominal after tax cost of equity in the range of 11% to 13% per annum to discount the cash flows of the Hillside Projects to its present value. We have used a rounded discount rate of 12% in our base case.

In selecting this range of discount rates, we have considered the following:

- the rate of return for comparable ASX listed copper and gold producing companies; and
- the risk profile of Rex as compared to the comparable companies identified.

A detailed consideration of how we arrived at our adopted discount rate range is shown in Appendix 3.

10.1.1.3. Rex's beneficial interest in the Hillside Project

Rex currently owns 100% of the Hillside Project and is be entitled to 100% of the cash flows generated by the Hillside Project. However, management has advised that, prior to the Scheme, Rex was attempting to divest a portion of its interest in the Hillside Project to help fund the pre-production capital expenditure requirement.

Based on discussions with management, we have considered the scenario under which Rex would undertake a notional 45% sell-down of the Hillside Project and form an unincorporated joint venture with an acquiring party. Upon completion of the Hillside Sell-down, Rex would hold a 55% beneficial interest in the Hillside Project. Consequently, Rex will be required to fund 55% of the remaining required pre-production capital (subsequent to debt financing) and will be entitled to 55% of the cash flows generated by the Hillside Project.

The Model reflects the cash flows of the Hillside Project on a 100% interest basis. Therefore, in the Adjusted Model, we have adjusted the cash flows from the Model to reflect Rex's 55% beneficial interest in the Hillside Project over the life of the project. For the purposes of our valuation, we have assumed all positive cash flows generated by the Hillside Project will be used to firstly repay the debt financing.

Management has advised that the Company intends to enter into legally binding agreements with a joint development partner and debt financiers prior to construction of the Hillside Project, in order to obtain the necessary funding for the development of the Hillside Project and to fund part of Rex's share of the capital expenditure.

10.1.1.4. Sensitivity analysis

The estimated value of Rex's beneficial interest in the Hillside Project is derived under the DCF approach. Our valuation is highly sensitive to change in the forecast of copper price, gold price, operating costs, capital costs and USD:AUD foreign exchange rates. We have therefore included an analysis to consider the value of the Hillside Project under various pricing scenarios and in applying:

- A change of +/- 10% to the copper price;
- A change of +/- 10% to the gold price;
- A change of +/- 10% to the operating costs;
- A change of +/- 10% to the capital costs;
- A change of +/- 10% to the USD:AUD foreign exchange rates;
- A long-term inflation rate in the range of 1.5% to 3.5%; and
- A discount rate in the range of 10% to 14%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of Rex's notional 55% interest in the Hillside Project if our base case assumptions change.

Sensitivity Analysis of Rex's beneficial interest (notional 55% ownership) in the value of the Hillside Project					
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Percentage change	Copper price (US\$/t)	Gold price (US\$/oz)	Exchange rate (AUD/USD)	Capital costs	Operating costs
10%	2,014,883	533,394	153,648	240,909	213,140
8%	1,503,814	460,538	179,609	251,191	229,017
6%	1,095,998	403,162	206,240	261,473	244,894
4%	769,223	357,714	233,895	271,755	260,771
2%	505,641	321,463	262,635	282,036	276,620
0%	292,318	292,318	292,318	292,318	292,318
-2%	118,502	268,677	323,060	302,600	308,016
-4%	(36,309)	249,311	355,080	312,882	323,714
-6%	(178,618)	233,280	388,445	323,164	339,413
-8%	(296,211)	219,822	423,261	333,446	355,111
-10%	(402,475)	208,404	459,624	343,728	370,802

Source: Adjusted Model and BDO analysis

Sensitivity analysis of the DCF valuation of Rex's beneficial interest (notional 55% ownership) in the Hillside Project to the long-term inflation rate					
Long-term inflation rate	1.50%	2.00%	2.50%	3.00%	3.50%
Value (\$'000)	279,131	285,631	292,318	299,196	306,268

Source: Adjusted Model and BDO analysis

Sensitivity analysis of the DCF valuation of Rex's beneficial interest (notional 55% ownership) in the Hillside Project to the discount rate					
Discount rate	10.00%	11.00%	12.00%	13.00%	14.00%
Value (\$'000)	410,920	346,962	292,318	245,481	224,594

Source: Adjusted Model and BDO analysis

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the Hillside Project to changes in pricing and other assumptions.

Considering the valuation outcomes above, we estimate the value of Rex's 55% beneficial interest in the Hillside Project to be in the range of \$263 million and \$321 million, with a preferred value of \$292 million.

10.1.2. Value of residual resource at the Hillside Project (assuming 55% ownership)

Our DCF valuation in section 10.1.1 above, values the reserve contained at the Hillside Project however there is a residual resource and additional exploration potential which we do not have reasonable grounds for inclusion in the Adjusted Model. Therefore, Behre Dolbear has provided a market valuation of the residual resource and exploration potential not included in the Adjusted Model as set out below.

Value of residual resource at the Hillside Project (assuming 55% ownership)	Low \$'000	Preferred \$'000	High \$'000
Residual resources (Stage 3 and Stage 4)	10,000	15,000	20,000
Additional exploration potential	12,000	15,000	18,000
Total value of residual resources at the Hillside Project	22,000	30,000	38,000
Assuming 55% interest in Hillside Project	12,100	16,500	20,900

Source: Behre Dolbear's Independent Technical Specialist Report

Further detail of the valuation can be found in Behre Dolbear's ITSR in Appendix 4.

10.1.3. Value of the Hog Ranch Exploration Assets (100% ownership)

Behre Dolbear has been instructed to provide a specialist valuation of the Hog Ranch Exploration Assets. Behre Dolbear has used a range of valuation techniques to assess the value of the Hog Ranch Exploration Assets. The values ascribed to these assets by Behre Dolbear is set out in the table below.

	Low \$'000s	Preferred \$'000s	High \$'000s
Value of the Hog Ranch Exploration Assets (100% ownership)	31,000	39,000	47,000

Source: Behre Dolbear's Independent Technical Specialist Report

Further detail on the valuation can be found in Behre Dolbear's ITSR in Appendix 4.

10.1.4. Cash received from the Hillside Selldown

The pre-production capital expenditure requirement for the development of the Hillside Project is approximately \$977 million (on a real basis), which is expected to be incurred from 1 July 2025. After converting the cash flows into nominal terms based on the inflation assumptions detailed in Section 10.1 of our Report, the total funding requirement for the development of the Hillside Project is approximately \$1,012 million (on a nominal basis).

Management has advised that Rex was in advanced discussions with domestic and international banks to provide approximately \$500 million of debt funding for the development of the Hillside Project. The debt financing would fund approximately 48.4% (post 2% loan establishment fee) of the nominal pre-production capital expenditure requirements. Rex would be required to fund the remaining 51.6% (\$522.4 million) of the required pre-production capital through the Company's existing cash reserves, a divestment in the Hillside Project and a notional capital raise.

As discussed in Section 10.1.1.3, Rex would likely divest a portion of its interest in the Hillside Project to fund part of the remaining pre-production capital expenditure requirement. To estimate the cash Rex would receive from the selldown of 45% of the Hillside Project we have relied on information provided from Rex on their negotiations for an appropriate JV partner prior to the implementation of the Scheme. For commercial reasons, we have not disclosed the actual non-binding indicative offers that were

received. We consider an appropriate implied value for the purposes of a partial selldown of the Hillside Project, on an unfunded basis, to be in the range of \$250 million and \$290 million.

We have cross checked this with quoted market price analysis and consider the above valuation range to be reasonable.

We then applied the assumed selldown percentage of 45% to the implied value of the Hillside Project to determine the sale price from the selldown of the Hillside Project. We have assessed the costs of a notional advisor fee to be approximately 2% of the sale price, which we have applied to the sale price from the selldown of the Hillside Project to determine an estimate for the cash to be received by Rex for the Selldown of the Hillside Project, as shown below:

Cash received from selldown of the Hillside Project	Low \$'000	Preferred \$'000	High \$'000
Implied Value of Hillside Project	250,000	270,000	290,000
Sell down percentage (%)	45%	45%	45%
Sale price from selldown of Hillside Project	112,500	121,500	130,500
Less: Notional advisor fee (2%)	(2,250)	(2,430)	(2,610)
Total cash received from selldown of Hillside Project	110,250	119,070	127,890

Source: Bloomberg and BDO Analysis

We estimate the cash to be received by Rex from the Hillside Selldown in the range of \$110.3 million and \$127.9 million, with a midpoint value of \$119.1 million.

We note that the implied value of the Hillside Project estimated above differs from the value of the Hillside Project calculated in Section 10.1 and 10.2. The value of the Hillside Project calculated in Section 10.1 and 10.2 represents the funded value of the Hillside Project, removing the financing risk of the project. There is a funding requirement for the development of the Hillside Project to realise the value.

We also considered scenarios where Rex completes a 40% selldown and a 49% selldown of the Hillside Project and the impact on the value of a Rex Share post the notional capital raise, as shown below:

Hillside Selldown sensitivity of the value of a Rex Share (\$)	Low \$	High \$
40% Selldown	0.34	0.47
45% Selldown	0.35	0.48
49% Selldown	0.35	0.49

Source: BDO Analysis

The table above shows the different Hillside Selldown scenarios have minimal impact on the valuation of a Rex share and would not alter our opinion.

10.1.5. Notional funding of the Hillside Project

RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project), should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology.

The capital expenditure requirement for the development of the Hillside Project is approximately \$977 million (on a real basis), which is expected to be incurred from 1 July 2025 in the absence of the Scheme. After converting the cash flows into nominal terms based on the inflation assumptions detailed in Section 10.1.1 the total funding requirement for the development of the Hillside Project is approximately \$1,012 million (on a nominal basis).

Based on our enquiries of management regarding financing options, as well as our analysis of funding structures of comparable listed companies, we consider there to be reasonable grounds to assume that Rex (through the joint venture) could obtain a project debt-to-equity structure of approximately 100% (based on the total debt funding available at start of the Project). However, we note that the Project's average debt to equity structure is approximately 10% over the life of the mine. The notional funding that we have assumed will be secured by Rex for the purposes of the development of the Hillside Project is detailed in the following sections.

10.1.5.1. Notional debt funding

Based on discussions with management, we understand that Rex was in advanced discussions with domestic and international banks to provide approximately \$500 million of debt funding for the development of the Hillside Project. We consider a debt facility of this nature to be of a suitable size for banks with mining expertise to provide.

The debt financing would fund approximately 48.4% (post 2% loan establishment fee) of the nominal pre-production capital expenditure requirement. Rex would fund the remaining 51.6% (\$522.4 million) of the required pre-production capital through the Company's existing cash reserves, a divestment in the Hillside Project and a notional capital raise.

A summary of the notional funding of the Hillside Project in the absence of the Scheme is set out below:

Notional funding of the Hillside Project in the absence of the Scheme		\$'000s
Total expenditure requirement (a)		1,012,444
Add: Notional senior debt facility		500,000
Less: Loan establishment fee		(10,000)
Total funding obtained through notional debt funding (b)		490,000
Shortfall (to be obtained through notional equity raising) (a) - (b)		522,444

Source: BDO Analysis

10.1.5.2. Notional equity raising

Based on Rex's notional 55% interest in the Hillside Project, Rex would be required to fund approximately \$287.3 million of the total \$522.4 million of the remaining pre-production funding requirement.

We have assumed that all of the Company's existing cash reserves of approximately \$25.9 million as at 30 June 2024, and the total funds raised under the Hillside Selldown ranging from \$110.3 million to \$127.9 million (further details in Section 10.1.4 of our report), are available for use towards Rex's share of the funding requirement. Based on the above funding assumptions, Rex would be required to raise between \$133.5 million and \$151.2 million (net of costs) through a notional equity raise for the Company's share of the pre-production funding requirement for the Hillside Project.

	Low	Preferred	High
	\$'000s	\$'000s	\$'000s
Rex's cash required to be raised through notional equity raising			
Total shortfall (to be obtained through notional equity raising)	522,444	522,444	522,444
Rex's shortfall (assuming 55% ownership)	287,344	287,344	287,344
Less: Rex's cash balance as at 30 June 2024	(25,924)	(25,924)	(25,924)
Less: Cash received by Rex from the Hillside Selldown	(110,250)	(119,070)	(127,890)
Cash required to be raised by Rex through notional equity raising, net of costs (\$'000)	151,170	142,350	133,530

Source: BDO Analysis

To determine the required amount to be raised, we have increased the notional equity raising to reflect our estimate of the gross amount raised to meet the costs likely to be incurred in conducting the capital raising. We have assessed the costs of a capital raising to be approximately 3% of the funds raised. Therefore, Rex will be required to raise an equivalent of between \$137.7 million and \$155.8 million (inclusive of costs) to meet the funding shortfall, which is set out in the table below:

	Low \$'000s	Preferred \$'000s	High \$'000s
Cash received from notional capital raising			
Equity funding required (\$'000)	151,170	142,350	133,530
Placement fee (A\$'000)	(4,675)	(4,403)	(4,130)
Cash required to be raised through notional equity raising, net of costs (A\$'000)	155,846	146,753	137,660

Source: Bloomberg and BDO Analysis

In order to determine the likely price at which Rex would have to place its shares to a third party or to current shareholders under a notional capital raising to raise the funds required, we considered the volume-weighted average price ('VWAP') of Rex's shares and the discount at which shares have been issued by ASX listed companies when compared to the respective companies' 30-day VWAP prior to the announcement of the placement.

We considered the discount at which shares have been issued over the last three years, by ASX listed companies to raise capital. A summary of our results is set out in the table below:

	Offer size between \$25m and \$50m	Capital raise relative to market cap >40%	Market capitalisation between \$50m and \$200m	All companies
ASX Mining				
No. companies	46	18	209	849
Mean placement discount	15.2%	16.7%	18.1%	18.1%
Median placement discount	13.5%	16.6%	16.3%	16.6%
All ASX				
No. companies	49	23	220	948
Mean placement discount	16.5%	23.0%	18.0%	19.2%
Median placement discount	16.1%	19.0%	16.4%	16.6%

Source: Bloomberg and BDO analysis

From our analysis, the average (mean) discount for ASX listed mining companies was 18.1%. Given that the placement discounts have ranged significantly. We have also considered the median of 16.6% as this represents a better measure of central tendency.

However, given that the size of the notional capital raising required to fund the Hillside Project would be approximately 118.9% of Rex's market capitalisation prior to the announcement of the Scheme, we consider that a higher discount is required to provide a sufficient incentive for investors to participate in any raising that Rex performs. We have analysed placement discounts for capital raisings in which the amount raised was more than 40% of the company's market capitalisation at the time of the raising and found that the median discount for mining companies was 16.6% and the median discount across all placements on the ASX was 19.0%.

We have also assessed the discounts of capital raisings for companies with market capitalisations between \$50 and \$200 million (a band in which Rex's pre-Scheme market capitalisation falls). The average (mean) discount across all ASX listed companies in this band was 18.0%, with the median being 16.4%.

Given the above analysis and the size of the notional capital raising, we consider a placement discount in the range of 15% to 20% will be required to provide a sufficient incentive for investors to participate in any raising that Rex would conduct.

In section 10.2 of our Report, we consider the QMP of Rex's shares. From this analysis, we assessed that the value of a Rex share to be between \$0.260 and \$0.280, with a midpoint of \$0.270, on a minority interest basis. We have considered our assessed QMP share price range as a basis for our notional capital raising.

We acknowledge that the notional capital raising would take place subsequent to the finalisation and announcement of the above mentioned partial sell-down of the Hillside Project, at which point the Rex share price may have received a re-rating from the market. It is uncertain how a potential re-rating would affect the Rex share price following the finalisation and announcement of a partial sell-down of the Hillside Project. However, we have utilised information provided from Rex regarding confidential non-binding indicative offers for an interest in the Hillside Project that were received by Rex to provide an indication of the value of Rex following a potential re-rating. We consider an approximate value of Rex of \$0.32 per share on a minority interest basis forms the high end of our share price range for the notional capital raise.

We consider the midpoint of the QMP assessment, \$0.27 per share, as an appropriate low point from which to calculate the notional capital raising.

We have undertaken additional analysis on the notional capital raising share price that concludes a premium of up to 120% to the QMP share price range would not change our opinion.

Applying a discount in the range of 15% to 20% to the assessed value range outlined above results in an assumed notional capital raising price of between \$0.216 and \$0.272 per share.

As shown in the table below, in order to raise between \$137.7 million and \$155.8 million to provide funding to develop the Hillside Project, between 506,103,391 and 721,507,821 new shares will need to be issued at between \$0.216 to \$0.272 per share.

Number of shares issued under notional equity raising	Low	Preferred	High
Cash required to be raised through notional equity raising, net of costs (A\$'000)	155,846	146,753	137,660
Quoted market price (minority) (A\$/share)	\$0.270	\$0.295	\$0.320
Assessed placement discount	20.0%	17.5%	15.0%
Capital raising price (A\$/share)	\$0.216	\$0.243	\$0.272
Number of shares issued under notional equity raising	721,507,821	603,921,423	506,103,391

Source: Bloomberg and BDO analysis

10.1.6. Value of Rex's other assets and liabilities

Other assets and liabilities of Rex represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Rex and analysis of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between their book value and their fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Other assets and liabilities	Ref	Audited as at 30-Jun-24 \$'000	Adjusted Value \$'000
CURRENT ASSETS			
Cash and cash equivalents	a)	21,314	25,924
Trade and other receivables		66	66
Rehabilitation bonds		5,960	5,960
Prepayments		853	853
TOTAL CURRENT ASSETS		28,193	32,803
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	b)	3,243	-
Property, plant and equipment	c)	26,300	-
Rehabilitation bonds		188	188
TOTAL NON-CURRENT ASSETS		29,731	188
TOTAL ASSETS		57,924	32,991
CURRENT LIABILITIES			
Trade and other payables		1,310	1,310
Employee benefits		1,241	1,241
TOTAL CURRENT LIABILITIES		2,551	2,551
NON-CURRENT LIABILITIES			
Employee benefits		99	99
TOTAL NON-CURRENT LIABILITIES		99	99
TOTAL LIABILITIES		2,650	2,650
NET ASSETS		55,274	30,341

Source: Audited accounts of Rex for the year ended 30 June 2024 and BDO analysis

We have been advised that there has not been any other significant change in the net assets of Rex since 30 June 2024 and that the above assets and liabilities represent their fair market value at 30 June 2024 apart from the adjustments detailed below. Where the above balances differ materially from the position at 30 June 2024 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to our valuation of Rex's other assets and liabilities.

Note a) Cash and cash equivalents

We have made adjustments for cash received from options that have been exercised between the 30 June 2024 balance date and the date of this report. We have added cash for the exercise of options on 17 July 2024 (6,516,071 options at an exercise price of \$0.30), 31 July 2024 (4,769,288 options at an exercise price of \$0.30) and 13 August 2024 (4,078,793 options at an exercise price of \$0.30). These adjustments are set out in the table below.

Cash and cash equivalents	\$'000s
Cash and cash equivalents as at 30-Jun-24	21,314
Add: cash received from exercise of options (17-Jul-24)	1,955
Add: cash received from exercise of options (31-Jul-24)	1,431
Add: cash received from exercise of options (13-Aug-24)	1,224
Rex's adjusted cash and cash equivalents as at ('000)	25,924

Source: BDO analysis

Note b) Exploration and evaluation assets

The book value of exploration and evaluation assets relates to capitalised historical expenditure. We have adjusted the exploration and evaluation assets balance of \$3.24 million as at 30 June 2024 to nil as we have separately valued the Hillside Project (section 10.1.1 and section 10.1.2) and the Hog Ranch exploration assets (section 10.1.3) in our Sum-of-Parts valuation.

Note c) Property, plant and equipment

The total book value of plant and equipment of \$26.38 million as at 30 June 2024 solely related to plant and equipment used for mining related activities. Therefore, we have adjusted the book value of plant and equipment to nil as it is reflected in the valuation of Rex's interest in the Hillside Project, residual resources and the Hog Ranch exploration assets, which we have separately valued in Sections 10.1.1, 10.1.2. and 10.1.3 in our Sum-of-Parts valuation, respectively.

10.1.7. Present value of Rex's corporate overhead costs

The Adjusted Model does not include corporate costs therefore we have deducted the present value of corporate costs separately in our Sum-of-Parts valuation.

As part of our analysis, we have considered the corporate costs that Rex has incurred historically. Set out below are the corporate costs incurred by Rex for the years ended 30 June 2022, 30 June 2023 and the year ended 30 June 2024.

	Actual year ended 30-Jun-24 \$'000	Actual year ended 30-Jun-23 \$'000	Actual year ended 30-Jun-22 \$'000
Corporate costs of Rex	(9,294)	(8,114)	(4,833)

Source: Audited financial statements of Rex for the years ended 30 June 2022, 30 June 2023 and 30 June 2024

However, we note some of the increase of corporate costs in FY23 and FY24, may be attributable to one off works undertaken to finalise funding and bring the Hillside Project into production.

Our DCF valuation is based on the assumption that the Hillside Project is developed through to production. Therefore, we have considered the corporate costs of comparable companies because we would expect that the corporate costs of Rex are likely to increase once the Company commences production, therefore the historical level of corporate costs incurred are unlikely to reflect the future corporate costs to be incurred.

The comparable companies selected for our analysis are companies of a similar size, scale and nature of operations to those operations that are included in the forecast. A summary of the companies selected and the average corporate costs incurred over the most recent two reporting periods are set out below.

Company Name	Commodity	Revenue for the year ended 30 June 2024 (\$m)	Market Capitalisation (\$m)	Average Corporate Costs for years ended 30 June 2023 and 30 June 2022 (\$'000)
Rex Minerals Limited	Copper, gold	-	199.7	6,474
Regis Resources Limited	Gold	1,147.6	1,325.6	12,274
Westgold Resources Limited	Gold	690.7	1,146.2	14,260
Ora Banda Mining Limited	Gold	166.7	622.0	13,194
Chalice Mining Limited	Nickel, Copper, PGE	0.9	552.3	8,355

Company Name	Commodity	Revenue for the year ended 30 June 2024 (\$m)	Market Capitalisation (\$m)	Average Corporate Costs for years ended 30 June 2023 and 30 June 2022 (\$'000)
Aurelia Metals Limited	Gold	323.8	321.4	15,993
Alkane Resources Limited	Gold	186.1	301.7	10,616
AIC Mines Limited	Copper, gold	159.1	236.9	5,491
Hillgrove Resources Limited*	Copper	-	140.4	3,311
Beacon Minerals Limited	Gold	84.2	93.9	2,221
Mean (excluding Rex)		166.7	526.7	9,524
Median (excluding Rex)		1,147.6	321.4	10,616

Source: Company annual reports and BDO analysis

* Hillgrove Resources Limited has a 31 December year end. Therefore, corporate cost figures have been used for the years ended 31 December 2022 and 31 December 2023.

Based on the above analysis of corporate costs incurred by comparable ASX-listed companies and having consideration for the corporate costs incurred by Rex historically, we have assessed the real corporate costs of Rex to be in the range of \$8.0 million to \$12.0 million per annum, in real terms. We note that Rex's corporate costs over the forecast period should be reflective of a company that is in the production phase of the mining life cycle. As such, our assessed range has been weighted more towards the historical corporate costs of the comparable companies that are in the production phase.

We have however assumed the real corporate costs of Rex to be approximately \$8.0 million whilst the Hillside Project is still in development. Our assessed range for the pre-production corporate costs has been weighted towards Rex's historical corporate costs and comparable companies in the development phase.

We have applied our assessed forecast inflation rates as set out in Section 10.1.1 of our Report to the corporate costs over the forecast period and have discounted these cash flows at our assessed cost of equity 12%, as detailed in Appendix 3. We have also reduced the corporate cost cash flows to incorporate the tax shield received by Rex for incurring these corporate costs.

Based on the above, we consider the present value of corporate costs to be in the range of \$56.26 million and \$77.10 million, with a midpoint value of \$66.68 million.

10.1.8. Transaction costs

In performing our valuation of Rex prior to the Scheme, we have reflected the transaction costs that are expected to be incurred by Rex following 30 June 2024, but prior to the implementation of the Scheme, regardless of whether the Scheme proceeds.

The transaction costs to be incurred by Rex have been estimated to be \$0.81 million as detailed in the Scheme Booklet. We have not considered the transaction costs that have been incurred by Rex prior to 30 June 2024, as these costs are reflected in the valuation of Rex's other assets and liabilities.

10.1.9. Number of shares on issue

As detailed in Section 5.7, the number of Rex shares on issue at the date of our Report is 783,265,822. We have adjusted the number of shares on issue to account for the notional equity raise as detailed in section 10.1.4.

Description	Low	Preferred	High
Rex shares on issue prior to the Scheme	783,265,822	783,265,822	783,265,822
Rex shares issued through notional equity raising	721,507,821	603,921,423	506,103,391
Total ordinary Rex shares on issue prior to the Scheme (including the notional equity raising)	1,504,773,643	1,387,187,245	1,289,369,213

Source: Bloomberg and BDO analysis

We note that the low number of shares on issue forms the basis for the high end of our valuation range and the high number of shares on issue forms the low end of our valuation range.

10.2 Quoted Market Prices for Rex Securities

To provide a comparison to the valuation of Rex in Section 10.1, we have also assessed the quoted market price for a Rex share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

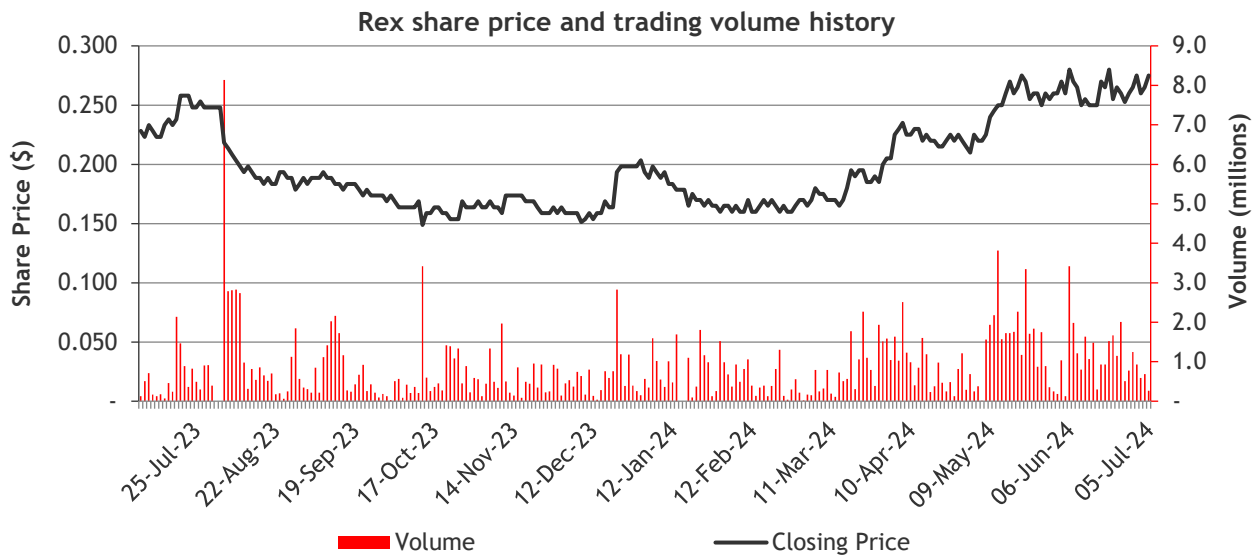
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Therefore, our calculation of the quoted market price of a Rex share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Rex share is based on the pricing prior to the announcement of the Scheme (8 July 2024). This is because the value of a Rex share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a Rex share following the announcement when we have considered reasonableness in Section 13.

Information on the Scheme was announced on 8 July 2024. Therefore, the following chart provides a summary of the share price movement over the 12 months to 5 July 2024, which was the last trading day prior to the announcement.



Source: Bloomberg and BDO Analysis

The closing price of Rex shares from 5 July 2023 to 5 July 2024 ranged from a low of \$0.149 on 12 October 2023 to a high of \$0.280 on 6 June 2024 and 21 June 2024. The largest day of single trading over the assessed period was 3 August 2023, when 8,133,087 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)	%	\$	(movement)	%
19/07/2023	Long-term Incentives for Rex Minerals Key Executives	0.258	▲	8.3%	0.248	▼	3.8%
01/08/2023	Trading Halt	0.248	▶	0.0%	0.213	▼	14.0%
03/08/2023	Rex successfully completes A\$8M Placement	0.218	▼	12.0%	0.203	▼	6.8%
10/08/2023	Placement Cleansing Notice	0.194	▼	2.5%	0.189	▼	2.6%
11/09/2023	2023 Annual Report	0.189	▶	0.0%	0.179	▼	5.3%
12/09/2023	Rex identifies lithium at Hog Ranch	0.184	▼	2.7%	0.184	▶	0.0%
12/10/2023	Updated Securities Trading Policy	0.149	▼	11.8%	0.164	▲	10.0%
28/11/2023	Results of Meeting	0.164	▲	3.2%	0.159	▼	3.1%
28/11/2023	Chair's Address to Shareholders	0.164	▲	3.2%	0.159	▼	3.1%
15/12/2023	Notification regarding unquoted securities - RXM	0.169	▲	6.3%	0.194	▲	14.7%
15/12/2023	Option Incentive Plan Issue	0.169	▲	6.3%	0.194	▲	14.7%
20/12/2023	Rex signs Letter of Intent with Nittetsu Mining	0.194	▲	18.2%	0.198	▲	2.5%
16/01/2024	Entitlement Offer Cleansing Notice	0.179	▶	0.0%	0.175	▼	2.0%
16/01/2024	Strategic Placement & Accelerated Non-Renounceable Offer	0.179	▶	0.0%	0.175	▼	2.0%
16/01/2024	Trading Halt	0.179	▶	0.0%	0.175	▼	2.0%
18/01/2024	Strategic Placement & Accelerated Entitlement Offer Results	0.165	▼	7.6%	0.170	▲	3.0%
23/01/2024	Rex despatches Retail Offer Booklet	0.170	▶	0.0%	0.165	▼	2.9%
25/01/2024	Cleansing Notice - Placement Shares	0.170	▲	3.0%	0.160	▼	5.9%
12/02/2024	Retail Entitlement Offer Results	0.160	▼	5.9%	0.170	▲	6.3%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
15/02/2024	Change in Substantial Shareholder Notice MACH Investment Ent	0.170	▲	3.0%	0.165	▼	2.9%
12/03/2024	December 2023 Half-Year Report	0.170	▶	0.0%	0.180	▲	5.9%
14/03/2024	Corporate Presentation - Euroz Hartleys Rottnest Conference	0.170	▲	3.0%	0.190	▲	11.8%
04/04/2024	Notification of cessation of securities - RXM	0.225	▲	9.8%	0.225	▶	0.0%
07/05/2024	Corporate Presentation - RIU Sydney Conference	0.220	▶	0.0%	0.245	▲	11.4%
08/05/2024	BLM approves Plan of Operations at Hog Ranch	0.225	▲	2.3%	0.250	▲	11.1%
18/06/2024	Investor Presentation - Copper to the World Conference	0.250	▶	0.0%	0.280	▲	12.0%
24/06/2024	Corporate Presentation - Copper to the World 2024- updated	0.255	▼	8.9%	0.253	▼	1.0%

Source: Bloomberg, ASX and BDO analysis

On 19 July 2024, Rex proposed an issuance of 30 million unlisted options to Directors and Key Executives, with vesting conditions contingent upon progress at Hillside. On the date of the announcement, Rex's share price increased by 8.3% to close at \$0.258, before decreasing 3.8% over the subsequent three-day trading period to close at \$0.248.

On 3 August 2023, Rex announced that it had successfully completed an \$8.0M placement, which comprised the issue of 40 million new shares at \$0.20 per share. On the date of the announcement, Rex's share price decreased by 12.0% to close at \$0.218, before decreasing a further 6.8% over the subsequent three-day trading period to close at \$0.203.

On 12 September 2023, Rex announced that it had identified lithium mineralisation at Hog Ranch. On the date of the announcement, the Company's share price decreased by 2.7% to close at \$0.184.

On 20 December 2023, Rex announced that it had executed a non-binding letter of intent with Nittetsu to establish a joint venture which would facilitate the development of Hillside. On the date of the announcement, Rex's share price increased by 18.2% to close at \$0.194, before increasing a further 2.5% to close at \$0.198 over the subsequent three-day trading period.

On 16 January 2024, Rex announced details of an equity raising of up to approximately \$29.8 million, comprising a placement and a non-renounceable pro-rata entitlement offer. The entitlement offer included both an institutional and retail component. No shares were traded on the date of the announcement. Over the subsequent three-day trading period, the Company's share price decreased by 2.0% to close at \$0.175.

On 18 January 2024, Rex announced that its trading halt had been lifted upon completion of the placement and institutional component of its Entitlement Offer, which resulted in the Company raising \$15.5 million. On the date of the announcement, the Company's share price decreased by 7.6% to close at \$0.165, before increasing 3.0% over the subsequent three-day trading period to close at \$0.170.

On 12 February 2024, Rex released the results from the retail component of its entitlement offer, where \$7.1 million was raised in total. Rex highlighted that \$22.6 million had been raised in total through the entitlement offer. On the date of the announcement, the Company's share price decreased by 5.9% to close at \$0.160, before increasing by 6.3% over the subsequent three-day trading period to close at \$0.170.

To provide further analysis of the market prices for a Rex share, we have also considered the weighted average market price for 10-, 30-, 60- and 90-day periods to 5 July 2024.

Share Price per unit	05-Jul-24	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.275				
Volume weighted average price (VWAP)		\$0.263	\$0.263	\$0.253	\$0.238

Source: Bloomberg, BDO analysis

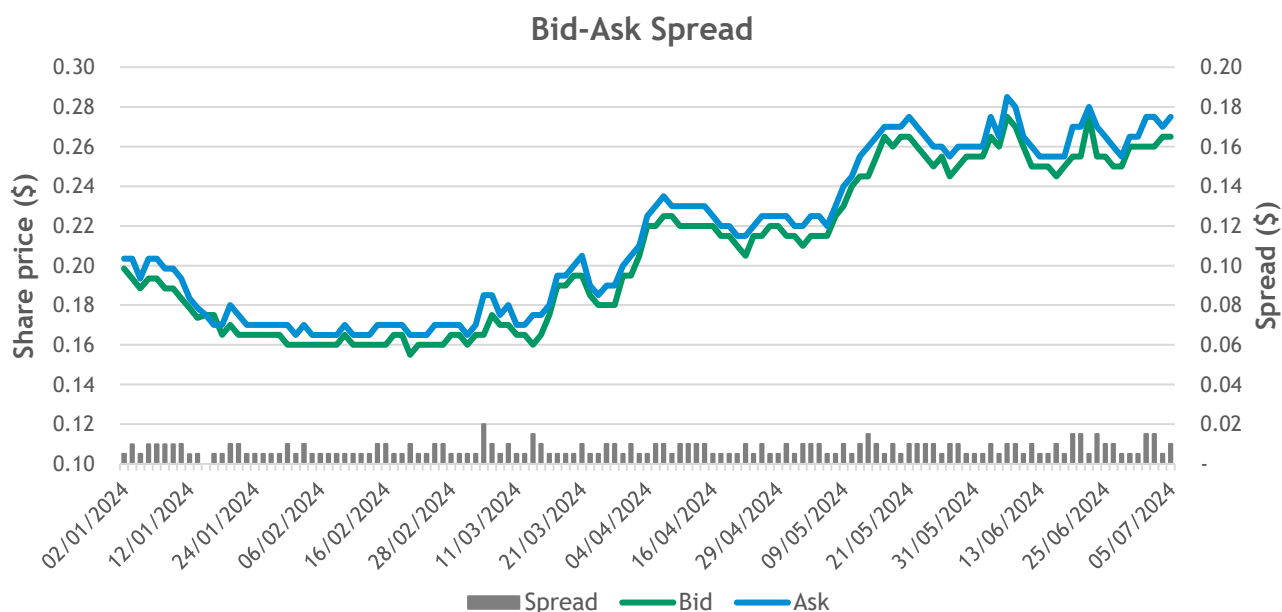
The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of Rex shares that has occurred since the Scheme was announced. An analysis of the volume of trading in Rex shares for the twelve months to 5 July 2024 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.265	\$0.275	267,159	0.03%
10 Days	\$0.250	\$0.280	9,821,941	1.28%
30 Days	\$0.248	\$0.290	32,391,949	4.22%
60 Days	\$0.205	\$0.290	67,767,195	8.82%
90 Days	\$0.160	\$0.290	94,275,854	12.28%
180 Days	\$0.151	\$0.290	152,338,662	19.84%
1 Year	\$0.149	\$0.290	214,860,980	27.98%

Source: Bloomberg, BDO analysis

This table indicates that Rex’s shares display a low to moderate level of liquidity, with 27.98% of the Company’s current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a ‘liquid and active’ market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale.

Additionally, we have considered the bid-ask spread of Rex shares for the six month period prior to the announcement of the Scheme, outlined in the graph below.



Source: Bloomberg, BDO analysis

We calculated the average spread over the period from 1 January 2024 to 5 July 2024 to be \$0.007, which equates to approximately 3.6% of the prevailing share price over that period.

We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Rex, we consider the shares to display a low to moderate level of liquidity, on that basis that less than 1% of securities have been traded weekly on average, with 19.84% and 27.98% of Rex's current issued capital being traded over a 180-day period and twelve-month period, respectively, prior to the announcement of the Scheme. Of the 52 weeks in which our analysis is based on, the trading volume of the Company's securities exceeded 1% of total issued capital on four separate weeks. We also noted the average spread over the period from 1 January 2024 to 5 July 2024 to be approximately 3.6% of the prevailing share price over that period.

Our assessment is that a range of values for Rex shares based on market pricing, after disregarding post announcement pricing, is between \$0.260 and \$0.280.

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed general mining companies and all ASX-listed companies over the ten-year period from January 2014 to July 2024. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

ASX-listed general mining companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2024	6	240.38	37.34
2023	14	162.16	30.31
2022	9	1929.90	22.67
2021	6	1235.14	29.89
2020	5	592.06	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	13	79.54	41.48

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2024	21	717.14	25.05
2023	35	421.28	27.41
2022	39	3,199.03	23.39
2021	28	1,095.24	35.17
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	35	394.93	38.31

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2014 onwards for ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	ASX-listed Mining Companies		All ASX-listed companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	427.60	37.53	1396.10	32.37
Median	55.31	33.01	134.96	28.36

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to Integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed general mining companies and all ASX-listed companies is approximately 37.53% and 32.37% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 33.01% for ASX-listed general mining companies and 28.36% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

QMP including control premium

Applying a control premium to Rex's quoted market share price results in the following QMP value including a premium for control:

	Low \$	Preferred \$	High \$
Quoted market price value	\$0.260	\$0.270	\$0.280
Control premium	25%	30%	35%
Quoted market price valuation including a premium for control	\$0.325	\$0.351	\$0.378

Source: BDO analysis

Therefore, our valuation of a Rex share based on the quoted market price method and including a premium for control is between \$0.325 and \$0.378, with our preferred QMP value of a Rex share being a rounded midpoint value of \$0.351. We have selected the midpoint between the low and high values as a preferred value as there is no reason for us to select a value on either end of the above assessed range.

10.3 Assessment of the value of a Rex share

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Sum-of-Parts (Section 10.1)	0.346	0.412	0.484
QMP (Section 10.2)	0.325	0.351	0.378

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value a Rex share, as the core value lies in the Hillside Project, which has been valued using the DCF methodology, and the inferred residual resources at the Hillside Project and the value of the Hog Ranch exploration assets which have not been included in the DCF valuation, but have been independently valued by Behre Dolbear, an independent technical specialist in accordance with VALMIN. Notwithstanding this, we consider the QMP approach to be relevant for the purposes of a broad cross-check to our valuation under the Sum-of-Parts approach. Based on the values above, we consider the valuation under the QMP approach to be broadly supportive of the valuation under the Sum-of-Parts approach.

The different results of our valuation approaches may be explained by:

- The QMP reflecting a share value incorporating an unfunded value of the Hillside Project; and
- the assumptions made by BDO and Behre Dolbear in assessing the value of the Hillside Project, and by Behre Dolbear in the valuation of the inferred residual resources at the Hillside Project and the value of the Hog Ranch exploration assets, being more or less optimistic than those made by the market.

Based on the results above we consider the value of a Rex share to be between \$0.346 and \$0.484, with a preferred value of \$0.412.

11. Valuation of Scheme Consideration

Under the Scheme, Shareholders will receive cash consideration of \$0.47 for every share in Rex that they hold.

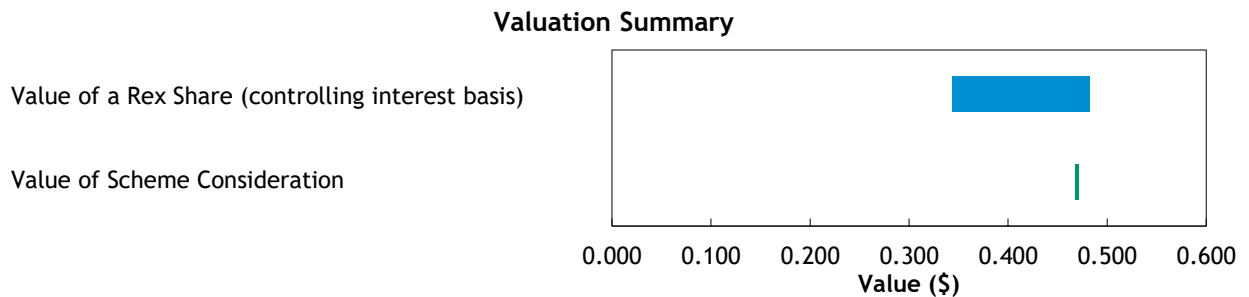
12. Is the Scheme fair?

The value of a Rex share (on a controlling basis) and the Scheme Consideration per share is set out below:

	Ref	Low \$	Preferred \$	High \$
Value of a share in Rex (on a controlling basis)	10.3	0.346	0.412	0.484
Value of the Scheme Consideration	11	0.470	0.470	0.470

Source: BDO analysis

The above valuation range is graphically presented below:



The above pricing indicates that, in the absence of any other relevant information and a superior proposal, the Scheme is fair for Shareholders. We note that our assessed high value of a Rex share is greater than the value of the Scheme Consideration, however given that our low and preferred value and a majority of the range of values is below the value of the Scheme Consideration, we consider the Scheme to be fair for Shareholders.

13. Is the Scheme reasonable?

We have considered the analysis below, in terms of the following:

- Advantages and disadvantages of the Scheme.
- Other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Scheme is reasonable for Shareholders.

13.1 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of Rex a premium over the value resulting from the Scheme.

13.2 Advantages of approving the Scheme

We have considered the following advantages in our assessment of whether the Scheme is reasonable.

Advantage	Description
The Scheme is fair	As set out in Section 12, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.
Shareholders obtain cash under the Scheme	<p>The Scheme involves the acquisition of all the outstanding shares in Rex for a cash price of \$0.470 per share. Shareholders will obtain cash for the exit of their investment which offers certainty in their returns and provides Shareholders with an opportunity to utilise the cash received for other purposes such as alternative investments.</p> <p>Given the demonstrated low level of liquidity in the trading of Rex shares, the certainty of the cash consideration of \$0.470 per share, may benefit shareholders if they are not able to sell their shares at a higher price. In particular, those who hold large parcels of shares may have difficulty selling their shares on market, or in the event that they are able to sell, they may cause the quoted market price to fall.</p>
The Scheme Consideration offered is at a premium to the last traded price of a Rex share prior to the announcement of the Scheme	<p>The Company's closing price on the last trading day prior to the announcement of the Scheme was \$0.265. Therefore, the Scheme Consideration represents a 77% premium to the last quoted price of a Rex share prior to the announcement of the Scheme.</p> <p>We note that subsequent to the announcement of the Scheme the share price has remained below the Scheme Consideration of \$0.470.</p>

Advantage	Description
Shareholders will no longer be exposed to risks associated with being a shareholder of Rex	<p>Volatile commodity markets and project development risks are some of the specific risks Rex Shareholders have been exposed to. Specifically, we note that the DCF value of the Hillside Project is highly sensitive to any change in the copper price. While the long-term outlook for copper prices in US dollar terms is trending upwards from current pricing, any downward movements in the copper price or an appreciation of the Australian dollar relative to the US dollar, could significantly impact the value of the Project. If the Scheme is approved, Shareholders will no longer be exposed to the specific risks of holding shares in Rex.</p>

13.3 Disadvantages of approving the Scheme

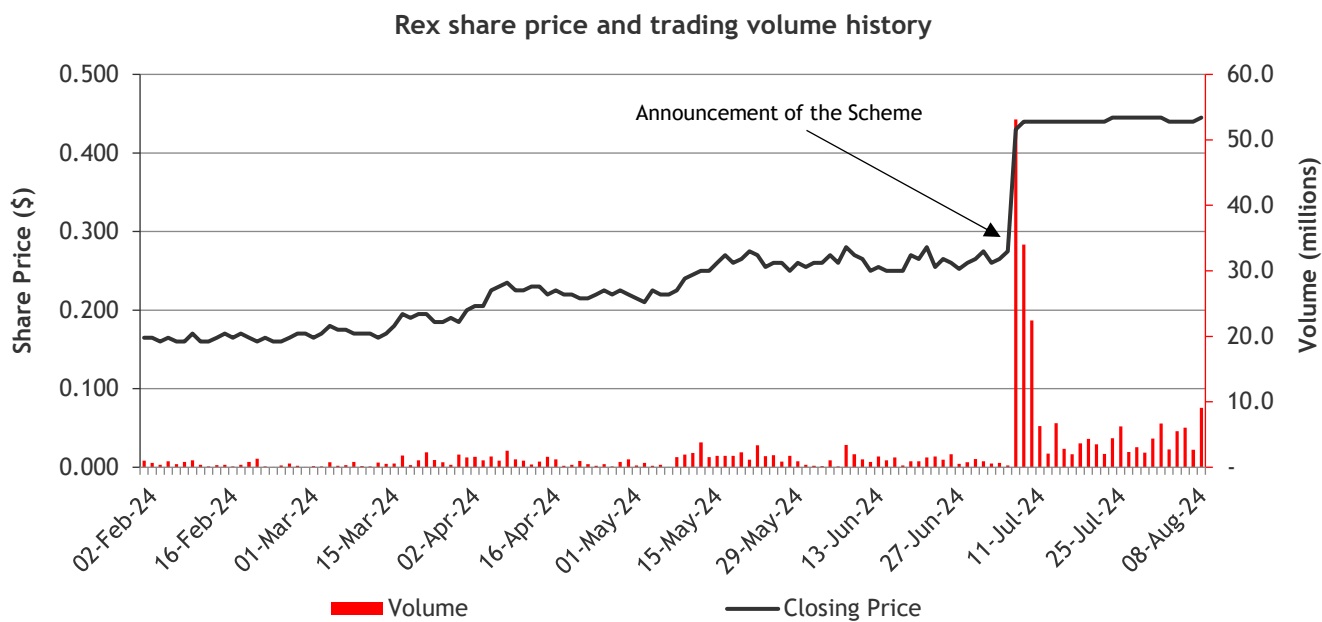
We have considered the following disadvantages in our assessment of whether the Scheme is reasonable.

Disadvantage	Description
Shareholders will forego the opportunity to potentially receive dividends in the future	<p>If the Scheme is approved and the Hillside Project or Hog Ranch Project is developed through to production, there is a possibility that the Company may be in a position to pay dividends to shareholders. We note that there is no certainty that the Company will be in a position to pay dividends, nor that management will elect to distribute dividends to shareholders. However, if the Scheme is approved, Shareholders will forego the opportunity to potentially receive dividends in the future.</p>
Shareholders will forego the opportunity to participate in the potential upside of the Company's projects, should it materialise.	<p>If the Scheme is approved and the Hillside Project or the Hog Ranch Project is developed through to production, Shareholders will forego the opportunity to participate in the increase in the value of the Company's shares that may result from the potential upside of the Company's projects, should it materialise.</p>

13.4 Consequences of not approving the Scheme

Potential Decline in Rex's share price

We have analysed movements in Rex's share price since the Scheme was announced. A graph of Rex's share price and trading volume leading up to and following the announcement of the Scheme is set out below.



Source: Bloomberg and BDO Analysis

From 1 February 2024 to 8 August 2024, the closing price of Rex’s shares ranged from a low of \$0.160 on 26 February 2024 to a high of \$0.445 from 24 July 2024 through to 1 August 2024, and 8 August 2024.

Rex announced the Scheme on 8 July 2024. On the date of the announcement, Rex’s closing share price increased approximately 62.26% to \$0.430, from the previous day’s closing share price of \$0.265. On the date of the announcement, 53,119,561 shares were traded, representing approximately 6.92% of Rex’s issued capital at the time. Following the announcement of the Scheme, Rex’s closing share price has fluctuated from a low of \$0.430 on 8 July 2024, to a high of \$0.445 from 24 July 2024 through to 1 August 2024, and 8 August 2024.

Based on the above analysis, it is possible that if the Scheme is not approved, then Rex’s share price may revert to levels observed prior to the announcement of the Scheme.

Funding the capital expenditure required for the Hillside Project would likely involve a dilutive equity raising and selldown of the Project

As detailed in section 10.1, the development of Stage 1 of the Hillside Project requires upfront capital expenditure of approximately \$1,012 million. We have assumed that the Company will utilise approximately \$500 million of debt funding but would then need to sell down its interest in the Hillside Project and equity fund the remaining balance (which would be significant). Therefore, in order to realise the DCF value of the Hillside Project, existing shareholders will likely have their existing interest diluted.

14. Conclusion

We have considered the terms of the Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

15. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report
- Audited financial statements of Rex for the years ended 30 June 2022, 30 June 2023 and 30 June 2024
- Reviewed financial statements of Rex for the half year ended 31 December 2023
- Financial model prepared by Rex management for Stage 1 and Stage 2 of the Hillside Project
- Independent Technical Specialist Report for Rex's mineral assets performed by Behre Dolbear
- Bloomberg
- S&P Capital IQ
- Reserve Bank of Australia
- Consensus Economics
- United States Geological Survey
- Share registry information
- ASX announcements made by Rex
- Information in the public domain
- Discussions with Directors and Management of Rex

16. Independence

BDO Corporate Finance Australia Pty Ltd is entitled to receive a fee of approximately \$115,000 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance Australia Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance Australia Pty Ltd has been indemnified by Rex in respect of any claim arising from BDO Corporate Finance Australia Pty Ltd's reliance on information provided by Rex, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance Australia Pty Ltd has considered its independence with respect to Rex and MACH Metals and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance Australia Pty Ltd's opinion it is independent of Rex and MACH Metals and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance Australia Pty Ltd, have had within the past two years any professional relationship with Rex, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Rex and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance Australia Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance Australia Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance Australia Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 700 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These expert's reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants, is a CA BV Specialist and is member of the committee established to develop and maintain the VALMIN Code. Ashton has over thirteen years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

18. Disclaimers and consents

This report has been prepared at the request of Rex for inclusion in the Scheme Booklet which will be sent to all Rex Shareholders. Rex engaged BDO Corporate Finance Australia Pty Ltd to prepare an independent expert's report to consider the proposed scheme of arrangement under which MACH Metals proposes to acquire all of the shares in Rex for cash consideration of \$0.470 per share.

BDO Corporate Finance Australia Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Corporate Finance Australia Pty Ltd.

BDO Corporate Finance Australia Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance Australia Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Scheme. BDO Corporate Finance Australia Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance Australia Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance Australia Pty Ltd by Rex, and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance Australia Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications, it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the shareholders of Rex, or any other party.

BDO Corporate Finance Australia Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Rex. The valuer engaged for the mineral asset valuation, Behre Dolbear, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance Australia Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting.

Yours faithfully

BDO Corporate Finance Australia Pty Ltd



Sherif Andrawes
Director



Ashton Lombardo
Director

Appendix 1 - Glossary of Terms

Reference	Definition
Adjusted Model	The BDO adjusted model
AFCA	Australian Financial Complaints Authority
AGM	Annual General Meeting
Airport	Airport deposit at Hog Ranch
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance Australia Pty Ltd
BDO Corporate Finance	BDO Corporate Finance Australia Pty Ltd
Behre Dolbear	Behre Dolbear Australia Pty Ltd
Bells	Bells Project at Hog Ranch
BLM	Bureau of Land Management
CAGR	Compounded Annual Growth Rate
Cameco	Cameco deposit at Hog Ranch
CapEx	Capital Expenditure
CAPM	Capital Asset Pricing Model
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Consideration Rights	Hog Ranch Consideration Rights
COO	Chief Operating Officer
Corporations Act	The Corporations Act 2001 Cth

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Reference	Definition
CPI	Consumer Price Index
DCF	Discounted Future Cash Flows
EFS	Extended Feasibility Study
EML 6439	Extractive Mineral Lease 6439
EPCM	Engineering procurement and construction management
Fed	The US Federal Reserve
FIRB	Foreign Investment Review Board
FME	Future Maintainable Earnings
FOMC	Federal Open Market Committee
FSG	Financial Services Guide
FY	Financial year
GDP	Gross Domestic Product
HCA	Hitachi Construction Machinery (Australia) Pty Ltd
Hillside Project	Rex's Hillside copper-gold project
Hillside Selldown	Rex's selldown of their interest in the Hillside Project to form an unincorporated joint venture with the acquiring party to fund the Project's pre-production CapEx
Hog Ranch	Rex's 100%-owned Hog Ranch Property in Nevada, USA that contains a gold mineral resource and lithium prospects
IS 214	Information Sheet 214 Mining and Resources - Forward Looking Statements
ITE	Independent Technical Expert
ITSR	Independent Technical Specialist Report
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Km	Kilometres
Krista	Krista deposit at Hog Ranch

Reference	Definition
LME	London Metal Exchange
LOI	Letter of Intent
MACH Australia Holdings	MACH Australia Holdings Pty Ltd
MACH Energy	MACH Energy Australia Pty Ltd
MACH Metals	MACH Metals Australia Pty Ltd
ML 6438	Mineral Lease 648
Moz	Million ounces
MPL 146	Miscellaneous Purposes License 146
MRE	Mineral Resource Estimate
Mtpa	Million tonnes per annum
NAV	Net Asset Value
Nittetsu	Nittetsu Mining Co. Ltd.
OFS	Optimised Feasibility and Definition Phase Engineering Study
OIP	Option Incentive Plan
Option holders	Option holders of Rex
ORE	Ore Reserves Estimate
Our	BDO Corporate Finance Australia Pty Ltd
our Report	This Independent Expert's Report prepared by BDO
Oz	Ounces
PCE	Personal consumption expenditure
PEPR	Program for Environment Protection and Rehabilitation
PFS	Pre-Feasibility Study
PP&E	Property, plant and equipment

Reference	Definition
Ppm	Parts per million
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Rex	Rex Minerals Limited
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information (March 2011)
RG 60	Schemes of arrangement (September 2011)
SA	South Australia
Scheme Booklet	A document outlining the details of the Scheme prepared by the Directors of Rex in order to assist the Shareholders in their decision whether to approve the Scheme
Scheme Consideration	Cash consideration paid to Rex shareholders of \$0.47 for every Rex share that they hold
Section 411	Section 411 of the Corporations Act
Shareholders	Shareholders of Rex not associated with MACH
SID	Scheme Implementation Deed
Stage 3	Rex's prospective Stage 3 plan for the Hillside Project
Stage 4	Rex's prospective Stage 4 plan for the Hillside Project
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
The Act	The Corporations Act 2001 Cth
The Company	Rex Minerals Limited
The Model	A detailed cash flow model of the Hillside Project prepared by the management of Rex
The Project	Rex's Hillside copper-gold project

Reference	Definition
The RBA Board	Board of the Reserve Bank of Australia
The Scheme	The scheme of arrangement between Mach Metals and Rex, pursuant to which MACH Metals will acquire all of the shares in Rex that it does not already own
Thiess	Thiess Pty Ltd
Us	BDO Corporate Finance Australia Pty Ltd
USA	United States of America
USGS	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
We	BDO Corporate Finance Australia Pty Ltd

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 Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted market price basis*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax or earnings before interest, tax, depreciation and amortisation. The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market-based assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb/oz of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Discount Rate

Determining the correct discount rate, or cost of capital, for a business (or project) requires the identification and consideration of a number of factors that affect the returns and risks of the business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' weighted average cost of capital ('WACC'), the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

In our assessment of the appropriate discount rate for Rex's Hillside Project, we consider the most appropriate discount rate to be the cost of equity. This is because the Adjusted Model includes debt financing cash flows, and therefore, considers final cash flows to equity holders.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + \beta \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
β	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (Rf)

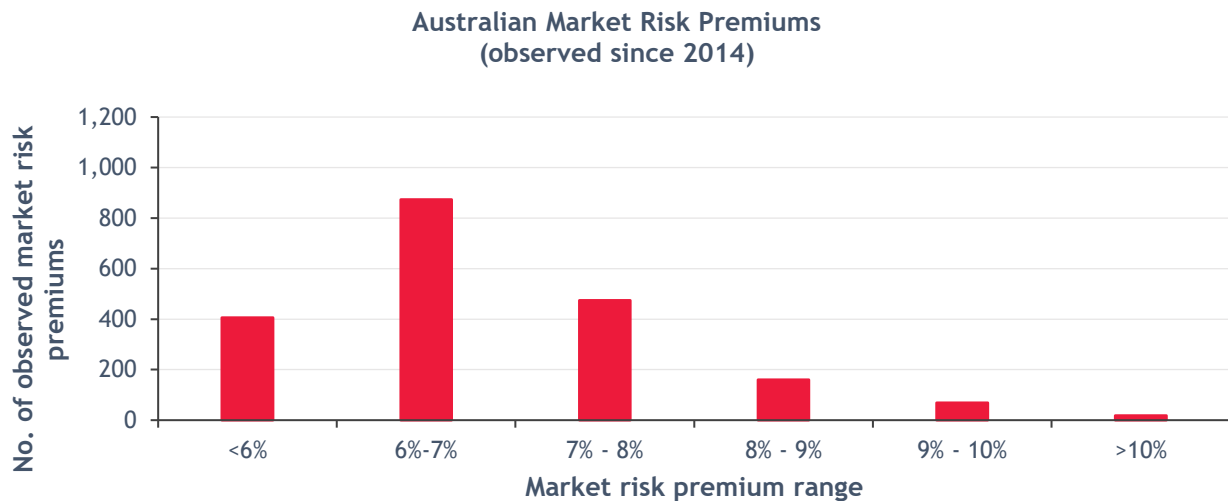
The risk free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received.

In determining an appropriate ten-year bond rate to use as a proxy for the risk free rate we have given consideration to the ten-year Australian Government Bond rate and projections of the ten-year Australian Government Bond rate based on forecasts sourced from Bloomberg. Based on this analysis, we have used a risk-free rate ranging from 3.0% to 4.0% in our analysis.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice.

In addition to the above historical analysis, we maintain a database of market risk premiums adopted by other valuation practitioners. This database indicates that 6% is the median market risk premium adopted by reputable valuation practitioners in Australia, with the mean being 6.1%.

Based on the above analysis, and our professional judgement, we have used a market risk premium of 6% in our assessment.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market. A beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future and is hence

derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta (β_a) by applying the following formula:

Asset beta (β_a)	
β_a	$= \beta / (1 + (D/E \times (1-t)))$
Where:	
β_a	= ungeared or asset beta
β	= equity beta
D	= value of debt
E	= value of equity
t	= corporate tax rate

Selected Beta (β)

In order to assess the appropriate equity beta for Rex's Hillside Project we have had regard to the equity beta of ASX-listed copper and gold producing companies with operations in Australia. The ASX-listed companies identified have similar operations to Rex, in respect of commodity exposure, stage of development and geographic location of operations. We note that our assessment includes the equity beta of Rex on the basis that we consider them relevant to our assessment.

The betas have been assessed over a two-year period using weekly returns, against the S&P/ASX All Ordinaries Index.

The list of companies we selected are set out below:

Company	Market cap. as at 30-Jun-24 (A\$m)	Gearred Beta (β)	Gross Debt/Equity (%)	Ungeared Beta (β_a)	R ²
Rex Minerals Ltd	199.65	0.92	0.00%	0.92	0.03
29Metals Limited (ASX:29M)	294.78	1.41	64.24%	0.97	0.04
Aeris Resources Limited (ASX:AIS)	203.18	2.40	22.48%	2.07	0.13
AIC Mines Limited (ASX:A1M)	236.91	1.13	0.00%	1.13	0.08
Alkane Resources Limited (ASX:ALK)	301.75	1.57	3.44%	1.53	0.19
Aurelia Metals Limited (ASX:AMI)	321.40	1.66	2.37%	1.63	0.13
Caravel Minerals Limited (ASX:CVV)	99.28	1.59	0.00%	1.59	0.11
Havilah Resources Limited (ASX:HAV)	60.16	0.78	0.33%	0.77	0.02
Ora Banda Mining Limited (ASX:OBM)	621.96	1.61	87.71%	1.00	0.07
Sandfire Resources Limited (ASX:SFR)	3992.78	1.93	34.67%	1.55	0.41
Mean	633.19	1.50	0.22	1.32	0.12
Median	265.85	1.58	0.03	1.33	0.09

*We note Rex data are presented as at 30 June 2024 in order to exclude any impacts on trading following the announcement of the Scheme.

Source: Bloomberg and BDO analysis

As set out in the table above, the ungeared beta for the list of comparable companies, based on the two-year period, ranges from 0.77 to 2.07 with a mean and median of 1.32 and 1.33, respectively. Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for Rex's Hillside Project, we have considered the similarities and differences of Rex's Hillside Project compared to the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies are all exposed to either the copper and/or gold industry in Australia;
- the comparable companies are all listed on the ASX with head offices based in Australia;
- the flagship assets of the comparable companies are located in Australia;
- the comparable companies are of similar size based on market capitalisations which as at 30 June 2024, excluding outliers, ranged between \$0.20 billion and \$0.62 billion; and

Having regard to the above, we consider an appropriate ungeared beta to apply to the Hillside Project is between 1.30 to 1.40.

We have regeared this beta to reflect Rex's forecast debt to equity ratio of 10%, which is reflective of the approximate capital structure of Rex over the life of the Hillside Project and its funding of the Hillside Project.

We have based this assessment of a forecast capital structure based on our analysis of comparable company funding structures and the preliminary funding evidence provided by the Company. We have considered the capital structure of these companies as at the most recent reporting date and the date of initial drawdown to account for the subsequent repayment of debt in Section 10.1.4 of our Report.

Consequently, we consider an appropriate regeared beta for the Hillside Project to be between 1.39 and 1.50.

Tax rate

We have adopted a tax rate of 30% based on Australia's corporate tax rate.

Cost of Equity (Rex)

We have assessed the cost of equity of Rex to be in the range of 11.35% to 12.99%, with our preferred discount rate being a rounded midpoint of 12% (rounded to the nearest 1%).

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (ungeared)	1.30	1.40
Beta (regeared)	1.39	1.50
Cost of Equity	11.35%	12.99%

Source: Bloomberg and BDO analysis

Set out below are the descriptions of the companies we considered in our comparable company analysis.

Company Name	Business Description
Rex Minerals Limited (ASX:RXM)	Rex Minerals Limited engages in the exploration, evaluation, and development of mineral properties in Australia. The company explores for copper, gold, and iron oxide deposits. Its flagship project is the Hillside project located in Yorke Peninsula, South Australia. Rex Minerals Limited was incorporated in 2007 and is based in Pine Point, Australia.
29Metals Limited (ASX:29M)	29Metals Limited explores, develops, and produces copper focused base and precious metals. The company explores for copper, zinc, gold, and silver deposits. It holds interest in the Golden Grove property located in Western Australia; and the Capricorn Copper property situated in Queensland. In addition, the company holds interest in the Redhill project located in southern Chile. 29Metals Limited was incorporated in 2021 and is headquartered in Melbourne, Australia.
Aeris Resources Limited (ASX:AIS)	Aeris Resources Limited, together with its subsidiaries, engages in the production, sale, and exploration of copper, zinc, gold, and silver in Australia. The company's primary operating assets include the Tritton Copper Operations located near the town of Nyngan in central New South Wales; and Cracow Gold Operations situated near the town of Theodore in Central Queensland. It also holds interests in the Jaguar mine located in Western Australia; Mt Colin mine situated in North-West Queensland; and Stockman project located in Victoria. The company was formerly known as Straits Resources Limited and changed its name to Aeris Resources Limited in December 2015. The company was incorporated in 2010 and is based in Brisbane, Australia.
AIC Mines Limited (ASX:A1M)	AIC Mines Limited explores for, develops, and acquires gold and copper deposits in Australia. It holds interest in the Marymia project comprising an area of approximately 3,600 square kilometres located in the Eastern Gascoyne region of Western Australia; the Eloise copper mine located in North Queensland; and interest in the Lamil project that covers an area of 1,200 square kilometres located in the Paterson Province of Western Australia. The company has also interest in the Delamerian project located in the Delamerian Orogen in western New South Wales. AIC Mines Limited was incorporated in 1993 and is based in Subiaco, Australia.
Alkane Resources Limited (ASX:ALK)	Alkane Resources Limited operates as a gold exploration and production company in Australia. It explores for gold, copper, nickel, zinc, and silver deposits. The company also invests in junior gold mining companies and projects. Alkane Resources Limited was incorporated in 1969 and is headquartered in West Perth, Australia.
Aurelia Metals Limited (ASX:AMI)	Aurelia Metals Limited engages in the exploration and development of mineral properties in Australia. The company primarily produces gold, silver, copper, lead, and zinc. It holds interests in the Peak Mine situated in the northern part of the Cobar Basin, New South Wales; and the Dargues mine located in southern Tablelands in New South Wales. The company was formerly known as YTC Resources Limited and changed its name to Aurelia Metals Limited in June 2014. Aurelia Metals Limited was incorporated in 2004 and is headquartered in Brisbane, Australia.

Company Name	Business Description
Caravel Minerals Limited (ASX:CVV)	Caravel Minerals Limited, together with its subsidiaries, explores for mineral tenements. The company explores for copper, gold and molybdenum deposits. It holds interest in the 100% owned Caravel Copper project located in Perth, Western Australia. The company was formerly known as Silver Swan Group Limited and changed its name to Caravel Minerals Limited in November 2012. Caravel Minerals Limited was incorporated in 2006 and is based in Subiaco, Australia.
Havilah Resources Limited (ASX:HAV)	Havilah Resources Limited, together with its subsidiaries, engages in the exploration and evaluation of mineral resource properties in Australia. The company explores for copper, gold, cobalt, uranium, and iron ore deposits, as well as rare earth elements. Its flagship mineral project is the 100% owned Kalkaroo project located in northeastern South Australia. The company was founded in 1996 and is based in Kent Town, Australia.
Ora Banda Mining Limited (ASX:OBM)	Ora Banda Mining Limited engages in the exploration, operation, and development of mineral properties in Australia. The company explores for gold, nickel, copper, lithium, and base metal deposits, as well as sells gold. It holds 100 % interest in the Davyhurst Gold project that comprises 92 tenements covering an area of approximately 1,200 square kilometres located in North-West of Kalgoorlie, Western Australia. Its production deposits also include the Riverina, Sand King, Missouri, Waihi, Callion, Lady Ida, Mulline, and Golden Eagle projects. The company was formerly known as Eastern Goldfields Limited and changed its name to Ora Banda Mining Limited in June 2019. Ora Banda Mining Limited was incorporated in 2002 and is based in Subiaco, Australia.
Sandfire Resources Limited (ASX:SFR)	Sandfire Resources Limited, a mining company, engages in the exploration, evaluation, and development of mineral tenements and projects. It primarily explores for copper, gold, silver, lead, and zinc deposits. Sandfire Resources Limited was incorporated in 2003 and is based in West Perth, Australia.

Source: Capitallq and BDO analysis

Appendix 4 - Independent Technical Specialist Report

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Dear Sherif

**INDEPENDENT TECHNICAL SPECIALIST REVIEW FOR BDO CORPORATE FINANCE
REX MINERALS – MACH METALS AUSTRALIA - SCHEME OF ARRANGEMENT
BEHRE DOLBEAR AUSTRALIA PTY LIMITED**

1.0 INTRODUCTION

Rex Minerals Limited (ASX: RXM) (“Rex” or “the Company”) has entered into a Scheme Implementation Deed (“SID”) with MACH Metals Australia Pty Ltd (“MACH Metals”), under which it is proposed that MACH Metals will acquire all of the shares in Rex which it does not already own by way of a Scheme of Arrangement (“the Scheme”) for cash consideration of A\$0.47 per Rex share.

BDO Corporate Finance Australia Pty Ltd (“BDO”) has been engaged by Rex to prepare an Independent Expert’s Report (“IER”) for inclusion within a Scheme Booklet to be provided to the shareholders of the Company. The Scheme Booklet is to provide shareholders with the information they require to make an informed decision on a proposed transaction. The IER is required to provide an opinion on whether the offer associated with the Scheme is fair and reasonable and in the best interests of non-associated shareholders.

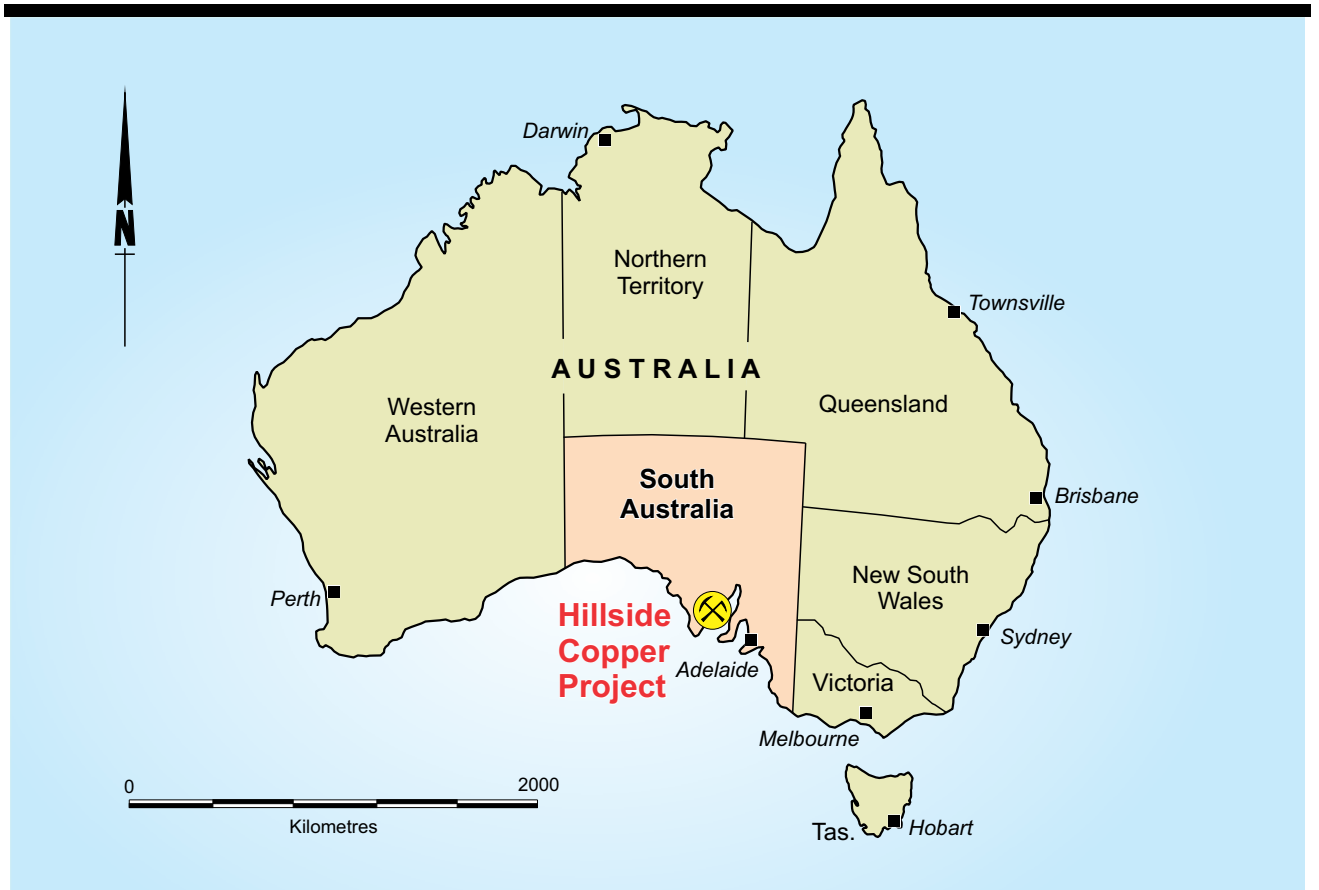
Given the nature of the assets of Rex, BDO requires an Independent Technical Specialist to assist BDO with its opinion and has engaged Behre Dolbear Australia Pty Ltd (“BDA”) to act as the Independent Technical Specialist in relation to the Rex mineral assets and prepare an Independent Technical Specialist’s Report (“ITSR”) (this report).

MACH Metals Australia Pty Ltd (MACH Metals) is a wholly owned subsidiary of MACH Australia Holdings Pty Ltd which was established in 2015 and is fully owned by the Salim Group, one of Indonesia’s largest conglomerates with a diverse portfolio of investments across manufacturing, food production and mining. MACH Australia Holdings Pty Ltd, through MACH Energy Australia Pty Ltd, is an experienced operator of mining assets in Australia, including the Mount Pleasant coal mine in New South Wales. MACH Metals owns 121,525,069 Rex shares equating to 15.6% of Rex’s issued equity.

Rex Minerals Limited – Mineral Assets

Rex owns of the Hillside Copper Project and associated exploration tenements in South Australia and the Hog Ranch Gold Project in Nevada, USA (Figure 1).

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REX Minerals Ltd

Figure 1
BDA - 242 (02) - July 2024

Hillside Copper Project (Stage 1 and Stage 2)

The primary asset of Rex is the 100%-owned Hillside copper-gold project located 12 kilometres (“km”) south of the Ardrossan township on the Yorke Peninsula, South Australia. Rex holds a granted Mineral Lease (“ML”) of 2,998 hectares (“ha”) over the project area together with an Extractive Minerals Lease (“EML”) and Miscellaneous Purpose Licence (“MPL”). Hillside is an Iron Oxide Copper Gold (“IOCG”) deposit on the southern fringe of the Gawler Craton (Figure 2).

The Company completed an initial Feasibility Study on the Project in 2015 and a costing update to the Feasibility Study was completed in 2020. The Mineral Lease for the Project was granted in 2014 and the Programme for Environment Protection and Rehabilitation (“PEPR”) for the Stage 1 open pit mining project was approved in 2020. A further study was completed in 2021 examining Stage 1 and underground mining. An Optimised Feasibility and Definitive Phase Engineering Study (“OFS”) was completed in December 2022 based on Stage 1 only. Hillside currently contains a total Mineral Resource of 337 million tonnes (“Mt”) averaging 0.56% copper (“Cu”) and 0.14 grams per tonne (“g/t”) gold (“Au”) containing 1.9Mt of copper and 1.5 million ounces (“Moz”) of gold. Ore Reserves total 186Mt at 0.53% Cu and 0.14g/t Au containing approximately 1.0Mt of copper and 0.8Moz of gold. Stage 1 has an 11-year mine life and exploits only 26% of the 2022 Mineral Resource.

While the OFS focussed on the Stage 1 project, it provided for the transition to the larger Stage 2 mine plan, originally defined in the 2021 study. Stage 2 operations are projected to commence in Year 10, doubling the mine life to 22 years. Stage 2 would extract a further 25% of the known Mineral Resources.

The granted mining tenements include the option for expansion to Stage 2 and the potential processing and production of an iron ore product. Rex owns 100% of the land of the Stage 1 operational footprint.

Hillside Copper Project (Stages 3 and 4)

There remains potential for further mine and plant expansion which could significantly increase the mine life beyond 22 years, subject to the economics at the time. Rex has undertaken studies of further expansions of the Hillside pit through a series of staged pushbacks (Stage 3 and Stage 4). These subsequent Stages would extract a further 30% of the Mineral Resource but are currently subject to some land constraints. BDA notes that an underground mining study has also been completed as an alternative to open pit mining of Stages 3 and 4.

Hillside Exploration Potential

Extending to the west, north and south of the Hillside tenements Rex holds eight Exploration Licences (ELs) covering a total area of 1,976 square kilometres (“km²”) (Figure 3). Geological mapping and magnetic, gravity, seismic and radiometric geophysical surveys have identified a number of target areas for IOCG mineralisation, but to date limited follow-up work has been undertaken beyond obligatory expenditure commitments, with Rex’s primary focus having been on the exploration and development of the Hillside project and extensions within the ML.

Hog Ranch Property

The Hog Ranch property is located in Washoe County in northwest Nevada, USA, approximately 230km north of Reno, 45km from the California border and 91km from the Oregon border. The property comprises 1,737 unpatented mining claims on Federal Land for a total area of approximately 14,400ha or 144km² (Figure 4).

The claims cover a number of shallow oxide gold deposits which have been previously mined by open pit methods and processed by heap leaching producing around 200,000ozs. Five deposits, East, Krista, Geib, 139 and West are located in the central Hog Ranch area while the Bells deposit is situated at the southern end of the tenements. Other deposits and prospects extend in a north-westerly direction from the Krista project and include the Cameco and Airport prospects and the recently staked Gillam prospect.

Gold mineralisation at Hog Ranch was first discovered in 1980 after the area had been initially explored for uranium. Gold production commenced in 1986 with open pit mining and heap leaching undertaken by a consortium under the name of Western Hog Ranch Inc. (“WHRI”). In 1988, the project was sold to Western Mining Corporation (“WMC”) who acquired 100% interest in WHRI. WMC undertook substantial exploration, drilling over 1,600 drill holes and mining continued until 1991, with total gold production of approximately 200,000ozs. Rehabilitation work commenced after mining operations ceased and was completed by 1994.

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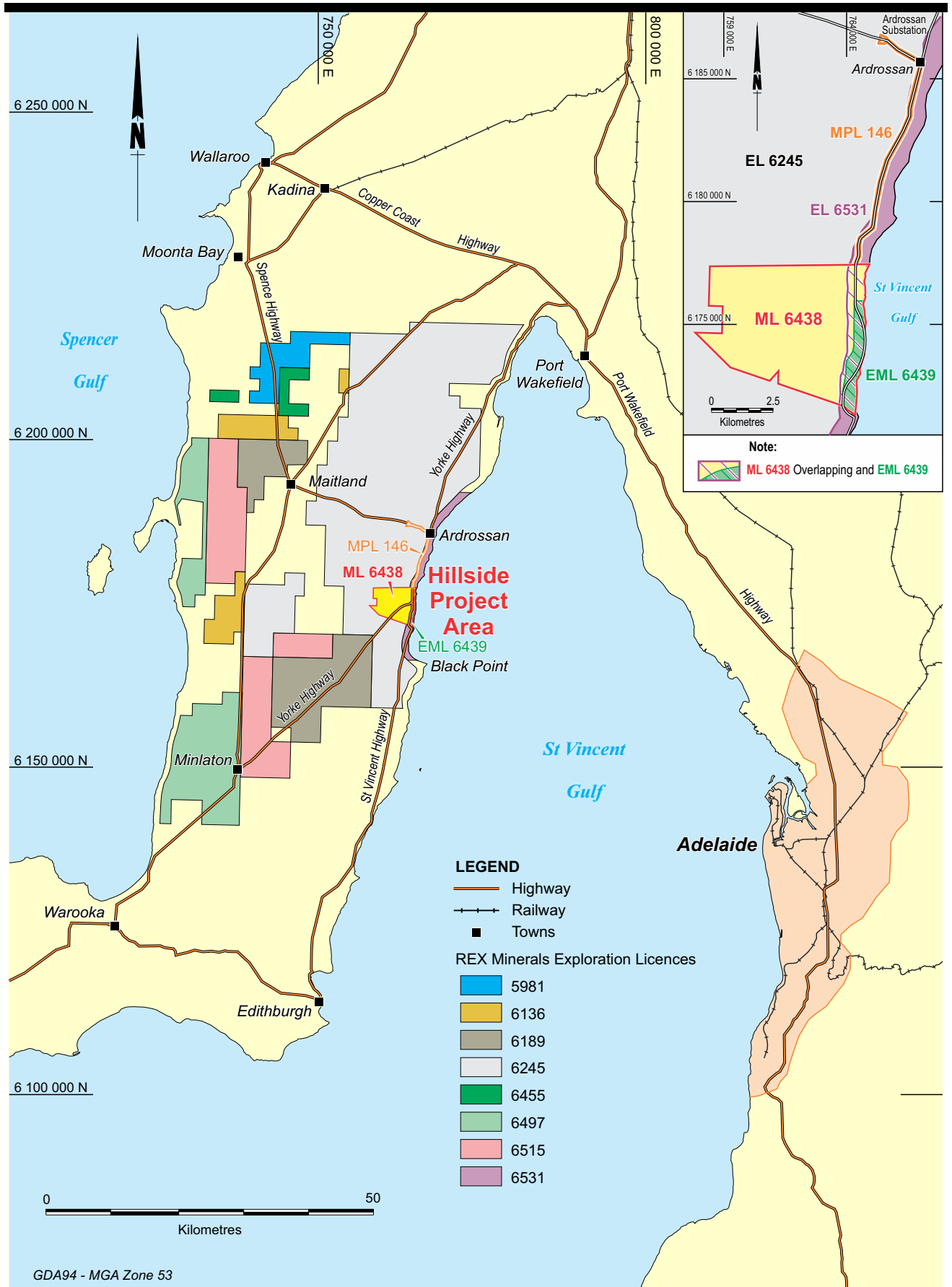
REX Minerals Ltd

Hillside Copper Project

Figure 2

HILLSIDE LOCATION PLAN

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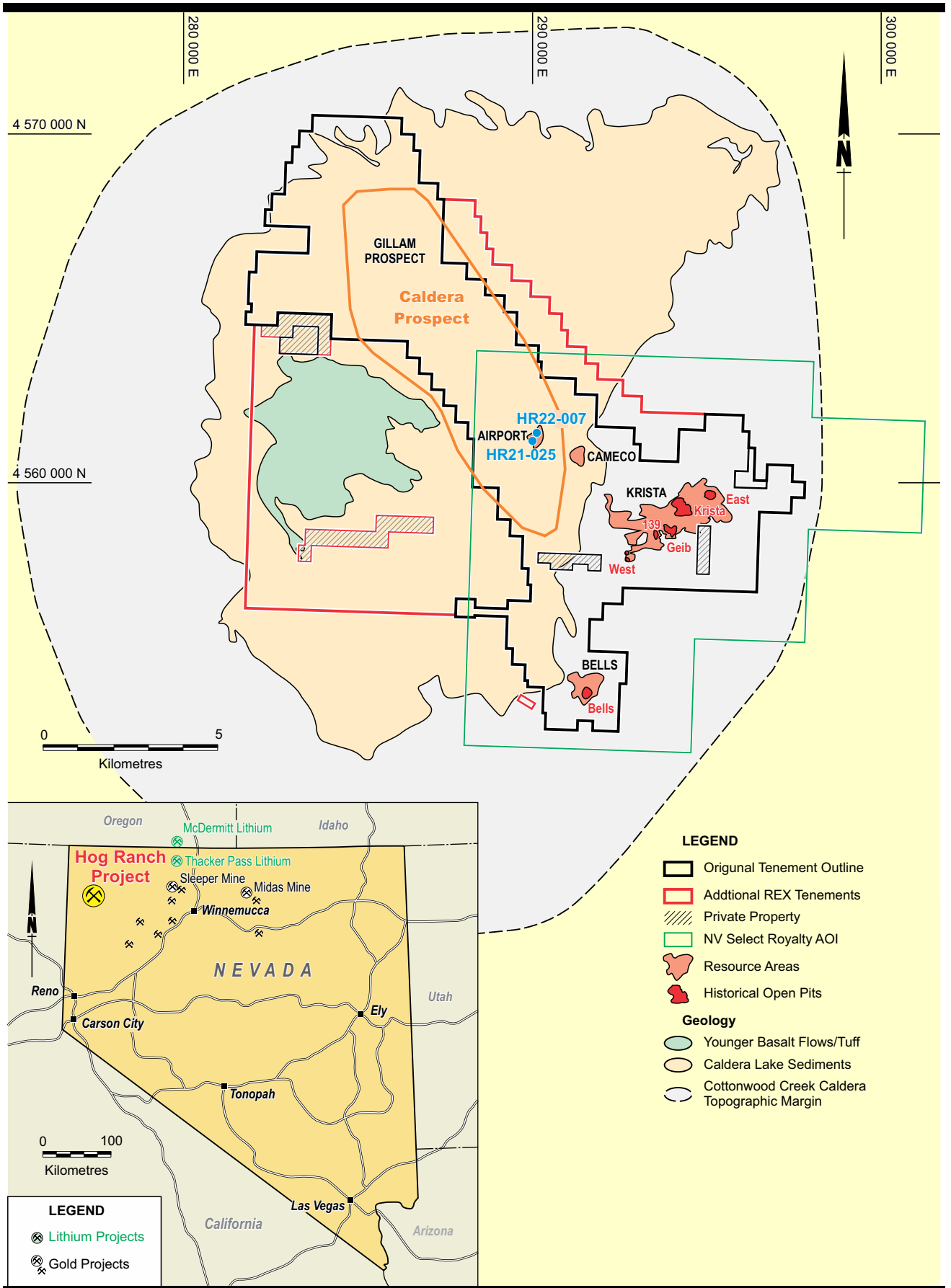
REX Minerals Ltd

Hillside Copper Project

Figure 3

HILLSIDE EXPLORATION AND MINING TENEMENTS

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Hog Ranch Gold-Lithium Project

Figure 4

HOG RANCH - LOCATION MAP

Rex acquired the property in August 2019 and has since conducted a renewed exploration effort largely over the shallow oxide gold mineralisation with multiple RC drilling campaigns at Krista and Bells in addition to drilling sulphide hosted gold at the Cameco and Airport prospects. Regional exploration has been undertaken over the entire host rock Caldera Complex underlying the property. Two drill holes within the central Caldera Complex have intersected low grade lithium in clays in a similar environment to the Thacker Pass and McDermit lithium deposits to the northeast.

In March 2021, Rex announced an updated Mineral Resource for Hog Ranch totalling 165Mt at 0.43g/t Au containing approximately 2.26Moz of gold. The gold mineralisation at Krista and Bells is classified as oxide type where the rocks have been weathered and the associated gold mineralisation has been demonstrated by historical mining and more recent testwork to be amenable to low-cost open pit mining and heap leaching. The gold mineralisation at the Cameco and Airport deposits is classified as sulphide type, where heap leach testing information to date indicates that lower gold recoveries will occur and therefore higher cut-off grades have been used in reporting the Mineral Resource. There is significant potential to expand both the shallow oxide and sulphide resources and to explore for deeper primary feeder zones.

Behre Dolbear Australia Pty Limited

Behre Dolbear Australia (BDA) is a mineral industry consulting group, specialising in independent due diligence reviews, valuations and technical reviews of resources and reserves, mining and processing operations, environmental and social aspects, project feasibility studies, and Independent Engineer work on project development, construction, and certification. BDA specialises in review and due diligence work for companies and financial institutions.

BDA is typically engaged to undertake independent expert reviews and valuations, to provide advisory services and to monitor a company's or financial institution's interests through the design, construction, commissioning, ramp-up and operational phases of a project and to undertake Completion Test certification on their behalf.

The parent company, Behre Dolbear and Company Inc. has operated continuously as a mineral industry consultancy since 1911, and has offices or agencies in Denver, New York, Toronto, Vancouver, London, as well as Sydney. Behre Dolbear has over 60 Associates and Consultants covering a wide range of technical expertise and with experience in most parts of the world. BDA is the Australian affiliate and was founded in 1994. BDA operates independently, using primarily Australian-based consultants, but using overseas specialists and engineers from other Behre Dolbear offices where appropriate.

BDA's expertise covers geology, resources, reserves, mining, processing, infrastructure, environmental and community, operating and capital costs and financial studies. BDA has undertaken numerous mining-related studies, valuations, and Independent Engineer assignments in recent years.

In preparing this ITSR, BDA has used a senior experienced team of specialists, as detailed in Section 10 of this report. The BDA Associates listed have extensive experience in geology, resources, reserves, mining, processing, infrastructure and environmental aspects and have worked previously on copper, gold, iron ore and lithium projects. BDA has wide experience of similar reviews for corporate transactions and is well-qualified to undertake the work required and has no conflict of interest in undertaking the assignment.

As part of this ITSR, BDA has reviewed the technical project assumptions of the Hillside project, providing an assessment of the reasonableness of each of the assumptions used in the BDO valuation cash flow model ("BDO Model").

BDA has also provided an independent opinion on the market valuation of the following assets:

- any residual resources of the Hillside project that are not incorporated into the BDO Model
- Rex's South Australian exploration tenements
- the Hog Ranch project in Nevada, USA.

BDA Independent Technical Specialist Report (ITSR)

The purpose of this BDA technical specialist review and report is for the information of Rex shareholders and to assist BDO, the Independent Expert, as per the ASIC guidance in RG111 and RG112, to provide technical input and advice on the appropriateness of the assumptions adopted in the BDO Model for the Rex Mineral Assets with respect to:

- Mineral Resources and Ore Reserves
- production forecasts and potential expansion cases
- projected capital expenditures

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- projected operating expenditures
- projected rehabilitation and closure costs.

In addition, BDA will assist BDO in providing an opinion as to the fair values of Rex's portfolio of exploration assets or other residual resources not captured in the BDO Model, using methodologies appropriate to the stage of development or exploration.

BDA understands that its ITSR will form part of the IER prepared by BDO and may be provided (in part or in full) to Rex and Rex shareholders.

BDA reviewed the Rex Hillside project in 2023 in its role as the Independent Technical Expert for potential equity and debt investors to the Hillside project and visited the project in March 2023. In undertaking the current review, Rex has confirmed to BDA that there has been no change to the Hillside project design, layout or development plan since BDA's site visit in March 2023. As such, a further site visit was not deemed necessary. The exploration potential in the region surrounding the Hillside project and at Hog Ranch is considered relatively early stage and capable of being assessed on a desktop basis. As both exploration prospects provide a relatively minor contribution to the company value compared to the Hillside project, a site visit to these exploration areas was not considered to be necessary.

BDA's scope of work involves, as appropriate, review of the following project components:

- geology - data collection, resource and reserve estimates, exploration results
- mining - life of mine plans, production schedules, geotechnical and hydrological factors
- metallurgy - testwork, process design and process flowsheets, metallurgical recoveries
- infrastructure - power, water, transport, site access, product handling logistics
- environmental - environmental and social issues and studies, tenement status, permits and project approvals
- capital and operating cost estimates
- BDO Model inputs
- consideration of evidence from broadly comparable transactions
- valuation of the exploration properties.

BDA has prepared this Independent Technical Specialist Report for BDO, based on the information provided, the Hillside site visit as noted above and detailed discussions with Rex project management, technical managers and exploration managers.

Resources and reserves have been reviewed in accordance with Australian industry standards and for compliance with the Code and Guidelines for Reporting of Identified Mineral Resources and Ore Reserves - Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia - December 2012 ("the JORC Code"). The report has been prepared in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015.

BDA is not a marketing expert and makes no comment on copper, gold or lithium pricing, except, where appropriate, to adopt the BDO pricing deck in consideration of the exploration assets.

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TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	EXECUTIVE SUMMARY	11
2.1	Overview.....	11
2.2	Rex Minerals Limited – Mineral Assets	11
2.3	Valuation Summary	13
3.0	VALUATION METHODOLOGY	15
3.1	Effective Date	15
3.2	Standards and Procedures	15
3.3	Valuation Principles.....	15
3.4	Valuation Methods.....	15
4.0	SOURCES OF INFORMATION	18
5.0	HILLSIDE COPPER PROJECT (Stages 1 and 2)	20
5.1	Project Background, Tenements and Approvals.....	20
5.2	Geology.....	24
5.3	Geological Data	32
5.4	Resource and Reserve Estimation.....	35
5.5	Mining.....	39
5.6	Processing	44
5.7	Infrastructure and Logistics	47
5.8	Environment, Community, Health and Safety	49
5.9	Life of Mine Production Schedule.....	54
5.10	Capital Expenditure	55
5.11	Operating Costs.....	58
5.12	Project Implementation.....	60
5.13	Additional Stage 2 Planning	62
6.0	HILLSIDE STAGES 3 AND 4	66
7.0	YORKE PENINSULA EXPLORATION	67
8.0	HOG RANCH PROJECT	69
8.1	Background.....	69
8.2	Project History	70
8.3	Hog Ranch Geology.....	70
9.0	VALUATION OF REX MINERALS EXPLORATION PROPERTIES	73
9.1	Valuation Principles and Methodologies	73
9.2	Hillside Project Stages 1 and 2	74
9.3	Hillside Project Stages 3 and 4	74
9.4	Hillside Project Additional Exploration Potential.....	74
9.5	Valuation of Rex Yorke Peninsula Exploration Licence Potential	74
9.6	Valuation of Hog Ranch Property Exploration Potential.....	79

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9.7 Summary - Hog Ranch Property Valuation 89

9.8 Overall Summary Valuation Rex Minerals Properties and Exploration Potential 90

10.0 ASSOCIATES/CONSULTANTS - QUALIFICATIONS AND EXPERIENCE..... 91

11.0 STATEMENT OF INDEPENDENCE 93

12.0 LIMITATIONS AND CONSENT 93

APPENDIX I – CONSENT LETTER 95

APPENDIX II - GLOSSARY 97

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2.0 EXECUTIVE SUMMARY

2.1 Overview

This Independent Technical Specialist Report provides a description of the Rex Mineral Assets, an overview of the production estimates and capital and operating cost projections for the Hillside project based on the most recent feasibility study estimates, together with an assessment of the potential of future developments, expansion projects and exploration properties based on drilling, project testwork and, where relevant, resource or reserve estimates and studies. A brief description of the Rex Mineral Assets is provided below, together with a more detailed technical review of each project in Sections 5 to 8.

Hillside, as a development project, has a production profile and costs that can be reasonably well estimated, enabling financial modelling of the project's expected cashflows; this project has been valued by BDO with input from BDA as to the reasonableness of the production and cost forecasts. For earlier stage projects and exploration properties, and any residual resources not captured in the expected cash flows, BDO has requested that BDA provide an assessment of value considering alternative exploration valuation methodologies.

A summary of project valuations is given in Section 2.3 below, with a discussion of valuation methodologies used provided in Section 3.

2.2 Rex Minerals Limited – Mineral Assets

2.2.1 Hillside Copper Project

Stage 1 and Stage 2

Rex Minerals Limited (Rex) is the 100% owner of the Hillside iron-oxide-copper-gold (IOCG) project (Hillside) located around 12km south of the regional town of Ardrossan in the Gawler Craton on the mid-eastern coast of the Yorke Peninsula in South Australia. Rex plans to develop the project as an open cut mine and mineral processing plant to produce copper concentrates containing significant quantities of gold.

The Hillside Optimised Feasibility Study ("OFS") was based on a Stage 1 project development based on the Hillside Mineral Resource and Ore Reserve estimate (December 2022) and the work completed by Rex and its consultants Ausenco Limited and Thiess Limited. Key attributes of the Stage 1 project, as defined in the OFS are summarised as follows:

- JORC¹ Mineral Resource of 337Mt at 0.56% Cu and 0.14g/t Au for approximately 1.90Mt of contained Cu and 1.53Moz of Au
- JORC Ore Reserve of 186Mt at 0.53% Cu and 0.14g/t Au containing approximately 1.0Mt of Cu and 0.8Moz of Au, of which 82Mt at 0.62% Cu and 0.16g/t Au containing 505 thousand tonnes ("kt") of Cu and 435 thousand ounces ("koz") of Au are mined in Stage 1
- granted Mineral Lease of 2,998ha with an operational footprint of 1,388ha
- mining method will be conventional open pit drill, blast, load and haul using contract mining
- total rock movement is 695Mt (average 65 million tonnes per annum ("Mtpa")) and the Life of Mine ("LOM") strip ratio is 7.5:1
- process flowsheet comprises primary crushing followed by single stage semi-autogenous grinding ("SAG") with pebble crushing, feeding a 3-stage flotation circuit
- processing capacity is up to 8Mtpa producing approximately 151ktpa of concentrate averaging 42ktpa of Cu and 30kozpa of Au over the LOM
- processing recovery is 91.6% for Cu and 77.8% for Au
- total dry concentrate production is 1,667kt grading on average over the LOM, 27.7% Cu and 6.3g/t Au
- one year of pre-development and construction, then an 11-year Stage 1 life of operation
- the LOM operating cost is A\$29.45/t of ore, with All-In-Sustaining Costs ("AISC") of US\$1.78 per pound ("lb") Cu, after gold by-product credits.
- post-tax NPV (4.9%) of A\$847M at US\$3.92/lb Cu and US\$1,610/oz Au; post-tax IRR of 19%.

¹ JORC is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, "The JORC Code", 2012 Edition, Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC).

Future open pit stages are planned to follow Stage 1, however, only Stage 1 was considered in the OFS and will form the initial project development.

Following on from the Stage 1 2022 OFS, Rex has updated the mine design, tailings expansion design and detailed production schedule for Stage 2 and prepared a financial model ("*240712 Consolidated Stage 1+2 Financial Model Revised 12.07.2024*") incorporating both stages.

Stage 2 extracts a further 25% of the Mineral Resource and is scheduled to commence in Years 10 and 11 to maintain ore feed to the plant as Stage 1 comes to an end, doubling the mine life to 22-years.

Potential Further Expansion – Stage 3 and Stage 4

The depth extension of the Hillside mineralisation has potential for further pit pushbacks towards the end of Stage 2 to access a larger Stage 3 and Stage 4 pit, for a total estimated mine life of approximately 40 years. While preliminary pit optimisation has been undertaken, no Ore Reserve for Stage 3 or Stage 4 pits has been formally estimated.

The 2021 PFS also considered the potential for underground mining methods to exploit the deeper Hillside mineralisation. Further feasibility work however is required before a decision can be made to exploit the mineralisation below Stage 2. BDA notes that the planned Stage 1 and Stage 2 open pits, surface infrastructure, waste dumps and TSF take up the entire ML area. The pushbacks required to access a Stage 3 and Stage 4 pit would likely require an expansion of the TSF and some redesign of the waste dumps in the later years of Stage 2. In considering all these factors, as well as the economics of further substantial waste cutbacks, underground mining may be a more favoured option.

Hillside Exploration Potential

The Hillside project area is centred over a pair of large magnetic anomalies which lie on either side of the major north-south trending PPF splay fault. To date, Rex has only defined the Hillside deposit on the eastern side of the fault. The western magnetic anomaly remains to be fully drill-tested.

The results from a 3D seismic survey completed in 2022 over the Hillside deposit and the western magnetic anomaly showed potential for identifying major structures, alteration systems and lithologies which could control similar mineralisation systems to the Hillside deposit along strike and at depth. To date Rex has focussed on the Hillside feasibility studies and development plans and limited work has been undertaken on following up the further exploration potential.

Beyond the Mineral Lease, Rex holds Exploration Licence tenements to the north, south and west (Figure 3) which overlie similar geological terrains. Geophysical surveys, geological mapping and interpretation, soil sampling and aircore drilling have been undertaken and a number of priority targets identified for further work. Some follow-up diamond drilling has been undertaken but to date most targets remain untested.

2.2.2 Hog Ranch Project

The Hog Ranch property is located in Washoe County in northwest Nevada, USA, approximately 230km north of Reno, 45km from the California border and 91km from the Oregon border. The property comprises 1,737 unpatented mining claims on Federal Land for a total area of approximately 14,400ha or 144km² (Figure 4).

The claims cover a number of shallow oxide gold deposits which have been previously mined by open pit methods and processed by heap leaching. Five deposits, East, Krista, Geib, 139 and West are located in the central Hog Ranch area while the Bells deposit is situated at the southern end of the tenements. Other deposits and prospects extend in a north-westerly direction from the Krista project and include the Cameco and Airport prospects and the recently staked Gillam prospect.

Gold mineralisation at Hog Ranch was first discovered in 1980 after the area had been initially explored for uranium. Gold production commenced in 1986 with open pit mining and heap leaching undertaken by a consortium under the name of Western Hog Ranch Inc. ("WHRI"). In 1988, the project was sold to Western Mining Corporation ("WMC") who acquired 100% interest in WHRI. WMC undertook substantial exploration, drilling over 1,600 drill holes and mining continued until 1991, with total gold production of approximately 200,000ozs. Rehabilitation work commenced after mining operations ceased and was completed by 1994.

Rex acquired the property in August 2019 and has since conducted a renewed exploration effort largely over the shallow oxide gold mineralisation with multiple RC drilling campaigns at Krista and Bells in addition to drilling sulphide hosted gold at the Cameco and Airport prospects. Regional exploration has been undertaken over the entire host rock Caldera Complex underlying the property. Two drill holes within the central Caldera Complex

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have intersected low grade lithium in clays in a similar environment to the Thacker Pass and McDermitt lithium deposits to the northeast.

In March 2021, Rex announced an updated Mineral Resource for Hog Ranch totalling 165Mt at 0.43g/t Au containing approximately 2.26Moz of gold. An internal conceptual study dated May 2023 considered mining and processing the shallow oxide ore located within the Krista and Bells project areas based on a single large heap leach operation at Krista and trucking the Bells material to this facility.

The gold mineralisation at Krista and Bells is classified as oxide type where the rocks have been weathered and the associated gold mineralisation has been demonstrated by historical mining and more recent test-work to be amenable to low-cost open pit mining and heap leaching. The gold mineralisation at the Cameco and Airport deposits is classified as sulphide type, where heap leach testing information to date indicates that lower gold recoveries will occur and therefore higher cut-off grades have been used in the reporting of the Mineral Resource. There is significant potential to expand both the shallow oxide and sulphide resources and to explore for deeper primary feeder zones.

On 22 April 2024, the US Department of Interior's Bureau of Land Management ("BLM") agency approved the Plan of Operation ("PoO") for the Company's proposed future exploration activities over Bells and Krista. Subsequent to this, the State of Nevada conducted a one-month public consultation period which did not yield any comments or concerns. The Nevada Division of Environmental Protection ("NDEP") issued the Hog Ranch Reclamation Permit on 11 June 2024, which marks the full and final approval of the Hog Ranch PoO. The fully approved PoO allows for a much larger footprint for exploration and up to 200 acres (80.9ha) of permitted ground disturbance at Bells and Krista (previously this was only up to 5 acres (2.0ha) of disturbance at each project, permitted via a Notice of Intent). HRMI has also secured the water rights sufficient for a 30Mtpa heap leach operation.

2.3 Valuation Summary

Details of the valuation methodologies considered are given in Section 3 of this report, Valuation Methodology; details of the valuations adopted are provided in Section 9, Valuation Discussion.

BDO has determined a value for the Hillside project based primarily on discounted cashflow analysis, and this valuation is discussed in the BDO Independent Expert Report. BDA has considered the reasonableness of the production and cost inputs to the Stage 1 and 2 LOM plan and financial model and has advised BDO accordingly.

Hillside is a development project with resource and reserve estimates. An Optimised Feasibility Study (OFS) has been completed, and the planned project parameters and projected costs are reasonably well established.

BDA has considered the additional expansion and exploration potential and has considered what additional value might be ascribed to this potential by a willing and knowledgeable buyer. BDA has discussed with BDO realistic extension scenarios as a guide to the valuation of additional exploration potential.

BDA has separately valued the early-stage additional Yorke Peninsula exploration tenements on a tenement area and expenditure basis with consideration of any comparable transactions.

BDA has also advised BDO on the potential valuation of the Hog Ranch properties in Nevada. Despite some past production, the current status is that of early to advanced stage exploration, though with a defined Mineral Resource. In assessing a valuation, BDA has considered the acquisition cost of the property and the expenditure undertaken. BDA has also considered whether any comparable transactions provide a guide to valuation of the Hog Ranch properties.

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Table 2.1
Valuation Summary of the Rex Mineral Assets and Exploration Potential (100% Basis)

Property	Valuation (A\$M)			Comments
	Low	Most Likely	High	
Hillside Project Stage 1 and 2				
Stage 1 development and Stage 2 expansion based on existing resources and LOM plan	See IER	See IER	See IER	Assessed by BDO with technical input from BDA
Potential for Stage 3 and Stage 4	10	15	20	BDA has assessed potential additional incremental value beyond the Stage 1 and 2 22 year mine life
Yorke Peninsula exploration potential	12	15	18	Assessed by BDA based on exploration expenditure multiples and comparable transactions
Hog Ranch Exploration Projects in Nevada				
Gold and Lithium Potential	31	39	47	Assessed by BDA based on exploration expenditure multiples, comparable transactions, resource ounce yardsticks and independent valuation reports

Note: the estimates above have all been made on a 100% basis.

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3.0 VALUATION METHODOLOGY

3.1 Effective Date

The effective date for the valuation is the date of this report. The production tables in this report show calendar year production forecasts from 30 June 2024.

3.2 Standards and Procedures

This report has been prepared in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015. Mineral Resource and Ore Reserve estimation procedures and categorisations have been reviewed in terms of the JORC Code, 2012.

3.3 Valuation Principles

As a general principle, the fair value of a property as stated in the VALMIN Code is the amount a willing buyer would pay a willing seller in an arm's length transaction, wherein each party acted knowledgeably, prudently and without compulsion.

3.4 Valuation Methods

There is no single method of valuation which is appropriate for all situations. Rather, there are various methods, all of which have some merit and are more or less applicable depending on the circumstances. The following are appropriate items to be considered:

- discounted cash flow
- amount an alternative acquirer might be willing to offer
- the amount which could be distributed in an orderly realisation of assets
- the most recent quoted price of listed securities
- the current market price of the asset, securities or company.

The *discounted cash flow* or net present value method is generally regarded as the most appropriate primary valuation tool for operating mines or mining projects close to development. Valuing properties at an earlier stage of exploration where Ore Reserves, mining and processing methods, and capital and operating costs, are yet to be fully defined, often involves the application of alternative methods. The methods generally applied to exploration properties or projects at an early stage of development are the *comparable transaction* method, the value indicated by *alternative offers* or by *joint venture terms*, the *past expenditure* method and the *Geoscientific or Kilburn* method. *Yardstick values* based on metal in resources or reserves can be derived and used for both mining and exploration properties. *Yardsticks* based on tenement areas can be used for earlier stage exploration prospects. Under appropriate circumstances values indicated by *stock market valuation* should be taken into account as should any *previous independent valuations* of the property.

The valuation methods considered are briefly described below.

Net Present Value (NPV)

If a project is in operation, under development, or at a final feasibility study stage, and Mineral Resources and/or Ore Reserves, mining and processing recoveries and capital and operating costs are well defined, it is generally accepted that the net present value of the project cash flows is a primary component of any valuation study. This does not imply that the fair value of the project necessarily is the NPV, but rather that the value should bear some defined relationship to the NPV.

If a project is at the feasibility study stage, additional weight has to be given to the risks related to uncertainties in costs and operational performance, risks related to the ability to achieve the necessary finance for the project, risks related to granting of licences or permits, environmental and community aspects, political or sovereign risk and sometimes a lower degree of confidence in the reserves and recoveries. In an ongoing operation, many of these items are relatively well defined.

The NPV provides a technical value as defined by the VALMIN Code. The fair value could be determined to be at a discount or a premium to the NPV due to other market or risk factors.

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Hillside Project

BDO has requested assistance in relation to key operating assumptions set out in the discounted cashflow model in respect of the Hillside project. A detailed life of mine plan has been completed for the Stage 1 and Stage 2 Hillside project; the Mineral Resources and Ore Reserves are well defined, appropriate mine planning and metallurgical testwork have been carried out, production schedules developed and estimates of capital and operating costs prepared to an appropriate level of accuracy. BDA has reviewed the technical assumptions of the project model and has advised BDO accordingly.

There is potential for extension to the mine life at Hillside and BDA considers that a willing and knowledgeable buyer would take such factors into account. In appropriate circumstances, the NPV method can be applied to the valuation of such future potential, where prospects are adjacent to an existing mining operation or represent extensions to the current operation, and there is a reasonable likelihood that mineralisation delineated within these properties could provide a future source of feed to the existing plant. In purchasing such a property, a willing and knowledgeable buyer would be mindful of the opportunity of exploiting such mineralisation.

The Hillside project already has a long potential mine life, and the potential for further extensions is likely to have limited impact on the current assessment of project value. Nevertheless, in BDA's opinion it is appropriate to consider the potential for further extensions of mine life beyond the currently defined LOM plan and consider what added value this potential adds to the project, as this is the process which would be undertaken by a willing and knowledgeable buyer.

Alternative Valuation Methods

Comparable Transactions

Recent comparable transactions can be relevant to the valuation of projects and tenements. While it is acknowledged that it can be difficult to determine to what extent the properties and transactions are indeed comparable, unless the transactions involve the specific parties, projects or tenements under review, this method can provide a useful benchmark for valuation purposes. The timing of such transactions must also be considered as there can be substantial change in value with time.

BDA has considered whether, in recent years, there have been any comparable relevant transactions that could be used as a basis for estimation of value of any of Rex's mineral assets or exploration prospects, specifically the Yorke Peninsula exploration tenements and the Hog Ranch gold and lithium potential.

Rules of Thumb or Yardsticks

Certain industry ratios are commonly applied to mining projects to derive an approximate indication of value. The most commonly used ratios relate to gold projects and comprise dollars per ounce of gold in resources or dollars per ounce of gold in reserves, but similar ratios are also estimated and quoted for contained lithium in resources or reserves or per hectare of prospective ground. The ratios used commonly cover a substantial range which is generally attributed to the 'quality' of the potential resource or reserve. Contained metal which can be produced at low cost is clearly worth more than a high-cost source. Where a project has substantial future potential not yet reflected in the quoted resources or reserves, a ratio towards the high end of the yardstick range may be justified.

BDA has considered relevant copper-gold and lithium yardstick values and the application of these to provide a guide to the value of Rex's exploration tenements and projects.

Alternative Offers and Joint Venture Terms

If discussions have been held with other parties and offers have been made on the projects or tenements under review, then these values are certainly relevant and worthy of consideration. Similarly, joint venture terms where one party pays to acquire an interest in a project or spends exploration funds in order to earn an interest, may also provide an indication of value. BDA has considered whether there are any relevant recent offers or joint ventures which might provide a guide to assessing a value for Rex's exploration properties, including the acquisition transaction for the Hog Ranch property. BDA has also considered the extent to which such transactions are at arm's length, or whether some involve related parties.

Past Expenditure

Past expenditure, or the amount spent on exploration of a tenement is commonly used as a guide in determining the value of exploration tenements, and 'deemed expenditure' is frequently the basis of joint venture agreements. The assumption is that well directed exploration has added value to the property. This is not always the case and exploration can also downgrade a property and therefore a 'prospectivity enhancement multiplier' ("PEM"), which commonly ranges from 0.5-3.0, is applied to the effective expenditure or to the original acquisition cost or deemed valuation. The selection of the appropriate multiplier is a matter of experience and judgement. To eliminate some

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of the subjectivity with respect to this method, BDA typically applies a scale of PEM ranges as follows to the exploration expenditure:

- PEM 0.5 - 0.9 Previous exploration indicates the area has limited potential
- PEM 1.0 - 1.4 The existing (historical and/or current) data consists of pre-drilling exploration and the results are sufficiently encouraging to warrant further exploration
- PEM 1.5 - 1.9 The prospect contains one or more defined significant targets warranting additional exploration
- PEM 2.0 - 2.4 The prospect has one or more targets with significant drill hole intersections
- PEM 2.5 - 2.9 Exploration is well advanced and infill drilling is required to define a resource
- PEM >3.0 A resource has been defined but a (recent) pre-feasibility study has not yet been completed.

BDA has considered whether exploration expenditure is relevant in determining a value for Rex's Yorke Peninsula and Hog Ranch exploration prospects.

Geoscientific Method

In an attempt to introduce a more systematic way of valuing exploration properties, the Kilburn or Geoscientific method was developed, which commences with the base acquisition cost ("BAC") being the cost to acquire and maintain a unit area (square kilometre or hectare) for one year including statutory fees and minimum expenditure commitments. The base cost is then factored sequentially by four technical factors, Off-Property, On-Property, Anomaly and Geological, with factors for each ranging from 0.1 to 5.0. BDA has considered whether the Geoscientific method is relevant in assessing a value for Rex's exploration prospects.

Prospectivity

Over-riding any mechanical or technical valuation method for exploration ground must be recognition of prospectivity and potential, which is the fundamental value in relation to exploration properties, and this has been considered in BDA's valuation of the exploration prospects.

Market Valuation

On the fundamental definition of value, being the amount a knowledgeable and willing buyer would pay a knowledgeable and willing seller in an arm's length transaction, it is clear that due consideration has to be given to market capitalisation. In the case of a one project company or a company with one major asset, the market capitalisation gives some guide to the value that the marketplaces on that asset at that point in time, (with suitable adjustments for a control premium and other assets and liabilities), although certain sectors may trade at premiums or discounts to net assets, reflecting a view of future risk or earnings potential. Commonly however a company has several projects at various stages of development, together with a range of assets and liabilities, and in such cases, it is difficult to define the value of individual projects in terms of the share price and market capitalisation.

Other Expert Valuations

Where other independent experts or analysts have made recent valuations of the same or comparable properties these opinions clearly need to be reviewed and to be taken into consideration. BDA has inquired of Rex whether any other recent valuations of the Company or its assets have been undertaken and has considered recent published broker valuations.

Special Circumstances

Special circumstances of relevance to mining projects or properties can have a significant impact on value and modify valuations which might otherwise apply. Examples could be:

- *environmental risks* - which can result in a project being subject to extensive opposition, delays and possibly refusal of development approvals
- *local population or indigenous peoples/land rights issues* - projects in areas subject to claims from indigenous peoples or traditional landowners can experience prolonged delays, extended negotiations or veto
- *country issues* - the location of a project can significantly impact on the cost of development and operating costs and has a major impact on perceived risk and sovereign risk
- *technical* - issues peculiar to an area or orebody such as geotechnical or hydrological conditions, or metallurgical difficulties could affect a project's economics.

We have considered, and have inquired of Rex, whether any such factors apply to the projects and prospects under review.

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4.0 SOURCES OF INFORMATION

BDA undertook a site visit to the Hillside project in South Australia in March 2023.

Meetings have been held with Rex technical and management staff and consultants. The primary documentation reviewed has been the Hillside Project Optimised Feasibility and Definition Phase Engineering Study (OFS) compiled by Rex Minerals in December 2022 and associated appendices and back-up data together with the Environmental Impact documentation, together with Yorke Peninsula and Hog Ranch exploration data and Hog Ranch historical production and transaction data.

The principal reports and documents reviewed are listed below:

Hillside Copper Project Reports

- Technical Audit Hillside Mineral Resource Estimate June 2013 – AMC Consultants, October 2013
- Technical Review Hillside Mineral Resource Estimation – Spiers Geological Consultants, October 2022
- 3D Seismic and Geology Review with Exploration Potential – Rex Mineral Ltd, October 2022
- Hillside Mineral Resource Estimate Report – Rex Minerals Ltd, December 2022
- Hillside Mineral Resource and Ore Reserve Statement – Rex Minerals Ltd, December 2022
- Introduction to the Geology of the Hillside Copper-Gold Deposit – Rex Minerals Ltd, December 2022
- Hillside Updated Geological Model – Rex Minerals Ltd, December 2022
- Evolution of the Hillside Mineral Resource Estimates – Rex Minerals Ltd, December 2022
- Hillside Optimised Feasibility and Definition Phase Engineering Study and Appendices – Rex Mineral Ltd, December 2022
- Selected Resource Block Model and Drill Hole Sections and Plans – Rex Minerals Lt, May 2023
- Hillside Project Pre-feasibility Study Geotechnical Assessment, Ground Control Engineering, December 2012
- Hillside BFS Open Cut Mine Geotechnical Report, Mine Technics Pty Ltd, September 2013
- Groundwater Modelling – Revised Pit Configuration, Aldam Geosciences, January 2015
- AMC Hillside Pit EFS Phase 5 Design Report Review and Boundary Stability Assessment 2017.
- Hillside Project – Stage 1 2022 Information Memorandum, Rex Minerals, December 2022
- Optimised Feasibility and Definition Phase Engineering Study (Sections 1-20), Rex Minerals, December 2022
- Assessment Report for the Rex Minerals Ltd Program for Environment Protection and Rehabilitation Submission for the Hillside Copper Mine, Mineral Lease 6438 – Dept of Energy & Mining, July 2020.
- Hillside Project - Stage 1 2022 Information Memorandum. Rex Minerals Ltd, December 2022.
- Greenhouse Gas Emission Data Sheet (V2) – Rex Minerals Ltd (undated, presumed 2023).
- Tailings Storage Facility Feasibility Level Design Report (Alternative 1 TSF - Copper Production Only) – ATC Williams, Feb 2018.
- Groundwater Management Plan V5.1 – Rex Minerals Ltd, Feb 2018.
- Hillside Copper Mine - Proposed Program for Environment Protection & Rehabilitation – Rex Minerals Ltd, Sept 2019.
- Hillside Copper Mine Social Management Plan Rev 6.0 – Rex Minerals Ltd, Sept 2017.
- Hillside Copper Mine Community Engagement Plan Rev 2.1 – Rex Minerals Ltd, Sept 2016.
- Hillside Copper Mine Mineral Lease Proposal and Management Plan – Rex Minerals Ltd, Aug 2013.
- PEPR Approval Letter – Dept of Energy & Mining, July 2020.
- Closure Cost Estimate (spreadsheet) – Dept of Energy & Mining, April 2019.
- Hillside Copper Mine Program for Environment Protection & Rehabilitation (PEPR) Compliance Report 2022 – Rex Minerals Ltd, July 2022.
- Hillside Project – Comminution Circuit Design for the Hillside Project Rev 0 – Ausenco, 2023
- Financial Model (02.01.01 230313 - Rex Minerals Financial Model - ASX Release.xlsx), Rex Minerals, March 2023
- Financial Model (240712 Consolidated Stage 1+2 Financial Model Revised 12.07.2024), Rex Minerals, September 2023
- Mineral Lease 6438 Hillside Copper Project – Dept of Energy & Mining, Sept 2014.
- Extractive Mineral Lease 6439 Hillside Copper Project – Dept of Energy & Mining, Sept 2014.
- Miscellaneous Purposes Licence 146 Hillside Copper Project – Dept of Energy & Mining, Sept 2014.

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Hog Ranch Property Reports

- Bells Project Scoping Study – Hog Ranch Minerals Incorporated, June 2020
- Hog Ranch Gold Property Exploration Review and Proposal – Rex Minerals Ltd, November 2022
- Grade Reconciliation at Hog Ranch Memorandum – Rex Minerals Ltd, December 2022
- Hog Ranch Gold Property Conceptual Study – Hog Ranch Minerals Incorporated, May 2023
- Is Hog Ranch a Tier 1 Gold Camp Presentation – Rex Minerals Ltd, February 2023
- Hog Ranch Lithium Overview - Rex Minerals Ltd, 2023
- Hog Ranch, Potential for Lithium – Rex Minerals Ltd, June 2023
- Hog Ranch Flyer - Rex Minerals Ltd, 2024

General Data

- IFC EHS Guidelines (General), Environmental, Health, and Safety (EHS) Guidelines – IFC, World Bank Group, April 2007
- IFC EHS Guidelines (Mining), Environmental, Health, and Safety (EHS) Guidelines – IFC, World Bank Group, December 2007
- IFC Performance Standards - Performance Standards on Environmental and Social Sustainability – IFC, January 2012
- Australasian Code for Reporting Identified Mineral Resources and Ore Reserves – Report of the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code)
- Equator Principles IV 2020 - July 2020, www.equator-principles.com

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5.0 HILLSIDE COPPER PROJECT (STAGES 1 AND 2)

5.1 Project Background, Tenements and Approvals

Location

The Hillside project is located on the mid-eastern coast of Yorke Peninsula, west of Adelaide, adjacent to the St Vincent Gulf. Located within the District Council of Yorke Peninsula ("DCYP") local government area, the project is approximately 165km by road from Adelaide, 12km south of the town of Ardrossan and 8km north of Black Point, South Australia (Figures 2 and 3). The main towns close to the Hillside project are Ardrossan, Maitland and Minlaton, each with populations between 1,000 and 2,000. The largest town in Yorke Peninsula is Kadina, with a population of more than 4,000. Kadina is approximately 65km north of the tenements.

Topography and Land Use

The Yorke Peninsula is predominantly an undulating limestone plain of generally low relief, featuring an extensive coastline of beaches, cliffs and rocky shores. The area has a coastline flanked by low cliffs or a complex of high dunes and salt lakes. Inland areas are characterised by mixed grassland and parkland, widely used for rotation cereal cultivation and livestock grazing.

The topography of the project Mineral Lease (ML) is gently undulating with low ridges and broad shallow gullies running from the north-west to the sea in the south-east. No permanent creeks occur within the ML and the catchments of the ephemeral streams occupying the gullies do not extend far inland. Four catchments influencing the ML have been identified, and the coastline is defined for the most part by sea cliffs within which the gully lines have been incised to sea level. The project lies at an elevation between 45m and 85m and the land rises to the north and the topography becomes steeper, resulting in steeper gully side slopes and exposed rock on hill tops.

Climate

The ML and MPLs are located on the eastern coast of Yorke Peninsula. The climate is Mediterranean with cool winters and warm to hot summers. Summer temperatures can on occasion exceed 40°C and rainfall is concentrated in the cooler months. Evaporation exceeds mean monthly rainfall for all months of the year.

The long-term average rainfall for Ardrossan is 345 millimetres (mm) and shows distinct seasonality with 67% of the rainfall occurring in the coolest six months of the year. This corresponds to the growing season for annual cereal and legume crops grown in the area and explains the relatively high cereal yields obtained in a relatively low-moderate rainfall regime.

Project History

The project was the first exploration target 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-gold mineralisation was confirmed in January 2009 beneath shallow cover rocks.

Following the discovery of copper mineralisation at Hillside, it was shown that the copper had a close relationship with magnetite. A detailed magnetic survey was completed in August 2009 and drill testing of the many detailed magnetic features from this survey continued throughout the remainder of 2009. The drilling campaign continued in 2010.

In July 2011, Rex commenced conceptual mining studies for Hillside, with a Pre-Feasibility Study (PFS) completed in October 2012.

In February 2013, Rex announced the Hillside maiden Ore Reserves of 120Mt at 0.53% Cu, 0.14g/t Au and 12.8% Fe containing 636kt Cu, 540koz Au and 14.5Mt of Fe. In June 2013, Rex announced an updated Ore Reserve of 180Mt at 0.52% Cu, 0.13g/t Au and 14.4% Fe containing 936kt Cu, 752koz Au and 25.7Mt Fe.

In conjunction with the PFS, Rex submitted tenement applications in September 2013 seeking a Mineral Lease (ML), Extractive Minerals Lease (EML) and Miscellaneous Purposes Licences (MPL) from the Minister for Mineral Resources and Energy over a 2,998ha area for the Hillside mine and associated infrastructure. The ML, EML and MPL were granted to Rex on 16 September 2014 for a period of 21 years.

In May 2015, Rex completed an Extended Feasibility Study into the Stage 1 Mine Plan which identified an optimal production rate of 6Mtpa, accessing approximately 82Mt of ore and producing 35ktpa Cu and 23,000ozpa of Au over the life of the project. The Stage 1 Mine Plan Ore Reserve was announced as 82Mt at 0.62% Cu and 0.16g/t Au containing 509kt of Cu and 432koz of Au.

In July 2020, Rex completed a Stage 1 Mine Plan Costing update. Also in July 2020, the Program for Environment Protection and Rehabilitation (PEPR) was approved for the Stage 1 Mine Plan by the South Australian Government.

In July 2021, Rex completed a Pre-Feasibility Study for a Stage 2 Mine Plan which extended the mine life to 33 years and increased the Ore Reserve to 182Mt at 0.54% Cu and 0.14g/t Au containing 988kt of Cu and 823koz of Au.

In December 2022, Rex:

- updated the Hillside Mineral Resource Estimate to 337Mt at 0.56% Cu and 0.14g/t Au, containing 1,897kt Cu and 1,528koz Au
- updated the Hillside Ore Reserves to 186Mt at 0.53% Cu and 0.14g/t Au containing 989kt Cu and 834koz Au
- completed a Stage 1 Mine Plan Optimised Feasibility and Definition Phase Engineering Study (OFS) supporting the proposed development and the subject of this Independent Due Diligence Review.

Tenements and Land Ownership

Rex retains rights to the Hillside project through the grant of three tenements – Mineral Lease (ML) 6438 granted in September 2014, valid for 21 years and held for the purposes of mineral extraction of iron ore, copper and gold, Extractive Mineral Lease (EML) 6349 granted in September 2014, recently renewed and valid until Sept 2026 for the purposes of gravel and sand extraction, and Miscellaneous Purposes Licence (MPL) 146 also granted in September 2014 and valid for 21 years for the purposes of pipeline and high voltage powerline construction (Figure 3 and 5).

The leases and licence cover a total area of 3,316ha and describe the conditions under which activities on the tenements can occur. Schedule 2 of the instruments describes the conditions and limits that the operation must meet including aspects of air quality, land clearing, etc., as assessed by the Department of Energy and Minerals (DEM) during the Mineral Lease application process.

Schedule 6 of the instruments describes the environmental outcomes, strategies and criteria to be met in accordance with Regulation 65 of the *Mining Regulations 2011* (SA), including consideration of the environmental aspects and risks identified such as noise, water management, TSF management, weed management, etc.

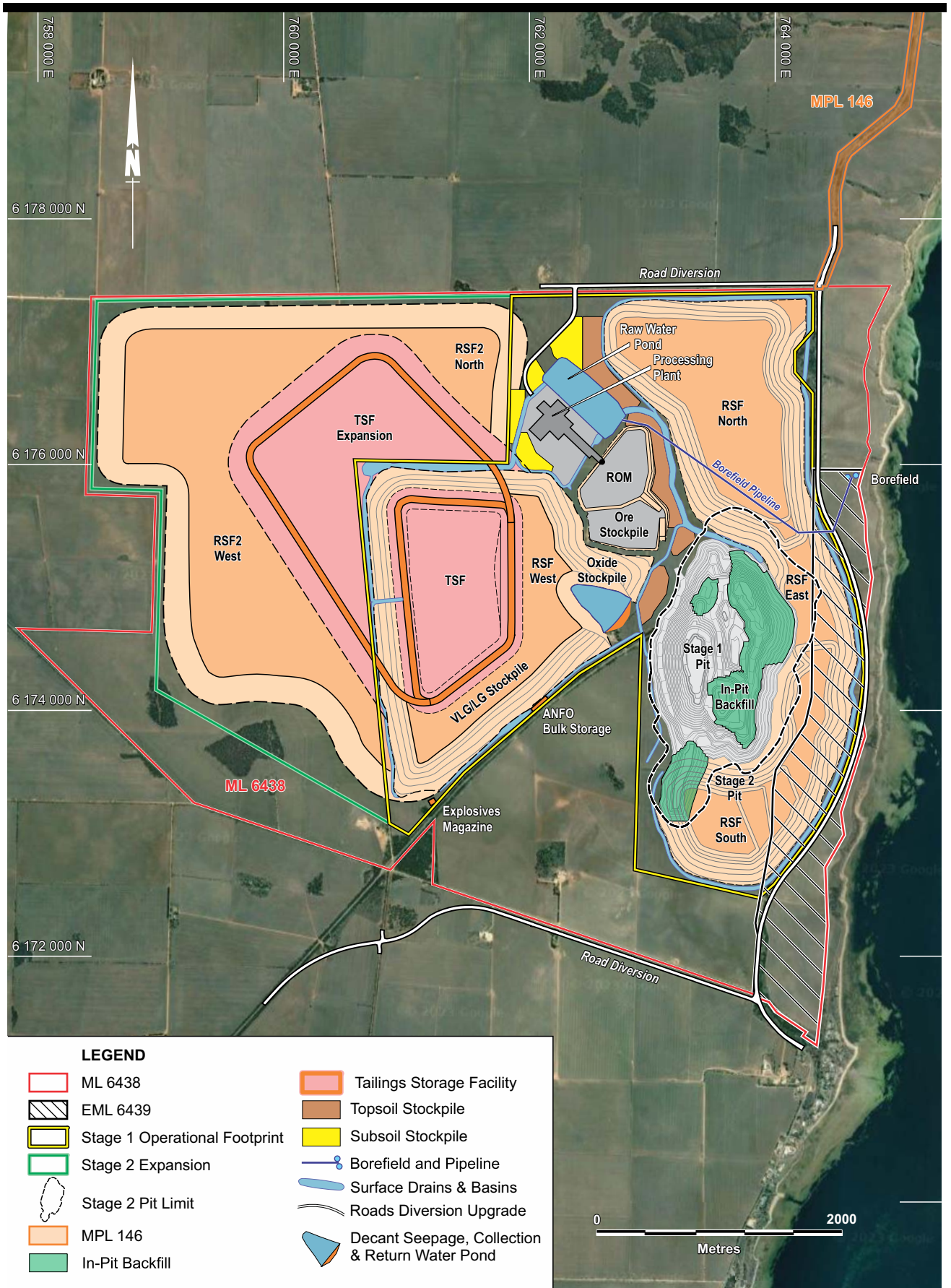
Rex advises that all the major project components and associated mine facilities of the Stage 1 Hillside project are located on tenements owned by Rex and that all mineral rights held by Rex with respect to the Hillside project area are valid and in good standing.

The underlying tenure of the ML is freehold land held by Rex Hillside (Property) Pty Ltd (a subsidiary of Rex), including the land titles for the EML. BDA notes compensation and access agreements are required prior to the commencement of operations as required under Section 61 of the *Mining Act 1971* (SA). Securing these agreements is a simple process when Rex owns the freehold land.

There are a several residential dwellings within relatively close proximity to the ML. At the time of tenure application, two were unoccupied and many were intermittently occupied holiday residences. There are approximately 20 residences either permanently or temporarily occupied in the agricultural land surrounding the ML.

Tenement conditions within the granted lease documents also prescribe a number of requirements incumbent on Rex in relation to protection of the residences identified as sensitive receptors (those that could be potentially impacted by the mining activities). These conditions consider the aspects of amenity, nuisance and safety applicable to the receptors from noise, blasting and vibration, air quality, etc, and the PEPR describes and binds the Company to the management, mitigation and monitoring of these impacts to meet compliance with these tenement conditions and provide a level of protection and consideration for the surrounding landowners.

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Figure 5

HILLSIDE STAGES 1 and 2 SITE LAYOUT PLAN

Table 5.1
Hillside Mining Tenements (June 2024)

Tenement	Purpose	Area (ha)	Date Approved	Expiry	Comment
Mineral Lease 6438	Recovery of Copper, Gold, Iron Ore.	2,997.8	16 Sept 2014	15 Sept 2035	21-year tenure includes the major project area.
Extractive Mineral Lease 6439	Mineral extraction – Clay, Sand, Gravel.	224.5	16 Sept 2014	15 Sept 2026	4-year tenure, renewed twice, current renewal granted 14 Feb 2023, allows for the removal of materials from stockpiles associated with Yorke Highway realignment.
Miscellaneous Purposes Licence ML146	Provide water and concentrate pipelines and a powerline.	94.3	16 Sept 2014	15 Sept 2035	Construction, operation and maintenance of supporting infrastructure.

Approvals

The tenure grant requires the submission and approval of a Program for Environment Protection and Rehabilitation (PEPR) that demonstrates how the Mineral Lease conditions will be met. BDA notes the Hillside PEPR was approved in July 2020 and covers the Stage 1 project.

The PEPR is the primary environmental regulatory approval document for the project. In order to obtain approval for the PEPR, an Environmental Impact Assessment (“EIA”) was conducted along with an assessment of the social and community aspects and impacts as described in the Community Engagement Plan (CEP, approved in June 2015) and the Social Management Plan (SMP).

In principle, the PEPR is a document that certifies the project has addressed the conditions and criteria described in the tenure instruments and the project will be able to effectively address the impacts of the project through its compliance with the PEPR.

While the ML, EML and MPL allocate the rights to undertake the mineral extraction and associated activities as described and approved in the PEPR, a Works Approval to construct plant and equipment intended for an activity licensed by the Environment Protection Authority (EPA) is required before Rex can commence construction activities and an EPA Operating Licence must be granted before operation of the facility can commence.

Rex has advised the PEPR will be used as the basis of the Works Approval application to the EPA, and that the EPA has approved the wording used within the PEPR for the purposes of preparation of the Works Approval. BDA notes the Works Approval application is in preparation and will be submitted after the project funding process is complete. The application for an EPA Operating Licence will be submitted upon completion of the construction works described in the Works Approval.

Rex has also obtained approvals from the Minister for Planning under Section 49 of the *Development Act 1993* (SA) (Development Number 544/G017/13 and 544/G018/13) for public road realignment works and entered into a Deed of Arrangement with the SA Department for Infrastructure and Transport.

Water Rights

The Company will supplement its potable water supply with saline water for processing, pumped from a groundwater borefield within the Mineral Lease, and dewatering from the open pit.

Under the *Natural Resources Management Act 2004* (SA), permits are required for the construction of water harvesting/extracting facilities (such as wells) and water licences are required, along with any endorsed water allocation for water use from any prescribed water resource. The Hillside mine ML is not within a prescribed water resources area and there is no requirement to hold a water licence or authorisation to extract water for mining purposes. There are no known significant groundwater users within the vicinity of the Hillside project area.

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Royalties

The project will be subject to South Australian State Royalties at a rate of 5% of the “ex-mine gate value”, which is the market value less any costs prescribed under the *Mining Act 1971*. Allowable deductions (prescribed costs) include port handling fees, concentrate transport and insurances.

As the ML was approved and issued on 16 September 2014, under the legislation, the project is classified as a new mine and is eligible for an initial reduced royalty rate of 2% for a period ending the earlier of five years from the first payable royalty from the project or 30 June 2026.

5.2 Geology

Regional Geology

The Hillside deposit is located on the eastern coast of the Yorke Peninsula within the geological region known as the Gawler Craton. The Gawler Craton covers approximately 600,000km² of South Australia and is host to several major iron-oxide-copper-gold (IOCG) deposits including Olympic Dam, Prominent Hill and Carrapateena as well as several smaller copper and gold projects. The area also hosts significant iron (haematite and magnetite) deposits which supply the iron and steel works at Whyalla (Figure 6).

The Gawler Craton is an Archaean to Palaeoproterozoic-Mesoproterozoic shield with granite-gneiss basement rocks dated from 3150-3250 million years (Ma), metasedimentary, meta-igneous and volcanic suites ranging from 1570-2550Ma and intrusives dated at around 1570-1600Ma.

The Gawler Range Volcanic-Hiltaba magmatic event around 1570-1600Ma affected the central and eastern portions of the Gawler Craton and is considered the source of much of the IOCG mineralisation.

The Hillside deposit is located within the Moonta Subdomain of the Olympic Cu-Au Province of the eastern Gawler Craton and sits within the Pine Point Structural Corridor. Underlying the eastern provinces and outcropping to the west are Archaean to Palaeoproterozoic basement rocks, partly overlain by Mesoproterozoic Gawler Range Volcanics. Unconformable Neoproterozoic sediments of the Stuart Shelf overlie the eastern edge of the Gawler Craton and mark the western flank of the Adelaide geosyncline.

The Moonta-Wallaroo region of the Yorke Peninsula is underlain by the Palaeoproterozoic Wallaroo Group volcano-sedimentary succession, intruded by early Mesoproterozoic granites and mafics of the Hiltaba Suite. The underlying basement is interpreted as comprising gneissic granitoids of the Donnington Suite (1850Ma). The region is unconformably overlain by a thin blanket of Neoproterozoic, Cambrian, Permian and Tertiary sediments.

The rocks of the Moonta-Wallaroo region are metasomatically altered, but unlike the IOCG alteration of the Olympic Dam, Prominent Hill and Carrapateena regions with strong development of haematite and magnetite mineralisation, alteration in the Moonta-Wallaroo region is primarily sodium-calcium rich with development of calc-silicate skarn-like assemblages.

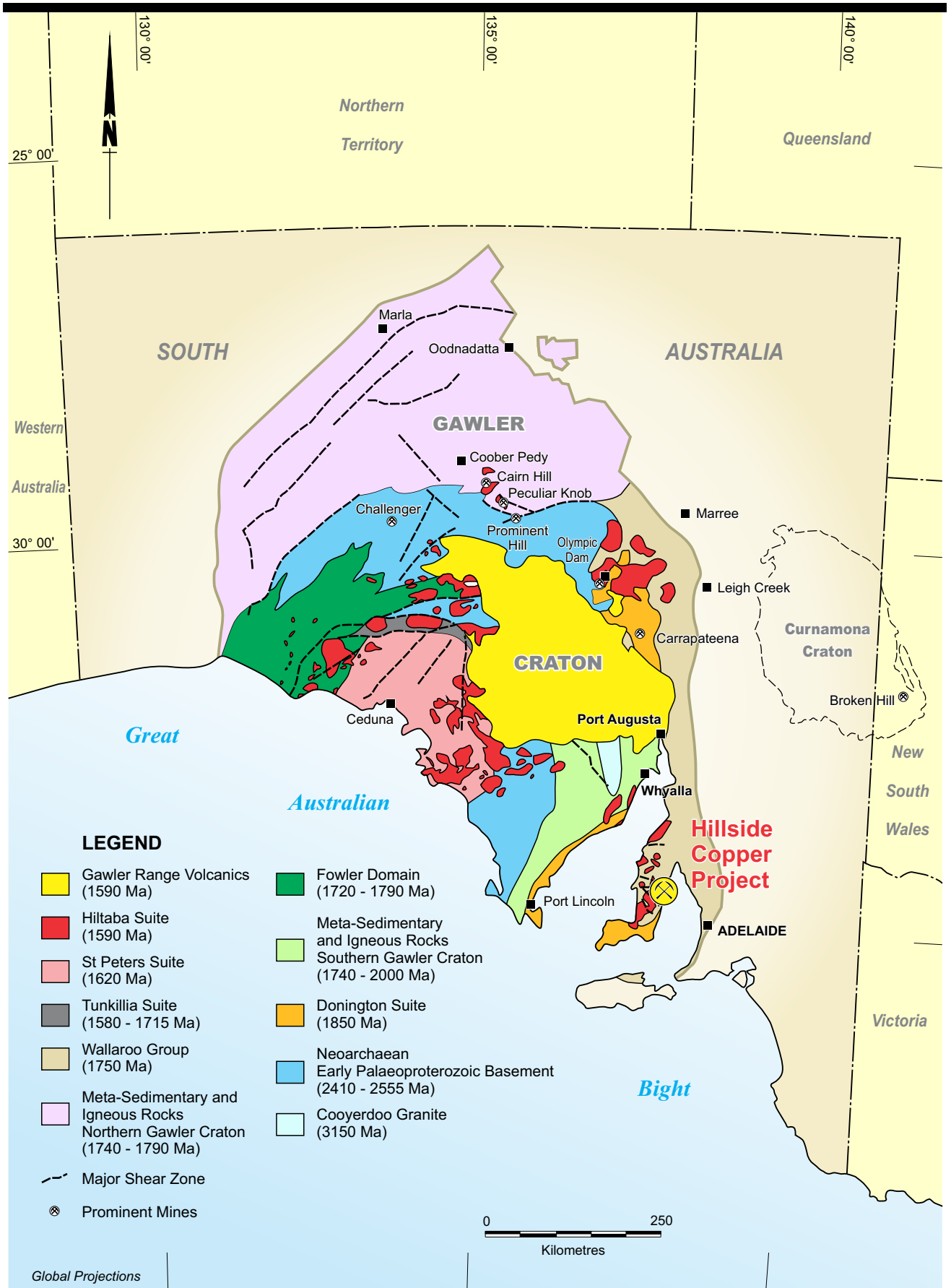
Mineralisation in the Hillside region is broadly associated with intense hydrothermal, magmatic and metasomatic alteration with the intrusion of granites and gabbros of the Hiltaba Suite around 1570-1600Ma and is focussed within carbonate-rich skarns with signs of earlier magnetite alteration.

Local Geology

Outcrop in the local area is sparse with a thin sequence of younger cover rocks blanketing the underlying geology; most of the understanding of the local geology is based on drilling and geophysical surveys. A small historic copper mine is located approximately 12km south of Ardrossan, at the northern end of the Hillside deposit, which was noted by early explorers but not followed up in detail. Prior to Rex's involvement in the area, the SA Department of Energy and Minerals drilled an 80m diamond hole adjacent to the old Hillside workings. In 1981, BHP undertook a regional roadside drilling programme with two percussion holes drilled into basement adjacent to Hillside returning anomalous copper results. In 2003, Avoca Resources drilled two reverse circulation (RC) holes, but no anomalous mineralisation was encountered.

In 2008, Rex commenced a drilling programme to investigate magnetic and gravity features interpreted to be associated with the NNE trending Pine Point Fault (PPF) and coincident with the historical Hillside copper mine. The PPF is a major splay fault associated with the regional Pine Point Fault Zone (PPFZ) which extends along the eastern margin of the Yorke Peninsula (Figure 7).

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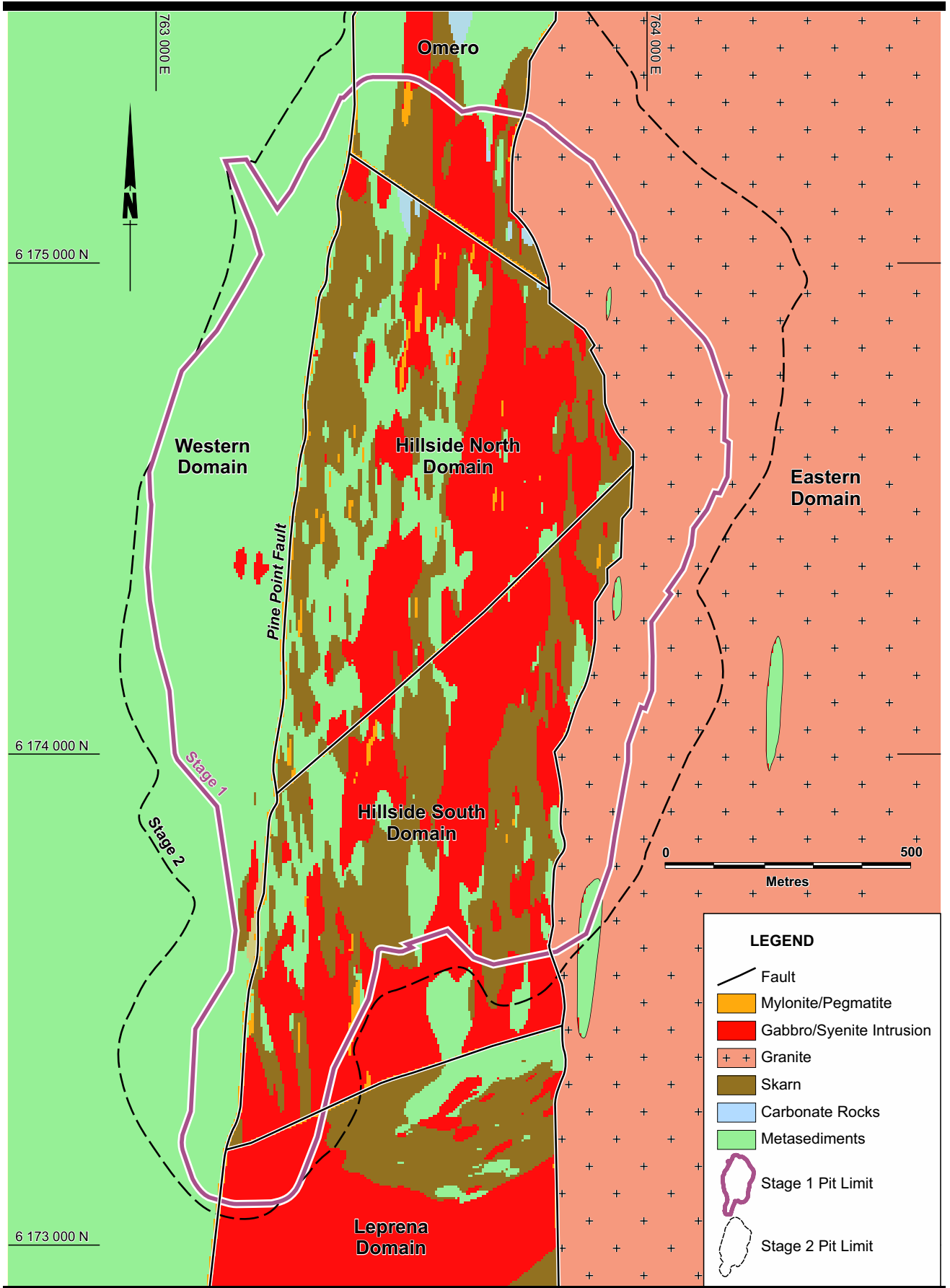
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Figure 6

HILLSIDE SIMPLIFIED REGIONAL GEOLOGY

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Figure 7

PLAN OF THE HILLSIDE DEPOSIT GEOLOGY

Significant copper and gold mineralisation was intersected, and by the end of 2009, drilling had identified mineralisation over a significant surface area and to a depth of 600m, with a notable early hole intersecting 259m of mineralisation averaging 1.7% Cu and 0.4g/t Au from a depth of 205m.

The Hillside deposit is hosted by a folded sequence of intensely altered metasediments and skarns belonging to the Wallaroo Group (Moonta Subdomain) which are intruded by Mesoproterozoic granitoids. The intrusions comprise variable-width dykes of syenite, microdiorite, micro-granite and micro-gabbro (Figures 6 and 7).

The deposit is bounded by felsic volcanics and metasediments to the west (hangingwall domain) and granites to the east (footwall domain). A significant granite stock lies in the eastern sector of the prospect and forms an eastern boundary to the mineralisation (Figure 7). To the west of the deposit the rocks comprise a series of meta psammites-pelites, carbonates and various metasediments and volcanics interpreted to be part of the folded Wallaroo Group of sediments and a gritstone interpreted to be part of the Pandara Formation. These hangingwall units are separated from the Hillside deposit by the PPF splay fault. There are approximately 30m of Tertiary cover below which is oxide mineralisation overlying the secondary and primary sulphide orebody. An east-west schematic section through the deposit is shown in Figure 8.

The local geology is summarised in Table 5.2 below.

Table 5.2
Hillside Generalised Geology

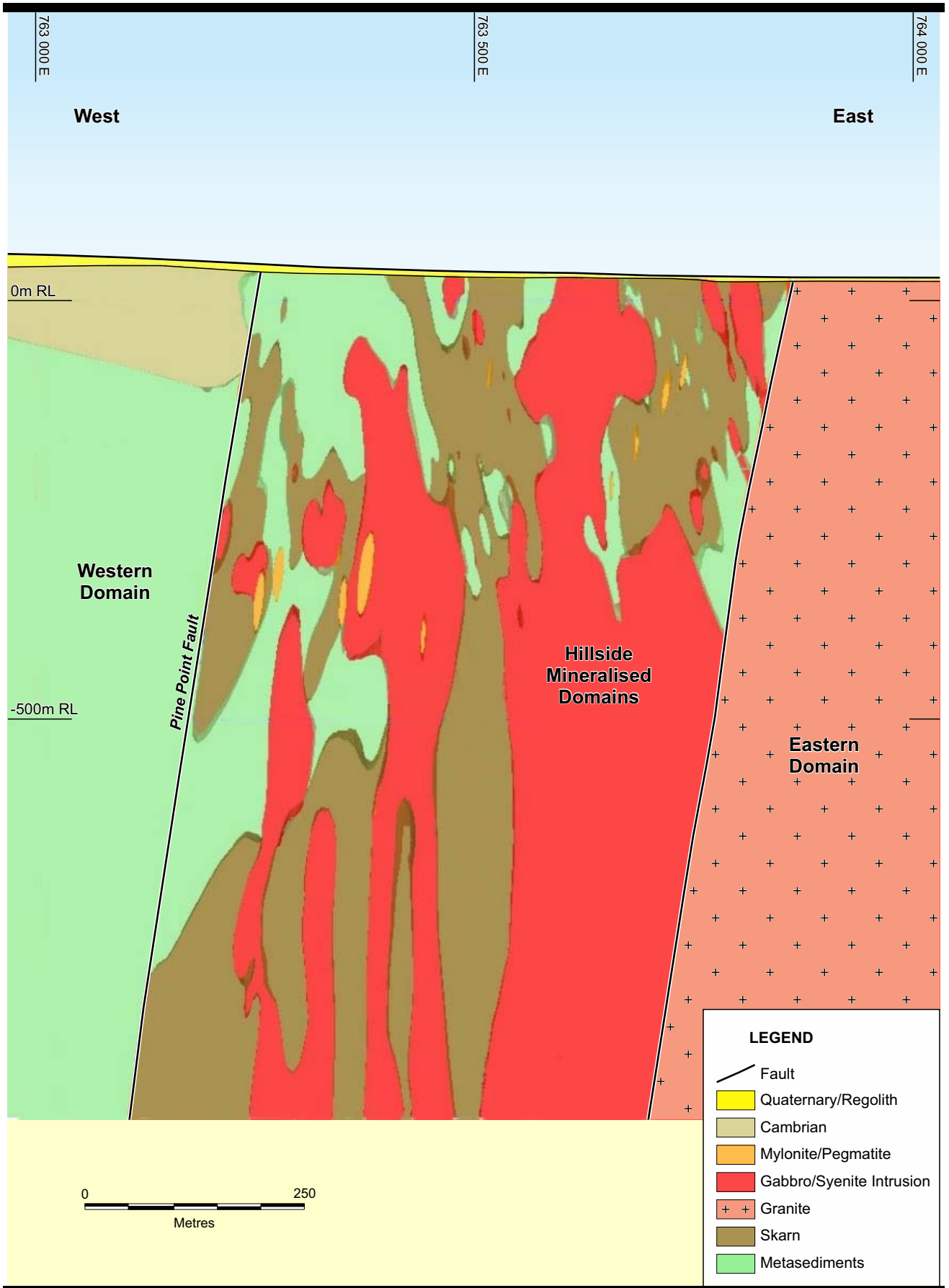
Domains	Formations	Description
Western Domain	Pandara Formation and Wallaroo Group	<i>Gritstone</i> – red-brown siltstone to gritstone; unconformable with Palaeoproterozoic sediments below
		<i>Meta Psammo-Pelite</i> – light grey, massive, banded, quartz and muscovite <i>Carbonate and Carbonate Sediments</i> – strong banding and deformation, interbanded with feldspar-haematite-sericite-tourmaline layers and graphite shear <i>Meta Sediments</i> – red-coloured, haematite altered, brecciated, between the carbonate and PPFZ splay
Pine Point Fault Splay		Splay fault of the PPFZ, forming the western boundary to the Hillside deposit
Hillside Domain		<i>Meta Sediments</i> – quartz-k-feldspar-chlorite-plagioclase-magnetite-haematite banded; sillimanite-cordierite gneiss, folded, coarse grained; mafic sediment – quartz-k-feldspar biotite-hornblende-plagioclase-magnetite, massive or banded <i>Carbonate</i> – precursors to dominant host rock skarns Skarns – dominant mineralised host rocks, strongly altered, magnetite-haematite copper-gold mineralisation; red-rock altered skarns; clinopyroxene skarns, magnetite skarns, garnet skarns, epidote skarns <i>Gabbro-Syenite</i> – intrusives, directly related to mineralisation source magma; syenite - medium grained, pink, veined, with sphene; gabbro – medium grained mafic <i>Pegmatites</i> – coarse grained late stage intrusives post-dating mineralisation
Eastern Domain	Eastern Granite	Major granite intrusion, red, altered, brecciated, generally barren

The Western and Eastern Domains are typically unmineralised. Within the Hillside Domain, the metasediments and carbonates are also typically unmineralised. The carbonates are interpreted as being the pre-cursors to the mineralised skarns, which were formerly carbonate-rich rocks which have been strongly altered by the mineralising fluids. The gabbro and syenite units are interpreted as having been formed from a differentiating magma which has been the source of the hydrothermal alteration and mineralising fluids.

The mineralised skarns, which are the dominant host rocks for the Hillside mineralisation, consist of the following skarn types:

- *Red Rock Altered Skarn* - weak haematite and k-feldspar alteration with minor epidote, garnet and clinopyroxene, generally weakly mineralised with trace chalcopyrite and pyrite peripheral to stronger skarn types
- *Clinopyroxene Skarns* - dark green with clinopyroxene, haematite and magnetite, epidote and garnet, commonly well-mineralised with chalcopyrite
- *Magnetite Skarns* - massive and disseminated, generally well mineralised with chalcopyrite and pyrite
- *Garnet Skarns* - brown green and garnet rich, disseminated to massive chalcopyrite in part replacing garnet
- *Epidote Skarns* - light green, with minor to trace mineralisation.

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Figure 8

HILLSIDE GEOLOGY CROSS SECTION (Schematic)

Structural Controls

The Hillside deposit lies within a broad crustal scale fault zone, the Pine Point Fault Zone (PPFZ) that was formed initially in the Palaeoproterozoic and extends for tens of kilometres north and south. The Hillside rocks which are primarily calcareous shallow-water sediments have been intensely deformed and metamorphosed. Regional metamorphism around 1700Ma reached granulite facies. East-west compression produced isoclinal folds and parallel bedding schistosity and a north-trending zone of intense deformation, the PPFZ, was established. Around 1585Ma a second less intense phase was accompanied by igneous intrusions and flow of reactive fluids that produced widespread alteration (red-rock and magnetite skarn) and iron and copper sulphide mineralisation. This phase was also associated with intrusive granite and gabbro dykes and stocks.

The PPFZ, as well as representing a major regional structure with associated shearing and brecciation, has a direct control on the western boundary of the Hillside Domain with the PPF splay bounding the western side of the Hillside deposit, dipping steeply to the west and striking approximately north-south.

Near-vertical north-trending shear zones parallel to the PPF play a major part in the localisation of the Hillside mineralisation. These zones can be clearly identified in the magnetics and in drilling and in the seismic data. The dip and strike of the shear zones is sub-parallel to the dip and strike of the major geological units and the fault-controlled mineralisation.

One exception to this is the southern section of the Hillside deposit known as Leprena where the structures are rotated almost 90 degrees (trending approximately 070°). This area is interpreted as being folded and cut off from the rest of Hillside by a northeast trending fault.

In addition to the PPF which defines the western boundary of the Hillside domain, and the eastern fault which defines the major granite contact, detailed drilling and modelling indicates the presence of multiple cross-cutting northeast and northwest faults which impact on the continuity of the geological units and the copper mineralisation. These structures are also evident in the magnetics. Offsets vary from significant to minimal. In total five northwest and five northeast faults are considered to be sufficiently continuous and with sufficient offsets to be modelled and of these, three major faults are considered to define material breaks in the geological domains (refer to Figure 5).

Mineralisation

Primary copper mineralisation at Hillside comprises sub-parallel steeply-dipping, structurally controlled zones of massive sulphide, dominated by chalcopyrite with subordinate bornite and chalcocite. Gold occurs generally as inclusions within pyrite and along chalcopyrite grain boundaries. Uranium is present at relatively low levels within the orebody averaging around 50 parts per million (“ppm”).

Mineralisation is predominantly hosted in variably altered skarns, representing altered and folded carbonate rocks. Alteration and mineralisation are interpreted to be associated with alteration and hydrothermal fluids associated with the Gawler Range/Hiltaba volcanic-plutonic event around 1570-1600Ma. Certain areas of high-grade mineralisation are interpreted to represent re-mobilisation and concentration of copper-gold-iron mineralisation and are typically associated with the western side of the deposit adjacent to the PPF and areas of brecciation and repeated faulting/mobilisation.

Mineralisation occurs over a 2.3km north-south strike within a 900m wide east-west corridor. Copper mineralisation occurs from within 5m of surface to a drill-indicated depth of over 700m; the mineralisation remains open at depth and along strike. Individual lode widths vary from 1m to 130m. While the predominant strike is north-south and sub-vertical, a zone of shallow mineralisation has been identified at the southern end of the deposit (Leprena) with an apparent east-west strike.

Near surface, oxide copper mineralisation occurs above the primary sulphides, comprising malachite, azurite, cuprite, atacamite, chrysocolla and native copper. Oxide copper mineralisation occurs predominantly towards the eastern zones of mineralisation associated with deeper oxidation of the sulphides. A discontinuous transition zone, consisting predominantly of secondary copper sulphides chalcocite and covellite with minor bornite and native copper, occurs between the oxide and primary sulphide zones.

Geological and Mineralisation Domains

The Hillside geological model has been subdivided by Rex into four domains separated by offsetting faults, from south to north:

- *Leprena Domain* - this is the southernmost domain and unlike the other principal domains, is oriented ENE rather than north-south. The Leprena domain has a folded synclinal geometry and is considered cut off from the rest of Hillside by a northeast trending fault. Apart from the structural trend, the host rocks in Leprena are

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similar to the rest of Hillside, with a thick skarn hosting the copper-gold mineralisation, surrounded by syeno-granite intrusive rocks and metasediments.

- *Hillside South* - immediately north of Leprena but exhibiting the standard northerly and sub-vertical Hillside trend. The host rocks, structures and mineralisation all follow this trend, with some cross-cutting internal faults. The principal host rocks are skarns, with a strong structural influence.
- *Hillside North* - a northeast striking fault resulting in a break in geology and mineralisation separates Hillside South from Hillside North. The host rocks, northerly strike and vertical orientation however are similar to Hillside South.
- *Omero* - Omero, the northernmost domain, is separated from Hillside North by a series of northwesterly striking faults. The Omero region is characterised by thick sections of mineralised copper-gold-iron skarn, the iron content being significantly higher than in the other Hillside domains. There appears to be a northerly plunge to the thickened sections of mineralised skarn, with relatively narrow skarn zones at shallow depths. It is possible that the thickened zones within the Omero domain are due to folding.

For the purposes of resource estimation, Rex has further subdivided the mineralisation into four west to east mineralised domains, Dart, Zanoni, Parsee and Songvaar, with Omero and Leprena comprising a northern and southern domain respectively (Figure 9). A review of plans or cross sections shows a concentration of north-south mineralised structures corresponding to the principal mineralisation domains separated by relatively poorly mineralised zones.

- *Dart* - the westernmost north-south domain lying immediately east of the PPF, dominated by metasediments, magnetite skarns, gabbros and breccias/shears. Mineralisation comprises mostly chalcopyrite and pyrite with traces of bornite and chalcocite. Mean grade is 0.5% Cu and 0.08g/t Au with a Cu:S ratio averaging 0.46.
- *Zanoni* - to the east of the Dart domain, with similar geology but with significant gabbro and garnet skarn, both massive and brecciated. Mineralisation is principally chalcopyrite and pyrite with an average Cu:S ratio of 0.68. Mean grade is 0.8% Cu and 0.19g/t Au.
- *Parsee* - to the east of Zanoni, with intersections up to 85m in thickness (with included waste) and comprising predominantly massive or banded skarn. Sulphides are predominantly pyrite and chalcopyrite. Grades average 0.5% Cu and 0.21g/t Au with a Cu:S ratio averaging 0.57.
- *Songvaar* - the easternmost domain with true thicknesses up to 130m and containing more extensive secondary copper than other domains with chalcocite, bornite and some native copper, underlain by primary sulphide chalcopyrite. Significant oxide and supergene mineralisation suggest deeper weathering compared with the domains to the west. Magnetite-haematite skarns are common while gabbro and garnet skarns are generally absent. Grades average 0.48% Cu and 0.16g/t Au with a Cu:S ratio of 1.5.
- *Omero* - to the north of Parsee, but deeper and broader with mineralisation intersections up to 150m in true thickness, comprising predominantly massive or banded skarn; magnetite and haematite skarns are common. Mineralisation is chalcopyrite and pyrite averaging 0.4% Cu and 0.18g/t Au with a Cu:S ratio averaging 0.85.
- *Leprena* - the southernmost domain comprising mostly massive or banded skarns with chalcopyrite and pyrite. Grades average 0.4% Cu and 0.08g/t Au with a Cu:S ratio of 0.5.
- *Oxide and Transition Zones* - Rex has also defined oxide and transition zones above each of the primary domains. The oxide zone is dominated by malachite, atacamite, azurite and native copper mineralisation whereas the transition zone contains mostly chalcocite, covellite with minor bornite and native copper. The thickened oxide and transition zones above the Songvaar and Parsee domains reflect increased depths of weathering to the east. Oxide grades average 0.54% Cu and 0.20g/t Au and transition zone grades average 0.61% Cu and 0.19g/t Au.

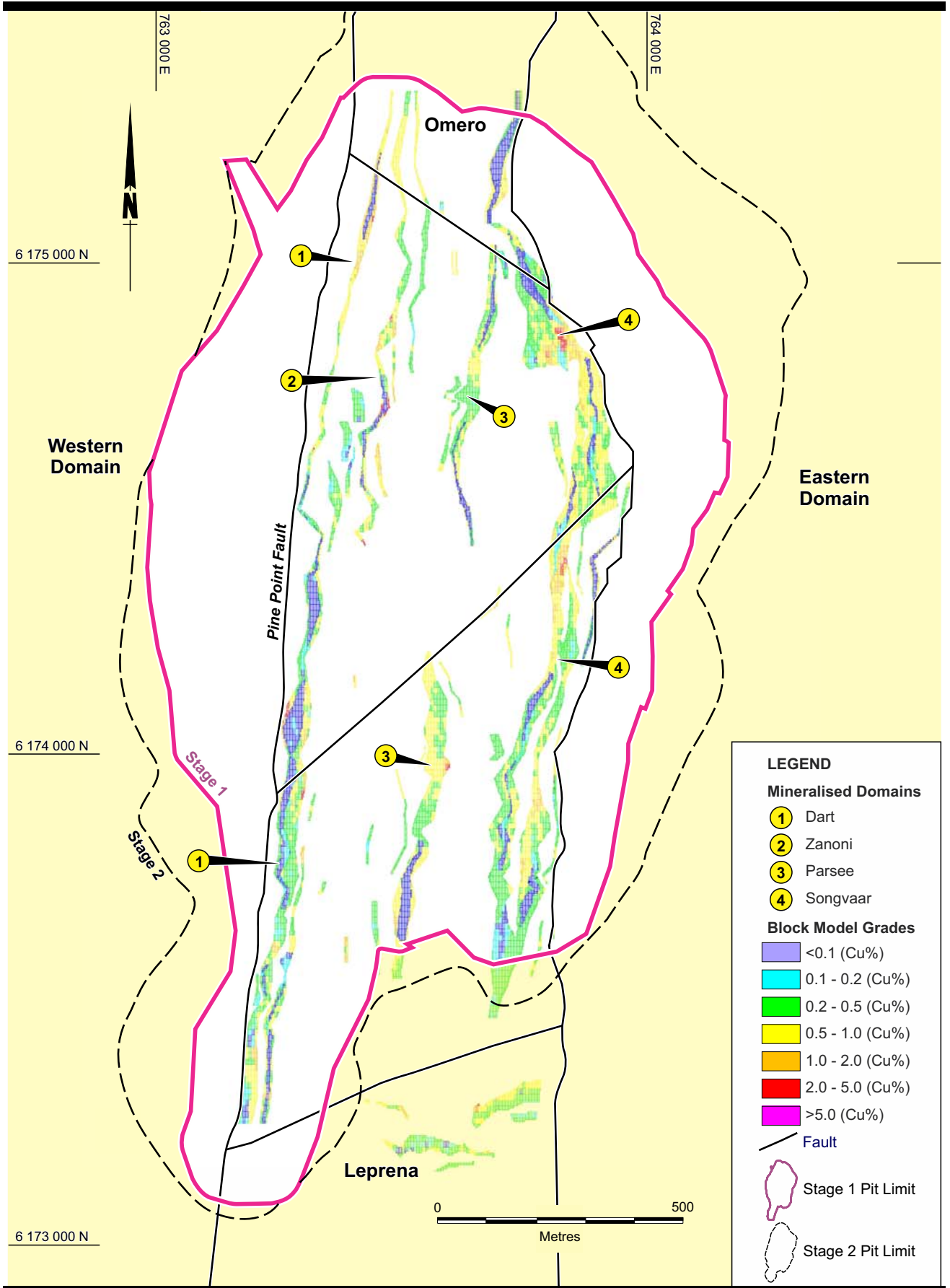
Exploration Potential within the Hillside ML

The Hillside project area is centred over a pair of large magnetic anomalies which lie on either side of the major north-south trending PPF splay fault. To date, Rex has only defined the Hillside deposit on the eastern side of the fault. The western magnetic anomaly remains to be fully drill-tested.

The results from a 3D seismic survey completed in 2022 over the Hillside deposit and the western magnetic anomaly showed potential for identifying major structures, alteration systems and lithologies which could control similar mineralisation systems to the Hillside deposit along strike and at depth. Rex followed up the 3D seismic survey with the drilling of two 1,350m deep drill holes to test geological features indicated by the seismic data. Rex proposes further deep drilling in conjunction with downhole Transient Electromagnetic (“TEM”) geophysical survey method to test for sulphide mineralisation at depth.

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Figure 9

STAGE 1 - MINERAL RESOURCE BLOCK MODEL (-100mRL)

Certain areas within the proposed open pit have not been fully tested by drilling and there remains some potential for defining additional mineralisation, though the main potential lies with extensions along strike and down dip. There is also potential for mineralisation to be associated with the western magnetic anomaly on the western side of the PPF fault.

Conclusions

The regional and local geology have been extensively studied and are well understood. Broad mineralisation domains have been defined, but within domains the detailed geology can be complex with a varied assemblage of metasediments, intrusives and skarns. The major north-south trend is well-defined as are the western and eastern boundaries of the deposit, but cross cutting northwest and northeast faults are also apparent and, depending on the offset, could impact on mining recoveries and dilution. Although some lodes are relatively narrow, there are also substantial widths of largely continuous mineralisation.

Primary sulphide mineralisation comprises largely chalcopyrite in association with pyrite; secondary sulphides, primarily chalcocite and covellite, occur in a discontinuous transition zone immediately above the primary mineralisation. Overlying the transition zone is oxide mineralisation with predominantly malachite, atacamite and copper in chlorite. Oxide and transition mineralisation are thickest in the north-eastern part of the deposit.

BDA considers that the geology and mineralisation are appropriately defined to allow the development of geological models to support the estimation of resources and reserves.

5.3 Geological Data

BDA has not undertaken an audit of the geological data as part of this review. The following information is based on discussions with Rex's staff and senior management, and review of geological reports. BDA visited the site on 22 March 2023, held discussions with project staff, and reviewed the geological logs, drill core, and sampling and assaying processes and procedures.

Data collection and database management for Hillside are well organised and procedures well documented and standardised throughout the Company. Procedures generally follow standard international mining industry practice.

Drilling

The Hillside deposit has been drilled using a mix of fully cored diamond drill holes (DD) and reverse circulation (RC) drilling. Drilling was carried out between 2007 and 2013.

The deposit has been defined by 608 DD holes totalling approximately 201,000m and 245 RC holes totalling approximately 38,000m. Of these holes, 600 DD holes and 209 RC holes intersected the main mineralisation envelope. Drilling was carried out over a north-south strike length of approximately 2,600m on east-west sections spaced at 50m or 100m intervals, with some areas infilled on 25m spaced sections. Drill holes were drilled along sections over a maximum length of 1,100m at intervals ranging from 25m to 100m. Drill coverage resulted in nominal drilling grids ranging from 25 x 25m to 50 x 50m and 100 x 100m.

Due to the orientation of the mineralisation, which is generally dipping steeply to the west, drill holes were angled at approximately 60-70°, with around 50% of the DD holes drilled to the west, 35% to the east and 15% to either north or south. RC holes were also angled at 60-70° with a similar variable drilling direction. Drill coverage extends to around 600m below surface.

Diamond drill holes at Hillside were typically drilled at PQ core size (85mm) in the upper section of the hole to minimise hole deviation and maximise core recovery, then reduced to HQ (64mm) at depth and if necessary reduced further to NQ (48mm). The drilling contractor used triple tube coring equipment; core recovery overall was good, averaging more than 97% in the mineralised rocks. All DD core was orientated using Reflex ACT1 or ACT11 Rapid Descent tools.

Rex reports that RC recoveries were variable with some low sample recovery weights. A later review of the RC data resulted in exclusion of a number of low recovery samples from the resource estimation.

Rex completed the twinning of a number of DD and RC drill holes as part of the resource drilling programmes; results indicated that DD and RC drilling yielded similar interval thicknesses and grades, although DD holes generally reported higher grade variances.

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Geophysical Data

Drilling data at Hillside is supported by geophysical data which includes regional airborne magnetic and gravity data and a 3D seismic survey. The latter survey was completed in 2022 over the entire Hillside deposit and has assisted Rex with structural interpretation of the deposit. BDA has not reviewed the geophysical data as part of this review.

Survey

The collar locations of all drill holes were surveyed using differential GPS equipment. Collar coordinates are recorded in the MGA94 Zone 53 coordinate system. A surface digital terrain model (“DTM”) created from a detailed gravity survey was used as an elevation reference for all drill hole collars.

Downhole surveys were carried out to record the dip and azimuth of all drill holes. Magnetic down hole surveys were taken at approximately 24m intervals down the holes using a single shot instrument. An azimuth adjustment of 8° was applied for conversion to MGA coordinates. Additionally, 84% of DD holes and 74% of RC holes were subjected to a second survey using a digital Reflex Gyro or North Seeking Gyro EZ shot tool.

Logging and Sampling

All holes were geologically and geotechnically logged; logging included lithology, alteration, mineralisation, Rock Quality Designation (“RQD”), rock strength, structural data and core recovery. Visual logging of sulphide oxidation was used to define two oxidation surfaces: the base of complete oxidation (“BOCO”), and the base of partial oxidation (“BOPO”); the latter defines the base of the transition zone containing predominantly secondary sulphides. Good quality digital core photography was carried out on wet and dry core before the core was marked up for sampling. Geological logging appears reasonable and appropriate.

Drill holes were generally sampled at 1m intervals, with a small number of either shorter or longer samples taken to honour geological boundaries. DD core is cut in half by diamond saw for sampling and assaying purposes at the Company’s on-site core logging and storage facility. BDA examined several drill cores; the intervals were appropriately marked and tagged and the cores systematically cut and sampled.

RC holes were drilled using a face sampling hammer, sampled at one metre intervals and split using a rotary cone splitter mounted near the drill rig cyclone which was set for an 87.5:12.5 split to obtain two samples, of which the smaller sample was sent for sample preparation and assay and the larger retained as a reference sample.

All drillhole and related sampling data is transferred to Rex’s SQL relational database. The database includes a data validation routine that checks all data attributes.

Sample Preparation and Analysis

Sample preparation and analysis of the majority of Hillside DD and RC drill samples were conducted off-site at the Australian Laboratory Services (ALS) preparation facility in Adelaide and the laboratory facility in Perth. Some early samples collected in the period 2007 to early 2009 were processed through Australian Mineral Development Laboratories (“AMDEL”). Rex contracted Genalysis Laboratory Services (“Genalysis”) in Perth to act as an independent umpire laboratory for inter-laboratory check sample analyses.

Copper was analysed using a four-acid digest followed by inductively coupled plasma-atomic emission spectroscopy (“ICP-AES”) on a 0.25g charge. Gold was determined using a 30g fire assay and with atomic absorption spectrometry (“AAS”) finish. A suite of elements including Fe, Ce, La, U, Y and Te were analysed using a fused disc X-ray Florescence (“XRF”) method. In addition, samples were analysed by ICP-AES for a multi-element suite which included Ag, As, Bi, Co, Mg, Pb, S, Sb, Si and Zn.

Quality Assurance/Quality Control (QA/QC)

The chain of custody of drill hole samples from the core shed through to the Adelaide sample preparation facility and to Perth laboratories, and results from the laboratories to the assay database is considered satisfactory and secure.

QA/QC protocols used by Rex meet standard mining industry practice and include insertion of Certified Reference Material (“CRM”), blanks, field duplicates, pulp duplicates and inter-laboratory repeats. For the Hillside drilling programmes, Rex used 10 copper and gold CRMs and three higher-grade gold-only CRMs covering the expected grade ranges in the deposit; these CRMs were sourced from Ore Research and Exploration Pty Limited (“OREAS”). Rex also requested OREAS to prepare three matrix-matched CRMs using Hillside RC chip residues.

Insertion of CRMs to test for analytical accuracy and precision was at an approximate rate of one per 25 samples; field blanks and pulp duplicates were also inserted at a rate of one per 25 samples. Regular submissions were

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made of selected pulp samples to Genalysis as inter-laboratory check samples. ALS and Genalysis also ran extensive internal control protocols including internal repeats, splits, blanks and standards and also participated in monthly round robin inter-laboratory check analyses.

Rex continuously monitored the QA/QC results during drilling programmes and reacted to any indications of poor sample preparation protocols or potential bias in the analytical results.

CRM results generally indicate acceptable accuracy and precision for both ALS and Genalysis analyses. No contamination between samples was indicated from the analysis of field blanks or pulp blanks. Comparative results for field and pulp duplicate samples generally showed excellent repeatability.

Overall, BDA considers Rex's QA/QC procedures are satisfactory and follow accepted industry standards and that the assay database is suitable for resource estimation purposes.

Independent Reviews

In addition to the automated database validation system of Rex's SQL database and regular monitoring of QA/QC results, an independent audit of Rex's June 2013 MRE was undertaken by AMC Consultants Pty Limited (AMC). This audit included review of the geological database including the following aspects: drilling, survey, assays, geology, sample recovery, bulk density and QA/QC. AMC concluded that *'the protocols and processes covering the whole range of drilling and data gathering for the Hillside deposit are in excess of normal industry standards.'*

In October 2022, Rex commissioned Spiers Geological Consultants (SGC) to conduct a technical review of the 2021 in-house MRE which was, except for a later change in the parent block size, almost identical to the reported December 2022 MRE. SGC's scope of work included review of input data, database integrity, QA/QC and bulk density data. SGC concluded that there were no significant issues with the database or with the geological, drilling, analytical and QA/QC procedures put in place by Rex.

Bulk Density

Rex has compiled an extensive database of bulk density ("BD") measurements totalling over 135,000 determinations. Bulk density values were measured on site using the water immersion method (Archimedes principle) of weight in air versus weight in water. Samples were 10-20cm lengths of core from mineralised and unmineralised rock. Potentially fragile and porous core from the upper levels of the deposit were wrapped in plastic prior to measurement.

BD data is reported by Rex as resource domain mean BD values in units of Determinations indicate a gradual increase in bulk density with depth. The ranges of mean BD in three broad domain groups are shown in Table 5.3

Table 5.3

Bulk Density Values for Hillside Deposit Domains

Domain Group	Mean Bulk Density Range t/m ³
Cover rocks, oxide, saprolite and supergene	2.06 - 2.33
Unmineralised waste, HW metasediments, FW gabbro-syenite	2.64 - 2.78
Main primary ore zones (Dart, Zanoni, Parsee, Songvaar, Omero, Leprena)	2.83 - 3.08

Note - t/m³ = tonnes per cubic metre

Conclusions

BDA considers that the geological investigations carried out by Rex have been thorough, and the drilling, logging, sampling and assaying procedures adopted are appropriate and in accordance with industry standards. QA/QC results are generally satisfactory with good repeatability and no significant bias. The database is well managed by Rex and has been independently reviewed by AMC in 2013 and by SGC in 2022.

Overall, BDA considers the current Hillside geological database forms an appropriate and reasonable basis for resource and reserve estimation.

5.4 Resource and Reserve Estimation

Standards and Definitions

A Mineral Resource is defined in the Australasian Joint Ore Reserve Committee (JORC) Code, 2012 as a concentration or occurrence of material of economic interest in the Earth's crust in such form, grade and quantity that there are reasonable prospects for eventual economic extraction. Mineral Resources are classified as Measured, Indicated or Inferred according to the degree of confidence in the estimate. A Measured Resource is one which has been intersected and tested by drill holes or other sampling procedures at locations which are close enough to confirm continuity and where quantities, grades and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors to support detailed mine planning and evaluation and to estimate Ore Reserves. Similar criteria apply to Indicated Resources except that the sampling is at locations too widely spaced to ensure continuity, but close enough to allow a reasonable assumption of continuity; the quantities, grade, and physical characteristics are still considered to be estimated with sufficient confidence to allow the application of Modifying Factors to support detailed mine planning and evaluation and estimation of Ore Reserves. An Inferred Resource is one where quantity and grade estimates are based on limited geological evidence and where sampling is sufficient to imply but not to verify continuity.

The Hillside resource figures represent the total tonnage of in-situ mineralisation delineated within the drilled areas and above the defined cut-off.

An Ore Reserve is defined in the Australasian JORC Code as the economically mineable part of a Measured or Indicated Resource. An Ore Reserve is defined by studies at the Pre-Feasibility or Feasibility level which demonstrate that the extraction of the reserve is economically justified under conditions reasonably assumed at the time of reporting. Proved and Probable Ore Reserves are typically based on Measured and Indicated Resources respectively unless other relevant factors dictate a lowering of the Measured Resource category to Probable Ore Reserves. Under the Australasian JORC Code, Inferred Resources are deemed to be too poorly delineated to be transferred into a reserve category.

Rex's reserve figures incorporate mining dilution and allow for mining losses in the open pit. The Proved and Probable Ore Reserves are based on an appropriate level of mine planning, mine design and scheduling.

Mineral Resources

Rex has estimated Mineral Resources in-house since 2010. Rex reported the first resource in July 2010 (an Inferred resource of 100Mt at 0.7% Cu and 0.2g/t Au). Subsequent resource updates were reported as successive resource infilling drilling programmes resulted in an increase in the confidence level of each resource estimation.

The most recent Mineral Resource Estimate (MRE) was reported by Rex in December 2022 comprising 337Mt at 0.56% Cu and 0.14g/t Au containing 1,897kt of copper and 1,523koz of gold. This MRE forms the basis for the Ore Reserves and mine plan as detailed in Rex's Optimised Feasibility and Definition Phase Engineering Study of December 2022.

Independent reviews of Rex's database and resource estimation procedures have been carried out. In 2013 AMC Consultants Pty Limited (AMC) reviewed the on-site data collection procedures, database and the 2013 MRE, and in October 2022, Spiers Geological Consultants (SGC) reviewed the input data and estimation methodology used for the October 2021 internally reported MRE which was almost identical to the publicly reported December 2022 MRE.

Resource Modelling

Rex established a 3D resource block model covering the whole of the drill-delineated part of the Hillside deposit. The model is based on data from 600 DD holes and 209 RC holes, consisting of assays from over 180,000m of DD core and from over 31,000m of RC 1m samples.

Geological interpretation was carried out on 25m, 50m and 100m spaced east-west sections. Interpretation was initially done on hard-copy sections which were transferred to Vulcan software to complete interpretation in 3D.

Resource domaining was based on grade, lithology and type of mineralisation. The resource model was divided into six main mineralised domains, the four north-south trending, steeply dipping domains Dart, Zanoni, Parsec and Songvaar, and the northern domain Omero and southern domain Leprena (refer Figures 7 and 9). These domains were defined by a nominal 0.2% Cu grade cut off but included discontinuous internal waste with grade less than 0.2% Cu in some areas. More continuous zones of waste were separately domained as barren domains. Other domains included cover rocks, saprolite, oxide and transition, the Pine Point Fault, and two areas which contained gold mineralisation but no copper. In all, 25 separate domains were modelled.

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Resource Estimation Methodology

A summary of the methodology and parameters used in the 2022 resource estimation is set out below.

- Drill hole samples were regularised to 1m composites for Cu, Au, Ag, U, Fe, S, Co, Cl, SiO₂, Al and Ca and all other attributes modelled.
- Statistical analysis of data sets for Cu, Au, Ag, U, Fe, S, Co, Cl, SiO₂, Al and Ca within the modelled domains was carried out using univariate statistics, histograms and log probability plots. Coefficients of Variation (CV) for copper were generally around or below 2.0, indicating that Ordinary Kriging (OK) was a suitable method to apply to block grade estimation. CVs for gold, silver and uranium were generally well above 2, indicating an alternative estimation method to OK could be more appropriate.
- Top cuts or restricted searches were not applied to copper, gold or uranium despite gold and uranium having high CVs and occasional high maximum values (eg. Parsee domain CV 3.8, maximum 31.3g/t Au, mean 0.21g/t Au); top cuts were applied to silver and chlorine due to presence of a few extremely high values.
- Variography was carried out for all elements to assess the spatial continuity of the mineralisation for each domain using normal scores (transformed) variograms; downhole variograms were used to model the nugget effect. Typically, the direction of maximum continuity is along strike, with the intermediate direction down-dip and the minor direction orthogonal to the strike direction; variograms were modelled using a nugget and two spherical models and search ellipse orientations were based on the variogram parameters.
- Kriging Neighbourhood Analysis (“KNA”) was used to optimise the block size and estimation parameters; parent block dimensions of 6mE x 12mN x 12mRL were selected for OK grade estimation. Sub-blocking to a minimum size of 2mE x 4mN x 4mRLm was used to assist with domain volume calculations. Parent block discretisation was set at 2m x 4m x 4m.
- Domain boundaries were used as hard boundaries in order to maximise stationarity for OK estimation and limit smearing of high grades into lower grade areas during block grade estimation. The oxidation boundaries (base of saprolite, oxide and partial oxidation) were treated as soft boundaries.
- Block grade estimation for Cu, Au, Ag, U, Fe, S, Co, Cl, SiO₂, Al and Ca using OK was achieved in three passes using an increasing search ellipse. Search distances and numbers of data points used to estimate block grades varied by domain and estimation pass; the first pass search was based on the distance denoted by two thirds of the sill; the second pass search was based on 100% of the sill and the third pass, twice the sill. Minimum number of samples varied between 2 and 8 depending on domain and pass, with the maximum number generally set at 32 for all three passes. An octant search limited composites to a maximum of 4 per octant for passes 1 and 2 and a maximum of 1-4 for pass 3.
- Bulk density was modelled based on approximately 135,000 BD determinations from drill core; BD block values were estimated using OK into domains, and where a block value was not estimated a value during kriging, the domain average BD value was assigned.
- Resource categorisation (Measured, Indicated and Inferred) was based primarily on drill hole spacing, with geological and grade continuity and data quality also taken into consideration; Measured resources were defined where drill hole spacing was 25 x 25m but extended into areas of 50 x 25m and in some cases 50 x 50m where continuity was judged to be high and geology less complex; Indicated resources were generally assigned in areas of 50 x 50m drilling but in some cases extended to areas of 100 x 100m; Inferred resources were generally assigned to areas drilled at 150 x 150m spacing.
- The extension of Measured and Indicated resources into areas of wider drill hole spacing was based on a global comparison of mean block tonnes and copper grade estimates using, in turn, a 25 x 25m data set and a 50 x 50m data set over two areas in Hillside South, covering parts of the Dart and Songvaar domains. The results of the comparison indicated that the 50 x 50m data set gave a maximum average grade variation of -9% (Dart domain) and a maximum average tonnage variation of -1.8% (Songvaar domain). Rex considered these variations were not material from a global perspective and that therefore it was considered acceptable to extend Measured resources into areas of 50 x 50m, subject to the Competent Person’s opinion. BDA considers using only a global comparison ignores any significant variation in the local block estimation tonnes and grade between the two data sets tested, which in BDA’s opinion should be taken into consideration when considering resource categorisation.
- Block grade estimates were validated visually against the composite data and cross sections, and statistically using swath plots. An inverse distance squared (“ID²”) estimation for comparison with the OK block model showed close agreement; the ID² model resulted in lower tonnes (-2.9%) and slightly lower copper metal (-1.6%).

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Mineral Resource Estimate

Mineral Resources for the Hillside project, as reported by Rex in December 2022, are shown in Table 5.4. Resources are inclusive of Ore Reserves and are reported at a cut off of 0.2% Cu.

The MII resource estimate is 337Mt at 0.56% Cu and 0.14g/t Au with 1,897kt of contained copper and 1,528koz of contained gold. The percentage of Measured and Indicated sulphide copper resources available for conversion to Ore Reserves is 60% or 202Mt at 0.57% Cu and 0.13g/t Au with contained copper of 1,162kt and contained gold of 915koz.

Table 5.4
Hillside Copper-Gold Mineral Resources - December 2022

Mineralisation	Category	Tonnage Mt	Copper Grade Cu %	Gold Grade Au g/t	Contained Cu kt	Contained Au koz
Oxide Copper	Measured	16	0.54	0.22	88	114
	Indicated	4.4	0.49	0.12	21	17
	Inferred	0.2	0.76	0.22	1.6	1.5
	<i>Subtotal</i>	<i>21</i>	<i>0.54</i>	<i>0.20</i>	<i>111</i>	<i>133</i>
Secondary Sulphide Copper	Measured	8.8	0.62	0.20	55	58
	Indicated	3.0	0.57	0.13	17	13
	Inferred	0.1	0.61	0.07	0.7	0.3
	<i>Subtotal</i>	<i>12</i>	<i>0.61</i>	<i>0.19</i>	<i>73</i>	<i>71</i>
Primary Sulphide Copper	Measured	47	0.54	0.16	253	248
	Indicated	143	0.59	0.13	837	596
	Inferred	114	0.55	0.13	623	479
	<i>Subtotal</i>	<i>304</i>	<i>0.56</i>	<i>0.14</i>	<i>1,713</i>	<i>1,323</i>
Total Resource	Measured	72	0.55	0.18	396	420
	Indicated	150	0.58	0.13	875	626
	Inferred	114	0.55	0.13	625	481
	Total	337	0.56	0.14	1,897	1,528

Note: Cut-off grade is 0.2% Cu; resources are rounded to the nearest million tonnes or if less than 10Mt to the nearest 100,000t; totals are subject to rounding

Ore Reserves

Ore Reserves were estimated by Rex with assistance from AVCS Pty Ltd ("AVCS"). The December 2022 MRE was used as the basis for the December 2022 Ore Reserves.

The December 2022 reserves are contained within a two-stage open pit. The open pit design is based on Rex's Stage 2 Pre-Feasibility Study Transition Plan completed in July 2021. This plan includes a series of phased pushbacks of the Stage 1 pit that would begin during Stage 1. Stage 1 is approved under the current PEPR.

A decision to transition to the Stage 2 pit could occur by Year 5 of the Stage 1 mine plan but would require approval of an amended PEPR and additional waivers and land access agreements. At the present time, Rex is not aware of any impediments to gaining the necessary approvals and agreements within the envisaged Stage 2 timeframe.

Reserve Estimation Methodology

The reserve model is based on the sub-block (2mE x 4mN x 4mRL) resource model in which the sub-block grades are the same as the grade of each parent block (6mE x 12mN x 12mRL). The block model was regularised through a number of steps (1x1x1m and 1x1x5m models) to a final selective mining unit (SMU) model with blocks of 3mE x 3mN x 5mRL. The 5mRL height of the SMU block aligns with Rex's planned Stage 1 mining bench height of 10m and mining flitch height of 5m.

A small amount of resource is lost and a small amount of external waste dilution is added to the resource as a result of the block regularisation process. In addition, mining ore loss and dilution were allowed for as a result of excluding some of the narrow ore zones and assuming a mining edge dilution of 0.25m to all SMU blocks located along ore boundaries. The net effect is an additional 6.4% of tonnes, a reduction in copper and gold grades of 7.9% and 7.3% respectively, and a decrease in both the contained copper and contained gold metal of 2% relative to the resource model.

The reserve estimation methodology used by Rex is summarised below:

- pit optimisation and reserve estimation were based on a 3D reserve block model with an SMU of 3mE x 3mN x 5mRL
- cut-off grades were based on a NSR calculation for each SMU block which takes into account the net revenue from the recovered copper and gold and the cost of mining, processing, G&A, concentrate freight and port handling, and concentrate refining charges; average metal recoveries used were 92% for copper and 77% for gold
- metal prices used were US\$8,270/t or US\$3.75/lb for copper and US\$1,770/oz for gold; a royalty of 5% of net revenue was applied; the NSR indicated a breakeven mining cut-off grade of approximately 0.14% Cu
- proprietary software was used to apply the ore loss and edge dilution to SMU blocks and also to model ore block selection within the narrower ore zones in order to maximise total NSR
- pit optimisation was carried out using the diluted reserve model and inputs including geotechnical and mining parameters to define the optimum pit shell that delivered the target production of approximately 80Mt for the Stage 1 pit without compromising the future development of the Stage 2 pit
- M&I oxide resources were treated as waste (NSR=0) for the pit optimisation and reserve estimation.

Further discussion of the optimised pit and mine planning is included in Section 9.

Ore Reserve Estimate

Ore Reserves for the Hillside project, as reported by Rex in December 2022, are shown in Table 5.5. The reserves are based on applying a NSR cut off to Measured and Indicated resources within an optimised open pit design. Reserves allow for mining recovery and dilution and are categorised as Proved and Probable reserves under the JORC Code. Reserves are tabulated separately for Stage 1 and Stage 2.

Table 5.5

Hillside Copper-Gold Ore Reserve Estimate (Stage 1 and Stage 2) – December 2022

Pit Stage	Category	Tonnage Mt	Copper Grade Cu %	Gold Grade Au g/t	Contained Cu kt	Contained Au kozs
Stage 1 Reserves	Proved	42	0.54	0.19	227	250
	Probable	40	0.70	0.14	278	185
	<i>Subtotal</i>	<i>82</i>	<i>0.62</i>	<i>0.17</i>	<i>505</i>	<i>435</i>
Stage 2 Reserves	Proved	19	0.39	0.09	74	57
	Probable	85	0.48	0.13	410	342
	<i>Subtotal</i>	<i>104</i>	<i>0.47</i>	<i>0.12</i>	<i>484</i>	<i>399</i>
Total Reserves	Proved	61	0.50	0.16	301	307
	Probable	125	0.55	0.13	688	527
	Total	186	0.53	0.14	989	834

Note: Reserves based on Measured and Indicated resources; cut-off grade is based on a reserve block Net Smelter Return (NSR); NSR breakeven is approximately equivalent to a 0.14% Cu cut-off grade; reserve tonnes are rounded to the nearest million tonnes; totals are subject to rounding

Mining Inventory

The Stage 1 mine plan is based on a mining inventory which includes Proved and Probable reserves and a small amount of non-reserve (Inferred resource) material. The non-reserve material consists of 0.3Mt of Inferred resources which are planned to be mined during Years 4-5. The Inferred resources represent less than 0.4% of the total mining inventory.

The mine plan includes mining of 6.4Mt of oxide mineralisation which is not included in the mining inventory. Rex plans to stockpile the oxide material; this material may be processed in the future depending on whether metallurgical testwork can demonstrate an economic copper recovery.

The mining inventory for Stage 1 is summarised in Table 5.6.

Table 5.6
Hillside Copper-Gold Mining Inventory (Stage 1) – December 2022

Category	Tonnage Mt	Copper Grade Cu %	Gold Grade Au g/t	Contained Cu kt	Contained Au kozs
Proved Reserve	42	0.54	0.19	227	250
Probable Reserve	39	0.70	0.14	278	185
Inferred Resource	0.3	0.58	0.11	1.8	1.1
Total	82	0.62	1.17	507	436

Note: tonnes rounded to the nearest million tonnes or if less than 10Mt to the nearest 100,000t; totals are subject to rounding

Conclusions

BDA has not undertaken an audit of the resource or reserve estimates. BDA has reviewed the methodology and procedures used by Rex for resource and reserve estimation. In both cases, BDA considers the methodology to be generally appropriate and the work to have been competently undertaken.

BDA considers the reporting of the resources and reserves to be in accordance with the JORC Code and that the resource estimate provides a reasonable global estimate of the tonnes and grade of the in-situ copper mineralisation.

The reserve block model consists of 3 x 3m SMU blocks with a block height of 5m which aligns with the planned 5m mining flitches; however, a 3m mining selectivity may be hard to achieve when mining up to 8-9Mt of ore per annum. The allowance for ore mining loss on a global basis is approximately 2% and for waste dilution approximately 9%; BDA considers this may be optimistic.

Rex is not planning to do any further infill resource drilling prior to the commencement of production. The current drill hole spacing for the Stage 1 pit is mainly 50 x 50m with about 40% of the Measured resource covered by 25 x 25m drilling. The planned 10 x 10m RC grade control drilling with 2m sampling should provide adequate control for the proposed selective mining of the orebody.

5.5 Mining

General

The Stage 1 mining operation at Hillside will be based on open pit mining of ore and waste, using 550t and 250t hydraulic excavators and 292t rear-dump trucks at a nominal rate of around 65Mtpa to produce approximately 8Mtpa of copper-gold ore over 11 years at an average strip ratio of 7.5:1 (waste:ore). A further stage (Stage 2) is in the planning stage and was not included in the OFS. The planned Stage 1 pit is to be extracted in five phases within an area extending over approximately 2,000m north-south and 1,200m east-west and to a depth of approximately 400m (Figure 10).

Mineralisation is split into a number of ore zones running north-south with varying widths so that mining equipment is selected for bulk mining for the majority of the pit with some narrower (less than 7.5m) zones requiring some selectivity. Mining will be on 10m benches with two five metre flitches taken when mining narrower zones with the smaller excavator.

Mining at Hillside will involve conditions ranging from free digging in the saprolite zone, extending from surface to up to 150m, to full conventional blasting at depth in oxide, transitional and fresh material below the saprolite. The free-dig material is estimated to be 108Mt or 16% of the total pit of 695Mt; approximately 100Mt of free dig material is forecast to be mined in the first four years which is about 40% of the total quantity mined in this period.

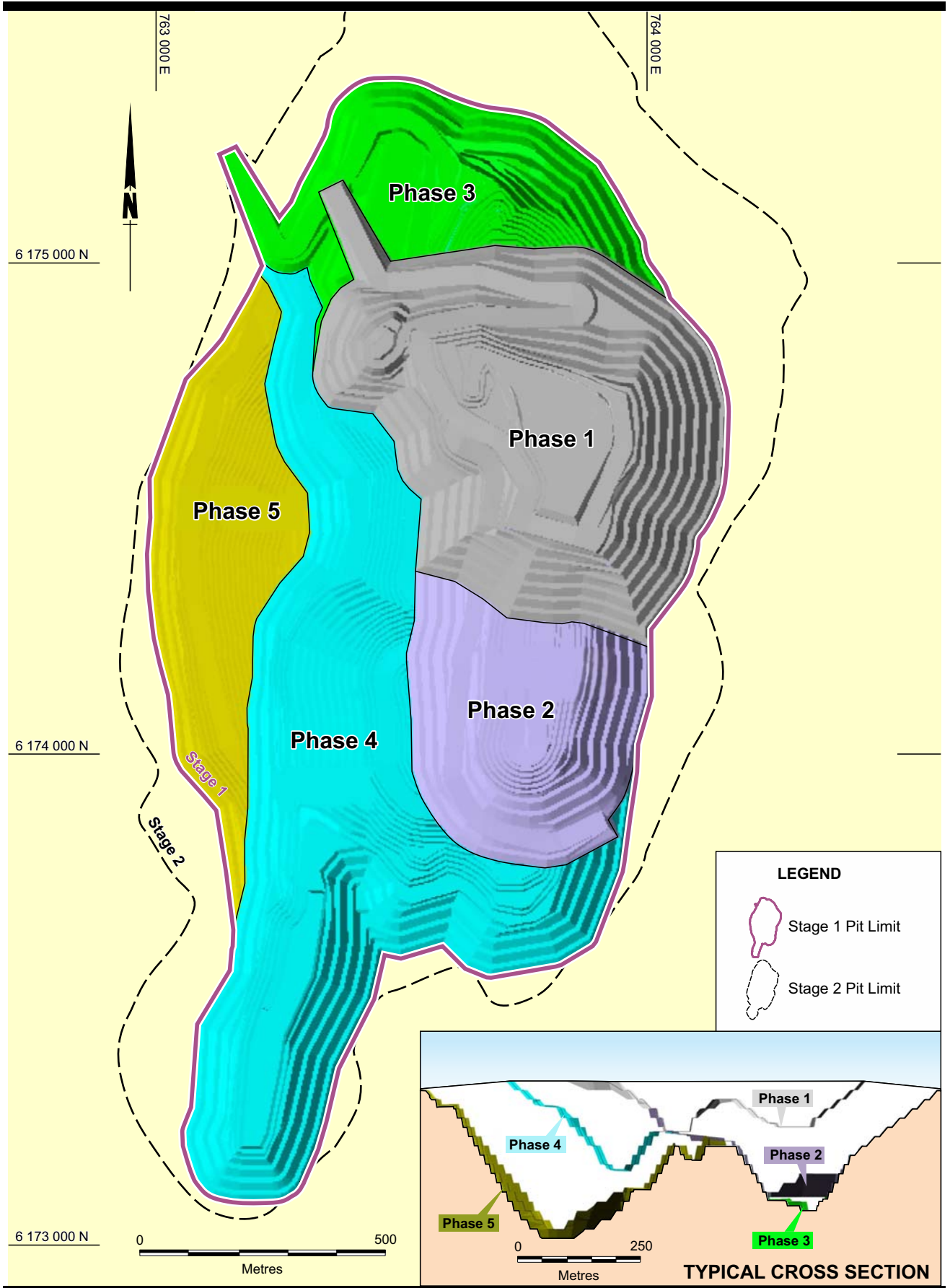
Road and ramp designs are based on maximum grades of 10%. It will be important that haul roads and ramps are well-engineered to ensure that the large rigid-body trucks can operate efficiently.

Grade control is planned to be used to define ore boundaries using RC drilling on 10m spacing and 30m depth at 60° with composite samples every two metres. The resource model will be used for grade control purposes with adjustments to the ore boundary after the drilling results. All ore mining will be conducted under geological supervision.

Ore from the Hillside operation will be delivered either directly to the primary crusher at the plant or to ROM stockpiles. The use of ROM stockpiles is to provide operational flexibility and blending of ore types, and to provide flexibility for the truck fleet to avoid queuing at the crusher.

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Figure 10

HILLSIDE STAGE 1 OPEN PIT PHASES

BDA understands the operational aspects are still to be finalised but planning has been based on owner equipment operated by a mining contractor, with a contractor margin included for the first five years to simulate a cost recovery contract on labour only. This operational model is considered reasonable for cost estimation purposes given the need to establish a trained work force to manage a relatively large production rate in the first year of mining operations.

Mine Planning

A series of pit optimisations on the Hillside deposit were completed by AVCS Pty Ltd (AVCS) to determine the size of a potential open pit and to generate a series of pit shells to be used for mine scheduling and design of the pit phases. Metal prices of US\$8,270/t or US\$3.75/lb for copper and US\$1,770/oz for gold were used in the optimisations. Ore processing metal recoveries, royalties, selling costs, and ore processing plant and General and Administration (G&A) operating costs were prepared by Rex. The pit slopes parameters were taken from the Geotechnical Report of 2013 prepared by Mine Technics Pty Ltd (“MT”). AVCS used the Ore Reserve model, with adjustments made for ore loss and waste rock dilution.

Rex advises that the optimisations carried out by a number of consultants during the earlier studies showed a consistent pattern of pit development across a broad range of mining and processing costs and commodity prices. This pattern, which is also seen in the OFS, is a reflection of the degree to which the orebody structure and in particular the high-grade zones strongly control pit development. The optimisation analysis shows low sensitivity to pit slope flattening.

On the basis of the optimisation results, Rex designed the open pit with five phases as shown in Table 5.7. The strategy adopted by Rex was to complete the shallower eastern side of the pit followed by the deeper western side using the shallower eastern side for in-pit waste rock storage.

Table 5.7
Hillside Stage 1 Pit Phase Summary

Item	Unit	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Total
Total Volume	Mbcm	35.0	21.1	26.9	97.5	84.9	265.3
Total Mass	Mt	82.5	52.9	68.6	257.5	234.1	695.5
Waste	Mt	74.8	42.9	569.9	226.0	206.8	607.4
Oxide	Mt	2.3	1.1	1.8	1.2	0	6.4
Sulphide Ore	Mt	5.4	8.9	9.9	30.2	27.3	81.7
Ore Grade	% Cu	0.62	0.55	0.59	0.52	0.75	0.63
	g/t Au	0.26	0.16	0.17	0.17	0.14	0.17
Strip Ratio	W:O	14.3	5.0	5.9	7.5	7.6	7.5
Floor	mRL	-110	-160	-260	-365	-395	-395

Three main rock storage facilities are planned for the Stage 1 pit; the West RSF (volume: approximately 72Mm³) is an integrated waste management system incorporating the TSF; the East RSF (126Mm³) wraps around the Stage 1 pit to the north, south and east, with the in-pit RSF (21Mm³) being used for backfilling during Phases three and four. In addition to these three principal facilities, small quantities of waste will be used for the construction of the mill and ROM pad during the first year of mining.

Geotechnical Considerations

Geotechnical assessment was undertaken by Mine Technics Pty Ltd (MT) in 2013, as part of the earlier Bankable Feasibility Study, to review and update the inter-ramp slope angles (IRSA) used in the design of the starter and final pit limits for the deposit.

In total, 26 geotechnical holes of generally PQ size (85mm diameter) were drilled and logged for the geotechnical assessment. Unconfined compressive strength tests were carried out on the intact rock units as well as point load testing. The unweathered intact rock strengths were generally medium to strong (50-100MPa) with some very strong (>100MPa).

MT reports that significant work has been completed collecting geotechnical data to produce rock mass classifications of the Hillside database. The major unknown as assessed by MT is the continuity of the structures and the effect on batter and inter-ramp slope stability. MT applied a conservative approach and assumed all structures are continuous.

The pit slope recommendations are quite detailed with around 30 separate geotechnical domains or sub domains. The berm widths vary between 8 to 10m with bench height of 20m. Batter angles are from 50° in the upper benches to 80° in the deeper fresh rock; IRSAs are from 37° to 60°. The slope angles for each domain range from 33° in

the saprolite to 55° in the granite, with overall pit slopes generally between 29° and 50° across the domains around the pit.

The ground water modelling indicated that vertical wells and horizontal drainage holes can achieve the piezometric surface setbacks allowed for in the geotechnical slope design recommendations. MT recommended an integrated pore pressure monitoring system early in the mine operation to provide insight into how the ground water is behaving and pore pressures are building up or dissipating within the slope, providing targeted intervention if necessary. MT tested the sensitivity of the wall angles to elevated ground water pressures and the results show that the ground water pressures are a significant risk to the project if depressurisation is not effectively carried out.

AMC completed a geotechnical review of the Phase 5 pit slopes in 2017 and concluded that they met suitable factors of safety.

A desktop study by MT of the regional earthquake risk for the west coast of the Yorke Peninsula indicates it has a 10% chance of a >.10 acceleration co-efficient over a 50-year period due to an earthquake. This is recognised as high risk in Australian mining conditions but is relatively low on a world scale. BDA does not consider there to be any significant mining risk within the open pit from earthquakes.

The geotechnical analysis appears to have been reasonably thorough and detailed, with the qualities (weathered, transitional, fresh), and properties of each rock-type (based on drill-hole information), characterised and considered in the recommended face angles and bench heights. BDA considers that, while the proposed wall angles may be relatively conservative with the inclusion of ramps, some localised failures may still occur, but are unlikely to significantly interrupt operations. The establishment of best practice ground control management is important to controlling pit slope risk. With the phased mining, some pit walls will be interim pit walls providing scope to adjust slope configuration during mining in future phases.

Hydrogeology

Mining Plus carried out the hydrological studies for the Hillside PFS and BFS in 2011 and 2013. In total, 22 groundwater investigation wells were installed in the first quarter of 2012, with a depth generally less than 200m. Some of these bores were used as wells and some as monitoring bores depending on the yields encountered.

A further 11 holes were drilled in 2013 as ground water investigation wells to assess groundwater conditions at depths below 200m. These were followed by a pump test programme and modelled by Aldam Geoscience in 2015.

The mine water inflow was modelled based on pumping well tests. The mine is expected to be relatively dry, with an initial flow of approximately 40L/s increasing steadily to a maximum inflow of approximately 100L/s in the final two years.

The mine dewatering system is planned to consist of transportable diesel-powered pump stations connected in series that will pump water from a number of pit drainage sumps generally located at the bottom of each pit stage/phase. Water will be channelled to these drainage sumps via drains away from the haul roads.

Water will be pumped to the decant storage collection pond where it will be used for road and drilling dust suppression. Water quality analyses confirm that there are no deleterious elements in the water for dust suppression. It was noted by Rex that during the initial mining phase there will be a slight deficit of water from the mine to meet requirement for dust suppression and some bore water will be required.

BDA considers that the hydrological studies have adequately identified the likely water flows into the pit and appropriate management planning has been completed. Rex has made allowance for some emulsion explosive use, assuming there may be some wet blast holes. Given the water from the pit will be fully utilised, higher flows should not generally be an issue unless they impact mine operations.

Grade Control

Grade control is planned to be used to define ore boundaries using RC drilling on a 10m x 10m grid, with holes drilled to a depth of 35m at 60° (three benches), with composite samples every two metres. The reserve model SMU block grade estimates will be relied upon for grade control purposes for the wider zones, with adjustments to the ore boundaries based on the GC drilling results. Rex has budgeted between 4,500m - 5,000m per year of GC drilling.

Rex is proposing a grade control strategy ensuring minimal movement of ore/waste boundaries during blasting, digging ore and waste with the appropriately sized mining equipment, mining in the direction of the geological structures, and with the larger excavators excluded from mining within two metres of the ore boundary. All ore mining will be conducted under geological supervision and where possible will be completed in daylight.

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Rex has indicated that the grade control procedures will be refined in the early stages of mining. Minimal ore is mined in the first pre-production year of mining (Year -1) prior to the plant being commissioned in Year 1, giving ample time to optimise and refine the grade control drilling and sampling procedures.

The reserve model is based on a global resource and there is generally lower confidence in the local block estimates so grade control drilling requirements may need to be refined depending on the complexity of grade distribution, possibly covering broader areas than just ore boundaries. In addition to managing copper and gold grades in the ore feed to the plant, there is a need to control uranium grades in the ore feed to keep uranium levels below the statutory transport of concentrate limit (80ppm); this may necessitate further sampling and testing in relation to uranium grades.

Mine Production

The Stage 1 mine plan extends over approximately 12 years, including an initial pre-production year (Year -1), at an annual ore production rate of around 7Mtpa and comprises the mining and processing of 82Mt of ore at an average grade of approximately 0.63% Cu and 0.17g/t Au. The Hillside mining schedule is shown in Table 5.8 and includes a schedule of the duration of the five phases of mining within the Stage 1 pit.

Table 5.8
Hillside Stage 1 Plan and Production Schedule

Item	Unit	Years											Total	
		-1	1	2	3	4	5	6	7	8	9	10		11
Ore Mined	Mt	0.6	6.9	9.2	8.0	4.2	9.3	6.7	7.3	6.7	7.0	10.8	5.1	81.7
Waste Mined	Mt	53.4	56.4	55.8	57.0	60.8	55.7	58.3	57.7	58.3	58.0	38.0	4.1	613.6
Strip Ratio	w:o	85.1	8.2	6.1	7.2	14.3	6.0	8.8	7.9	8.7	8.3	3.5	0.8	7.5
Total Mined	Mt	54.0	63.3	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	48.8	9.2	695.3
Ore Milled	Mt		5.2	7.9	7.8	7.9	7.9	7.9	7.4	6.6	7.0	8.0	8.1	81.7
Ore Grade	% Cu		0.65	0.62	0.63	0.45	0.57	0.50	0.47	0.54	0.71	0.92	0.75	0.63
	g/t Au		0.26	0.17	0.18	0.13	0.15	0.17	0.18	0.15	0.14	0.17	0.14	0.17
Mining of Pit Phases														
Phase 1		X	X											
Phase 2			X	X										
Phase 3				X	X									
Phase 4					X	X	X	X	X	X				
Phase 5									X	X	X	X	X	

Note: X = Mining of the Phase

Rex and AVCS have identified large sections of un-mineralised waste that are suitable for bulk mining. Approximately 75% of the ore (62Mt) and 92% of the waste (563Mt) will be loaded with the large 550t hydraulic excavators covering approximately 90% (626Mt) of the total rock movement. The narrower ore and waste zones are planned to be mined by smaller 260t hydraulic excavators. The 10m benches will be mined in two five metre flitches to minimise dilution and ore loss around the ore boundary.

The life of mine schedule was prepared by AVCS using Maptek's Evolution Origin software on a monthly basis. The schedule is based on mine ore production being in excess of mill throughput requirements for most of the early years with around 35% of mine ore production stockpiled for future blending to maximise mill feed grade with 65% of mined ore being direct mill feed.

Rex has still to finalise the details of the structure of the mining operation. At this stage, the mine cost model assumes the mining fleet will be owned by Rex and a mining contractor will be engaged to undertake the mining operation. In terms of cost, a contractor margin has been allowed on top of the mine labour as it is assumed that Rex will negotiate a labour-only agreement for the first five years to operate the mine fleet. This approach will minimise the time to establish the mining workforce and associated work practices. A risk to the mine schedule is the achievement of the excavator and trucking productivities and having an experienced contract workforce will reduce this risk.

Overall BDA considers the LOM schedule has been prepared to an appropriate level of detail for the OFS. There is some risk that the selective mining of the thinner zones and internal waste may hinder the planned productivity rates resulting in higher dilution levels and lower grade than scheduled, but overall, the rates of mining are considered achievable.

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Conclusions

BDA considers that the mine planning estimates and schedules have been prepared in a professional and competent manner. The equipment selection and planned numbers of units are considered generally appropriate to the conditions and the scale of operations. BDA notes however a mismatch in the size of excavators to load the selected EH5000 300t haul trucks, especially when using the smaller EX2600 excavator, where in excess of 10 bucket load may be required to load a 300t trucks.

Geotechnical analyses have been completed for the BFS. No further analysis has been undertaken for the OFS. The domaining of the pit and recommended slope parameters provide a sound basis for ground control management. The upper slopes angles reflect the weaker rocks that overlie the deposit with increased wall angles in the deeper fresh rock where rock strength is strong to very strong. With the phased development of the pit, the establishment of the pit final walls will be in stages allowing additional geotechnical assessment as the phases expand to the final pit walls. The slope assessment has assumed that the pit wall drain holes will reduce ground water pressure; Mine Technics has noted there is some risk to wall stability if the depressurisation is not achieved.

Mining is planned to commence one year prior to the start of the mill with a pre-strip of around 54Mt. Ore mining will be in excess of the mill throughput for the initial years, allowing the build-up of stockpiles to manage mill feed and ore blending. Establishing planned productivities for the loading and hauling units is important to the mine operation meeting the target production rate; the build-up of stockpiles will mitigate some of the mine production risk, particularly during ramp up.

5.6 Processing

General

The Hillside deposit is a relatively standard iron oxide-hosted copper-gold (IOCG) deposit similar to Olympic Dam, Prominent Hill, Carrapateena, and Ernest Henry. Copper from the “fresh ore” is predominantly contained in chalcopyrite with pyrite as the principal gangue sulphide. The typical flowsheet for processing such ores is well understood and driven by the ore body mineralogy. Primary grind size is typically P₈₀ of 106 – 125µm with pyrite recovered with the chalcopyrite in the rougher flotation stage. Gold is usually associated as micro inclusions within the pyrite and at the grain boundaries of the chalcopyrite and pyrite, with increased liberation at finer grind sizes. The main penalty elements are halides and uranium which require sufficient liberation in a regrind stage, followed by dilution and washed froth cleaning to reduce entrainment. The added complication with the IOCG deposits of South Australia is the reliance on high saline water as a source of process water and its impact on the circuit design to control chloride levels in the final concentrates. The processing flowsheet adopted in the OFS follows the general IOCG design basis.

Although the principal steps in the process flowsheet are well proven in the minerals industry, Rex is undertaking further evaluation and confirmatory test work in some areas:

- *the use of a single stage SAG mill for the comminution circuit* - while commonly seen in gold processing flowsheets, this is less common for copper processing plants, particularly ones associated with IOCG deposits that are typically more variable than gold deposits and require more tightly controlled particle sizing to ensure liberation and rejection of penalty elements; BDA notes that Rex has ameliorated the grinding risk by allowing space within the plant layout for a ball mill to be installed in the future, if required.
- *concentrate filtering rates* - there is some risk that inadequate liberation will lead to penalty levels of deleterious elements in the copper concentrate.

Further, variability test work should confirm these design decisions and ensure that the circuit is sufficiently robust.

Ore Mineralogy

Mineralogical work showed concentrate samples were largely devoid of secondary or oxide copper minerals with good recovery of chalcopyrite and pyrite to the rougher concentrate and good subsequent rejection of pyrite, once liberated, in the cleaners. Uranium is present as uraninite, with a strong association with chalcopyrite confirming the importance of regrind and washed froth cleaning via the Jameson cells to reduce entrainment. The need for further reduction in regrind size will need to be assessed if uranium levels reach penalty limits.

Process Plant Testwork

The metallurgical testwork for the feasibility studies was managed by Wood Group Australia Pty Ltd (“Wood”) and split between scoping work performed at Optimet (Adelaide) and SGS (Perth), prefeasibility test work at BV laboratories (Adelaide and Perth) and pilot test work at ALS Metallurgy (Perth).

BDA has not reviewed individual test programmes or results but notes that an extensive series of tests were conducted through the scoping, prefeasibility and pilot campaigns by recognised industry providers and managed by a well-regarded engineering company (Wood) familiar with design of mineral processing plants. Test programmes for all mining operations face some uncertainty regarding the representivity of samples used, the variability of instantaneous plant feed compared with the blends often used in laboratory and pilot testing, and adverse materials handling behaviour that is not evident at small scale. The test programmes attempted to address these risks by testing a range of samples and where inadequate samples were tested the feasibility study notes that additional test work is recommended. The major processing steps in the plant design are well proven, and therefore testwork and scale-up methods are understood.

Process Plant Design and Flowsheet

The proposed processing flowsheet is shown in Figure 11.

The key processing steps are:

- Crushing, ore storage and reclaiming
- Grinding (SAG mill) and classification to a feed P₈₀ size of 125µm for the first 2 years and 150µm for Year 3 and beyond; a pebble crusher is included to treat SAG mill discharge oversize.
- Rougher flotation
- Stage 1 regrinding (in M7500 IsaMill) to P₈₀ of 26µm
- Stage 1 cleaner (Jameson cell) and cleaner scavenger (mechanical cells) flotation
- Stage 1 regrinding (in M1000 IsaMill) to P₈₀ of 15µm
- Stage 1 cleaner (Jameson cell) and cleaner scavenger (mechanical cells) flotation
- Concentrate thickening
- Concentrate filtration, storage and loading
- Tails thickening and disposal
- Water treatment and distribution
- Associated support services – reagent mixing and storage, process control, water treatment, air services.

Each of these steps is commonly practised in minerals processing, with well understood procedures for testwork, scale-up and design.

Staged Production Increase

The staged production increases are for a fixed ore feed rate of 750tph (6Mtpa) dry ore in Year 1 increasing to 1,000tph (8Mtpa) at 91.3% availability in Year 2 with annual production shown in Table 5.9.

Table 5.9

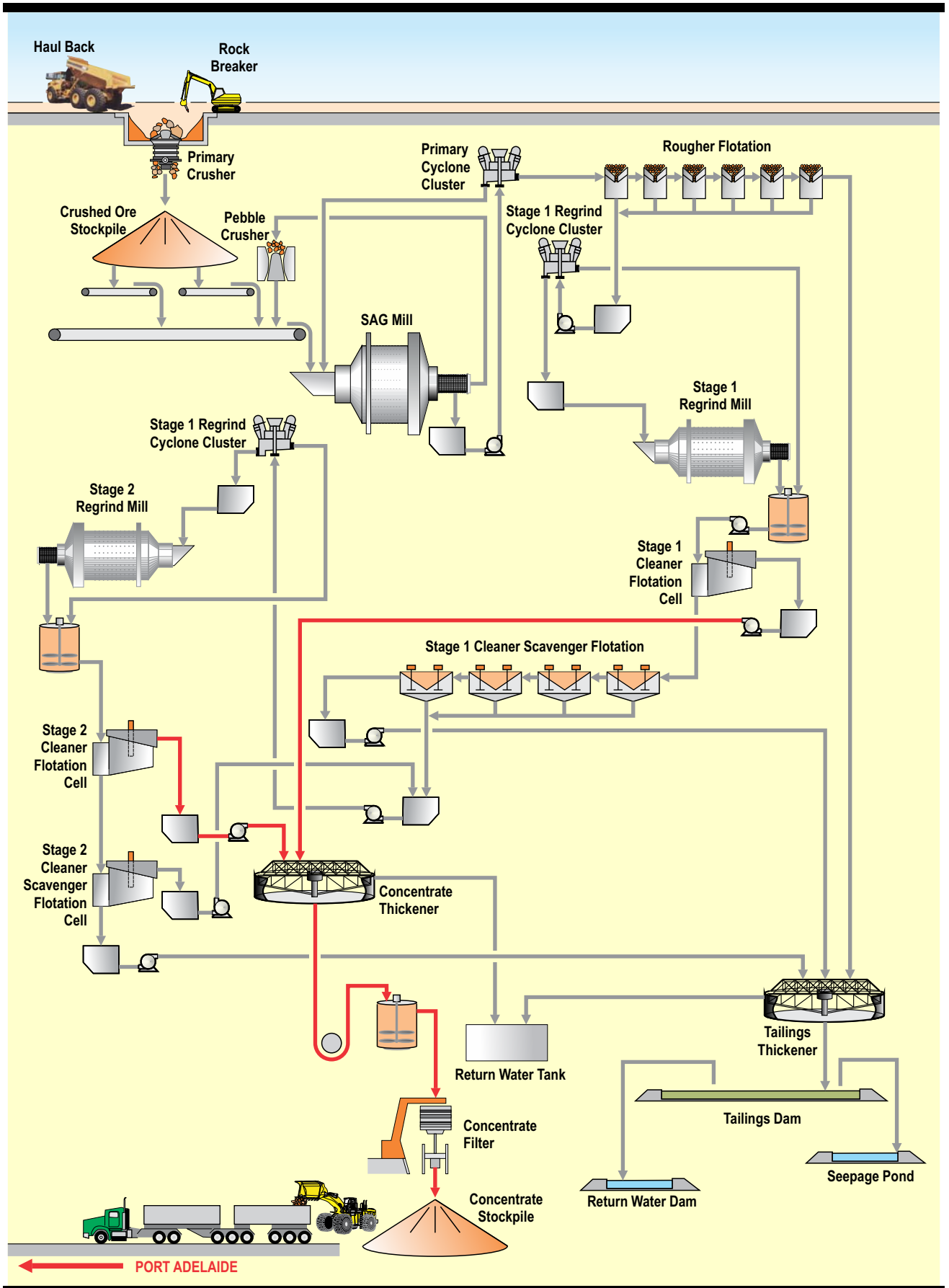
Stage 1 Processing Annual Feed Ore Types and Grades by Year

Item	Units	1	2	3	4	5	6	7	8	9	10	11
Ore Feed	kt	5,214	7,897	7,783	7,851	7,903	7,900	7,442	6,626	7,043	8,000	8,063
Transitional	%	52	38	15	37	11	1	0	0	0	0	0
Fresh	%	48	62	85	63	89	99	100	100	100	100	100
Cu Grade	% Cu	0.65	0.62	0.63	0.45	0.57	0.50	0.47	0.54	0.71	0.92	0.75
Au Grade	g/t Au	0.26	0.17	0.18	0.13	0.15	0.17	0.18	0.15	0.14	0.17	0.14
Conc Grade	% Cu	30.7	29.7	27.8	29.5	27.7	27.0	27.0	27.0	27.0	27.0	27.0
Cu Recov	%	86.7	88.9	91.5	87.9	91.7	92.2	92.2	92.4	93.1	93.7	93.5
Au Recov	%	81.8	80.9	81.8	75.8	76.8	77.0	76.8	74.4	73.5	75.2	72.3

Source: Optimised Feasibility and Definition Phase Engineering Study

The design envelope has been based on 5% transition material in the plant feed from Year 3 (and 55% for Year 1 and 2) and a copper feed grade of 0.6 % Cu and a S:Cu ratio of 1.9 (with 0.55% Cu and 1.0 S:Cu in Years 1 and 2). The design includes penalty elements in the feed of 50ppm uranium. The proportion of transitional material in the mine plan as shown above indicates transitional material content is highly variable and does not drop below 5% on an annual basis until after Year 5.

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REX Minerals Ltd

Hillside Copper Project

Figure 11

HILLSIDE - STAGE 1 AND 2 PROCESS FLOWSHEET

Conclusion

The Hillside flowsheet conforms with industry practice for similar IOCG deposits in the Australasian region. The notable exceptions and risks are the single stage SAG mill proposed for the comminution circuit and the multi-stage regrind – cleaner flotation circuit to address poor filtration rates found in the testwork. While BDA considers the single-stage SAG mill flowsheet to be viable, it may lead to longer ramp-up and on-going grind control risk. BDA observes that SAG-ball mill circuits are more typically used for IOCG deposits to provide the required grinding capacity at varying ore hardness but notes that Rex has ameliorated the throughput risk by allowing space within the plant layout to incorporate a future ball mill if required.

The metallurgical performance requires quarantining of the oxide mineralisation and confirmation of the assumed transition ore metallurgical performance across the entire ore body, particularly given the proportion of transitional ore in the production plan over the first five years and the copper recovery range from the test programme. The metallurgical performance of the transition material and variability of penalty elements should be resolved with a comprehensive geometallurgical programme.

5.7 Infrastructure and Logistics

Site Access

The project is located in South Australia on the mid-eastern coast of the Yorke Peninsula approximately 165km by road from Adelaide, 12km south of the town of Ardrossan and 3km north of Pine Point. It is only 60km from Adelaide by direct water or air transit. Most roads in the area are suitable for current uses and adequate to handle the increased traffic from the project.

The location of the mine and related infrastructure does however require the following road works to be undertaken (see Figure 5):

- upgrading and sealing of around 2km of the Sandy Church Road leading from the Yorke Highway to the mine access road
- realignment of approximately 5km of the coastal section of the Yorke/St Vincent Highway around 500m to the east towards the coast
- closure of approximately 4km of the Yorke Highway that currently cuts through the project site
- upgrading/constructing a 4km section of the Pine Point Road including a new interchange to replace the closed section of the York Highway.

The road realignment detail design work was completed by Tonkin Consulting in October 2022 and is based on the approved road relocations that received Development Consent in 2013.

Port

The concentrate will be exported via Port Adelaide, situated approximately 160km by road from Hillside. The Port Adelaide loading facility is owned and operated by Flinders Logistics and is currently exporting copper and magnetite concentrates from other operations and has the capacity to handle the Hillside concentrate.

Power Supply

Power infrastructure for the process plant site will be managed by ElectraNet from the 132kV Yorke Peninsula network, from a direct connection to Ardrossan West 132kV substation. A transmission connection agreement for 38.5MW is currently being negotiated with ElectraNet. A proposal for a long-term fixed price retail supply agreement with an energy retailer has been negotiated with contractual terms yet to be finalised.

Power to the borefield will be supplied from an existing single 33kV overhead power line running adjacent to the borefield and diesel generators will supply power to the decant pump station due to difficulty and expense associated with installing mains power.

A 132kV switchyard at the process plant will consist of 132kV circuit breakers and isolators and two step down 132/33kV, 60MVA transformers, each of which can supply the full process plant load, including future expansion of the concentrator. Power will be distributed to seven switchrooms located throughout the plant. 400V diesel generators will provide emergency standby power for critical drives, control room, administration building, ablutions and lighting.

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Water Supply

The project area is located close to the coast, with an upstream catchment area contributing to run-off flow. The hydrogeological assessment found that minimal interference with surrounding users would occur because of the project. ATC Williams was engaged by Rex to design surface water management infrastructure to contain all contact water on the site.

Water sourced from the pit by dewatering will be used in the process and for ancillary use such as dust suppression. Additional water will be sourced from supply wells located to the northeast of the site, with quality being similar to that of the sea. A reverse osmosis (RO) plant will be installed to provide freshwater for the process water at an average rate of 38m³/h in the first two years. Sea water from the supply wells will be provided at an average rate of 569m³/h during Stage 1.

A small amount of potable water (2m³/h) for drinking and ablutions will be sourced from SA Water's Sandy Church Road pipeline adjoining the site entrance.

Tailings Storage Facility

The project will require the construction of a Tailings Storage Facility (TSF) with an 80Mt tailings design capacity suitable for receiving on average of 5.7Mtpa of tailings.

The TSF will be constructed as an Integrated Waste Management System ("IWMS") which incorporates the deposition of tailings with the deposition of waste rock, thereby minimising the number of freestanding facilities and also to a certain extent, the footprint of the project. Rex will utilise the existing topography by constructing the confining embankments along ridge lines and depositing the tailings within an enclosed valley, which, along with the construction of the West RSF around the perimeter of the TSF, will form the IWMS. The TSF is a paddock type facility comprising a single cell and using a ring main and spigot tails delivery network.

Construction will utilise suitable rockfill materials generated from the open pit to create the starter embankments and subsequent downstream embankment lifts. The inner lining of the TSF will comprise two 6.7m wide zones consisting of a controlled compacted waste rock zone as a transition between the liner and the external waste rock wall and the innermost zone composed of compacted, low permeability overburden that is keyed into the in-situ foundation material by a key trench. BDA notes the requirement to create stockpiles of suitable construction materials for the various zones of TSF construction during the early years of mining. The final TSF will have an average height of 45.5m above ground level with a maximum height of 65.5m.

TSF seepage will be managed by a blanket drain beneath the decant pond, and seepage from this area will be collected by a 15-25m wide central outlet drain discharging to the Decant and Seepage Collection Pond ("DSCP") and an embankment toe drain will be constructed at selected sections of the downstream toe of the embankment to assist with seepage and stormwater management. This water will also be directed to the DSCP by the aforementioned 25m drainage channel.

BDA notes the TSF will not contain hazardous materials (eg. asbestos, radioactive materials, etc) and while the tails are approximately 25% potentially acid forming ("PAF") material, it is unlikely the tailings will generate any significant acid if exposed to atmospheric conditions due to the high levels of NAF materials also naturally occurring within the tails. Rex proposes to further mitigate any risk by utilising a NAF cover upon TSF closure, although BDA notes the final design has not yet been agreed.

Monitoring of seepage and potential groundwater effects on the surrounding environment will occur through the installation of monitoring bores to assess groundwater levels and piezometers to monitor the phreatic surface within the facility. Monitoring of these bores will ensure the groundwater criteria attached to the ML can be met.

The design of the TSF is in accordance with the requirements of the SA EPA guidelines and the Australian National Committee on Large Dams (ANCOLD) Guidelines (2012) and has been assessed and approved by ATC Williams Pty Ltd and independently reviewed by TSF consultant Dr David Williams. From a risk rating perspective, under the ANCOLD guidelines, the TSF is designated a 'High C' consequence category facility which is approximately mid-range on the consequence continuum.

Design calculations show the TSF can store tailings, seasonal rainfall and allow for a contingency without over topping and sufficient freeboard will be retained during tailings deposition to accommodate significant storm events.

The TSF will be operated in accordance with the requirements of the PEPR to meet the conditions attached to the Mineral Lease 6438 approval, and a Project TSF Operating Manual has been prepared in accordance with the

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regulatory requirements, including instructions on operation, tailings and decant management, monitoring, inspections, etc, as well as risk assessment and emergency response.

Site Buildings

Process plant buildings to be constructed/supplied include a plant maintenance workshop, plant stores, reagents store, administration building, crib room, change room, laboratory, gatehouse, control room and medical facility. The total area of buildings is around 3,600m².

Mine facilities include maintenance workshop, tyre bay and explosives magazine.

Service facilities to be provided include fuel storage and distribution, power and water reticulation and communications systems. All buildings are to be air conditioned and accessible to crib and ablution facilities.

Workforce Accommodation

No provision has been made for the permanent accommodation of workers due to the project's close proximity to key towns on the Yorke Peninsula and Adelaide, all serviced by good roads and the proposed bus service provided by Rex will cover the whole of the Yorke Peninsula up to Port Wakefield.

A dedicated camp to be located near Ardrossan will be constructed for the construction phase and will have capacity to accommodate around 450 to 600 workers at the peak of construction, with an initial set-up of around 90-180 beds. The camp will be built, owned and operated by a facility management company and will include single en-suite rooms charged on a daily basis, laundries, kitchen, dining room, wet mess, gymnasium, car park and first aid room.

Communications

A WAN (wide area data and voice over IP telephony network) service and related infrastructure will provide data connectivity between the mine site, Rex offices, contractor offices and to the internet. Telstra will provide the communications to site. Through project execution, a temporary 50Mb symmetrical WAN service will be leased from a private microwave provider. The temporary microwave solution will then revert to a low-cost low speed (10Mb) redundant standby WAN service.

Fuel Supply

A fuel storage and refuelling facility will be provided by a fuel supply contractor.

Logistics

The concentrate will be filtered and transported to an existing loading facility at Port Adelaide by road train trucks with a 55t payload. Each truck will carry two containers, specifically designed to transport concentrate and to be emptied by rotating them into a carrier vessel. Transport will be operated by a subcontractor. It is estimated that an average of seven trucks per day will be required to transport the concentrate to the port.

Conclusions

The infrastructure is generally adequate and appropriate to support the proposed operations.

Site access is straightforward; the project site is well served by existing public highways and roads with some minor upgrades required to the start point of the dedicated mine access road. The project location requires the relocation of some sections of road as well as some upgrade works, but these are considered to be relatively straightforward.

The planned facilities for providing tailings storage, power, water and other utilities do not appear to involve any significant technical challenge.

5.8 Environment, Community, Health and Safety

Corporate Environmental, Social/Indigenous Peoples and OH&S Policies

Rex advises that it operates in accordance with a framework of internal corporate policies developed to ensure consistent and coordinated management of issues relating to environmental sustainability, social matters and equality. The Sustainable Development Policy, People & Culture Policy and the Gender Diversity & Inclusion Policy, are the key documents applicable to the ESG aspects of the operation.

Environmental Management

Environmental baseline assessment for the project was conducted as part of the Mining Proposal and the Environmental and Social Impact Assessment (ESIA) undertaken as part of the Mineral Lease Application Process,

the outcomes of which are described and addressed within the PEPR as required under Section 70B(5) of the *Mining Act 1971* (SA).

The PEPR applies to all three granted tenements and describes how the project will be managed to meet the requirements of the tenement conditions. The PEPR also describes the Health, Safety and Environmental Management System (HSEMS) in which numerous internal policy and procedural documents have been developed to achieve the planned outcomes and conditions of the granted Mineral Lease. Statutory reporting against environmental commitments described in the PEPR occurs annually via Hillside's PEPR Compliance Report.

A comprehensive Risk Assessment was included in the Mining Proposal for the initial Mineral Lease application, the relevant components of which have been incorporated in the approved tenement conditions and the PEPR.

Biodiversity

Rex's Hillside project is located within a coastal agricultural landscape with limited areas of natural vegetation. The Stage 1 operational footprint is 1,388ha, and the land use surrounding the project is predominately broad acre cropping of cereals and pulses along with some grazing of livestock, aquaculture, salt production and dolomite mining. There are several small conservation reserves and some council owned and managed land.

Approximately 45ha of remnant patches and native roadside vegetation will be cleared as part of the project, and Rex has committed to undertaking this clearing in accordance with a Native Vegetation Management Plan, in keeping with the requirements of the *Native Vegetation Act 1991* (SA), which will require the offset of 145.6ha of native vegetation and a payment to the Native Vegetation Fund prior to vegetation clearing occurring.

Independent experts were engaged to undertake both desktop studies and field biodiversity surveys as part of the baseline assessment process for the Mineral Lease Proposal and the ESIA as part of the PEPR and noted that although much of the native vegetation has been lost across the Yorke Peninsula region, some valuable remnants remain that support national, state and regionally listed threatened species.

As the project is located predominantly on freehold agricultural cropping and livestock farming land, fauna baseline assessments conducted in 2011 and 2012 noted there is low diversity and abundance of native fauna and that broad scale clearing for agricultural purposes has removed a large proportion of native vegetation habitat within the region. Rex recognises the importance of the remaining remnant vegetation in the area to native fauna and has undertaken additional surveys to assess the status of the remaining habitat which is categorised as being in poor to very poor condition.

The project area is also heavily invaded with pest plant and animal species, with 59 introduced plant species and 9 declared weeds present and 14 animal pest species present in the ML. Rex advises the area has been the subject of pest management and control procedures for invasive species since 2010.

Air Quality and Greenhouse Gas Emissions

Industry in the region includes cereal cropping, grazing, and dolomite mining at the SIMEC Ardrossan mine approximately 12km north of the project. Dust on the tenements is generated by wind erosion on unsealed roads and cleared lands and agriculture and is particularly noticeable in summer.

Air quality impact assessment and modelling undertaken as part of the PEPR and feasibility studies has concluded that mining operations can meet the requirements of the granted ML conditions for all key aspects of air quality (ie. particulate matter, suspended particles, deposited dust, etc), and achieve acceptable environmental outcomes.

The main contributor of dust from the project is expected to be wheel generated dust from operating plant and equipment, and modelling of these predicted dust impacts demonstrates compliance at all nearest sensitive receptors in peak mining operations worst-case conditions. The average annual impact was predicted as small in relation to the background concentration (using conservative modelling).

Ongoing air quality monitoring will be undertaken both within and surrounding the ML in accordance with the PEPR commitments, to ensure the background and surrounding air quality, as well as air quality within the ML, are being adequately monitored and will include control data (offsite) locations as well as on-site locations.

A site-specific Air Quality Management Plan was developed for the PEPR application to document the processes for identifying conditions that may lead to dust impacts and to provide actions to avoid these impacts. Dust suppression including binding agents and water trucks will be used as necessary on all unsealed access roads, and other dust management practices such as staged clearing, reduction of speed on unsealed roads, use of cover crops, etc, will also be employed to reduce dust emissions from site.

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Rex recognises the importance of utilising zero emission energy and carbon offsetting in reducing greenhouse gas emissions, thereby contributing to climate change. Rex will explore the use of existing and potential wind power as appropriate opportunities arise. The use of biodiesel and purchasing green energy are also being investigated by Rex to further reduce the project's carbon footprint.

Rex has advised the combined Scope 1 and Scope 2 emissions will exceed 100,000t of CO₂ equivalent annually after the first year (with circa 147,000 CO₂e/annum on average expected between Year 2 and Year 10) and hence an alternatives analysis will be required to evaluate less Greenhouse Gas (GHG) intensive alternatives as is required under Equator Principles (EP) (IV). The Mining Proposal ESIA documentation remains publicly available online, which includes projected GHG emission levels for the project. This is also a requirement under EP(IV).

Water Management

Water Supply

The water supply for the Hillside project comprises saline water from the proposed borefield (approx. 2.42GL/annum), mine dewatering (approx. 0.22GL/annum) and potable water from the SA Water network (approx. 0.0175GL/annum) for a total average 2.66GL/annum and will be piped to and stored on site through a series of pipelines, tanks and HDPE lined water storage dams.

The saline water borefield will be located on the ML adjacent to the sea and will provide approximately 86L/sec of saline water for use in processing and mining activities. The pit will be dewatered progressively during the life of mine and is expected to produce between 40-100L/sec at varying stages of the mine life.

Groundwater

Groundwater investigations carried out by Rex during the EIA phase included the drilling and completion of 38 wells in and around the proposed pit location, test pumping, depth to water monitoring, and water sampling and analysis. A Department for Environment and Water 'Waterconnect' database search identified 36 wells in the vicinity of the ML and MPL areas, but few wells were installed near the Hillside location, with most being located near Black Point and Pine Point and to the north at or near Ardrossan. Well depths are generally shallow, and salinities are generally high to very high, although there are some wells with relatively low salinity possibly relating to localised recharge. The only significant user of groundwater in the vicinity is the Ardrossan quarry, about 9km to the north of the pit site. It is understood that groundwater is extracted from Cambrian rocks at the quarry and Hillside activities are not expected to impact this user.

Groundwater flows from west to east toward Gulf St Vincent and groundwater recharge to the basement aquifer at Hillside is likely to occur by lateral throughflow from the west. Limited localised recharge may also occur by seepage through the saprolitic confining layer. The groundwater resource at and surrounding the ML area does not have any agricultural, environmental, or potable value due its very high salinity.

To allow access to the open pit during operations, the groundwater will be pumped out, causing drawdown of the groundwater table in the vicinity of the mine pit. For the first five years of open pit operation the pit inflows are expected to be in the range of 60 to 110L/s, depending on pit development stage and geological unit intersected. Modelling also indicates the limited extent of drawdown is due to the low permeability of the rockmass and the zero-drawdown contour is less than 1,000 metres from the proposed eastern pit wall and approximately 600 metres from the proposed western wall.

Based on these predictions, there are no expected impacts to any existing groundwater users in the vicinity of the project.

Acid Mine Drainage

A waste-rock characterisation study to assess the potential for Acid and Metalliferous Drainage ("AMD") has been undertaken to define the types of rock occurring within and adjacent to the Hillside ore body. These samples were subject to a range of tests, which characterised these rock types as Potentially Acid Forming (PAF), Non-Acid Forming ("NAF"), Acid Consuming Materials ("ACM") and Uncertain (probably NAF). None of the samples tested were classified as PAF, although two samples were classified as Uncertain. Of significance, 13 samples were classified as ACM indicating a substantial neutralising potential for the amelioration of any PAF materials encountered.

Rex has developed a PAF management strategy to address any potential PAF that may occur, including an encapsulation strategy to ensure the outer layer of the final rock storage facility comprises only NAF material and the cover system for the backfilled PAF areas of the pit contains only NAF material. This will ensure that any PAF material is contained within the deeper layers and surface water/oxygen ingress into the PAF material is minimised. BDA notes that the current estimate of the relative volume of PAF expected is only 5.2% of the total

waste rock volume, indicating there is sufficient NAF material to encapsulate the PAF material, and if the strategy is executed correctly, the risk of AMD is low.

Noise Impact

Existing noise levels around the project are generally typical of a rural area, with the main sources including dolomite mining, munitions testing in the St Vincent Gulf, farming equipment, road traffic, livestock and a largely disused recreational rifle range. Independent acoustic testing was completed as part of the baseline assessment and noise impacts from the project were modelled as part of the EIA process in preparation of the PEPR. These findings indicate the most significant form of noise related public nuisance is from mobile plant operational noise, however this is not expected to exceed the noise criteria during project operations, and with noise mitigation controls in place, noise condition requirements as described in the ML and EML can be met.

BDA notes that due to the proximity of the proposed mine to agricultural areas, impacts on neighbouring landholders and livestock from blasting are also noted in the ML conditions, with mitigating control actions described in the PEPR and include blast control areas, realignment of roads to avoid blast areas, scheduling of blasts and investigation of any limit exceedances associated with the blasts.

A Blast Management Plan will be developed for each blast and will include blasting protocols, environmental considerations such as prevailing winds, safety management plans, powder factor, instantaneous explosive charge weight, initiation sequencing, community notification and clearance areas.

Traffic Impact

The Yorke Peninsula rural roads located within and boarding the ML include Redding Road to the west, Sandy Church Road to the north and Pine Point Road to the south, all unsealed roads and currently used for local traffic, grain haulage and school bus routes.

During mine operations, blasting will be required and this will require closure or diversion of both the Yorke (north-south portion only) and St Vincent Highways. These sections of road will be realigned to be beyond the blast exclusion zone. The Ardrossan-Minlaton Road (Yorke Highway) runs through the proposed minesite and an alternative route has been developed. Rex has obtained approvals from the Minister for Planning under Section 49 of the *Development Act 1993* (SA) (Development Number 544/G017/13 and 544/G018/13) for public road realignment works associated with the project.

Additionally, the operation of haulage vehicles will be managed in line with the Health, Safety and Environment Management Plan (“HSEMP”) and the requirements of the PEPR, and the Company is committed to ensuring that its employees and contractors will operate safely and in accordance with all applicable laws.

Site Rehabilitation and Closure

Rex advises the site will be progressively rehabilitated during the operations phase, significantly reducing the mine closure costs and also ensuring the minimum amount of ground is exposed at any one time (thereby also reducing the potential for dust and erosion). It was noted that the progressive rehabilitation provides an opportunity during the life of mine to confirm that the rehabilitation planned for the project will work as intended.

The desired outcome at mine completion is to relinquish a physically and chemically stable landform with native vegetation trending towards self-sustainability and rehabilitated pastures where the new landowner can continue agricultural pursuits.

The rock storage facilities and the integrated TSF system will be approximately 45m and 54m above ground level respectively and will remain in place after the mine has ceased operating and the area is rehabilitated. The processing facility and associated infrastructure will be decommissioned and removed, along with other buildings and amenities. The area will be rehabilitated and seeded with local vegetation.

The open pit will remain post closure forming a pit lake and will be fenced to prevent access. The majority of the mined area will be progressively backfilled as part of the mining method leaving only the final pit area unfilled but shaped and rehabilitated to a safe and stable form. The lower slopes are proposed for agricultural use post closure and the upper slopes and surface will contain native vegetation cover in keeping with the local species. The rehabilitation methods will be trialled and assessed during operations.

Community Issues and Stakeholder Engagement

Rex has undertaken extensive, open and inclusive community and stakeholder engagement since exploration commenced on the Yorke Peninsula in 2008. Rex’s proactive approach has enabled Rex to draw on local knowledge held by the community and other stakeholders to identify and address issues of concern and to optimise

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the benefits of the project to the region and its community. As part of this process, social and environment impacts and community values have been identified and considered. The Environmental and Social Impact Assessment reflects those issues and concerns and expectations identified through the stakeholder consultation process in the development of the proposed outcomes and measurement criteria, and these are further documented in the PEPR. The consultation approach involves the following key components:

- stakeholder mapping to describe the community, identify key stakeholder groups, regional attributes, assets and concerns or issues
- implementation of a clear engagement strategy assessing the level of potential impact and the level of stakeholder interest
- establishing communication and consultation methods including, open office sessions, presentations, meetings and forums, public and interest group site tours, information sessions and a publicly available REXPRESS Community Newsletter
- the establishment of a Hillside Project Community Consultative Group (“CCG”) (now called Hillside Mine Community Voice, “HMCV”)
- provide a transparent mechanism for identifying stakeholder issues and community concerns through the establishment of an issues register and consultation database.

Rex has documented over 590 separate stakeholder engagements and has met with Yorke Peninsula community individuals and groups over 325 times (at the time of submission of the PEPR). During these consultations, Rex has received and documented more than 650 questions and suggestions relating to the project from both the community and government stakeholders and Rex advises all these have been responded to.

The Company commits to ongoing and regular engagement with all key stakeholders during the future stages of the project, and the Community Engagement Plan (CEP) outlines the background and strategy for the community engagement process being undertaken and provides a community engagement framework for future development and operational phases of the project. It takes into consideration all elements of the mine and is reviewed on a regular basis to ensure it continues to be fit for purpose and is a valuable tool for staff, contractors, and consultants. The CEP guides consultation and engagement activities and has been designed to provide a consistent framework for identifying, informing, consulting, and involving all stakeholders with an interest in any element of the project. As components of the CEP, Rex also maintains a publicly reported community complaints register and community complaints hotline for handling grievances.

A Social Management Plan (SMP) has also been developed by Rex that outlines the Company’s commitment to the local community and other stakeholders and provides a description of the measures that Rex will take to fulfil this commitment. The SMP is part of a broader process of identifying and assessing the potential social impacts of the mine and ensuring the framework is in place to effectively mitigate and/or enhance the mine’s effects and monitor performance.

Cultural Heritage

The Hillside project is located on freehold land within the traditional territory of the Narungga People, who at the time of development of the PEPR, were the Native Title Claimant group with a claim over the ML areas. Rex has advised BDA that there is no Native Title registered over the tenure and an Indigenous Land Use Agreement (ILUA) is in place between the claimant group, the state government and local district councils, along with an Aboriginal Heritage Collaborative Agreement which ensures agreed heritage management procedures are in place during all phases of the project.

Rex completed three heritage surveys between 2010-2012 and notes there are several registered sites on Crown Land along the coastal margin close to the ML boundary, but none occur within the lease itself and these will not be impacted by the project. There are no European heritage sites listed within the project boundary.

Conclusions

Environmental and social impact assessment for the project was conducted as part of the application process for the Mineral Lease and Miscellaneous Purposes Licence areas. These studies supported the development of a Programme for Environment Protection and Rehabilitation (PEPR) approved in July 2020 describing the strategies, outcomes and criteria to be met by Rex in order to comply with the conditions attached to the granted tenure. The PEPR is more detailed than the Mining proposal and details the mining operation and control measures in more specific terms including specific monitoring and measurement criteria that the proposed development must comply with. The approval of these documents by the regulatory authorities allows Rex to

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continue with its development process, however BDA notes a Works Approval and Environmental Protection Operating Licence is required before production can commence.

BDA has undertaken a review of the environmental, social/community, and health and safety aspects of the proposed Hillside copper mine and considers that the Company has adequately identified potential impacts, addressed appropriate mitigating measures in the statutorily approved PEPR document and appropriately consulted with the community to ensure the community is properly informed, and their concerns are being heard and responded to via the CEP and SMP.

In BDA's opinion the impacts identified both by Rex and local stakeholders can be mitigated by the appropriate mitigative design and operational measures as presented in the PEPR document and identified in the Mining Proposal process. Rex has committed to undertake all such mitigating measures required to protect and conserve the existing environment within the project and its surrounds and in keeping with the conditions of the granted Mineral Lease and Miscellaneous Purpose Lease.

Rex has committed to providing the statutory Significant Environmental Benefit (SEB) contribution to the Native Vegetation Fund prior to operations commencing for all land clearance required for the project (45ha with a 145.6ha offset).

5.9 Life of Mine Production Schedule

Rex has developed a financial model ("02.01.01 230313 - Rex Minerals Financial Model - ASX Release.xlsx") for the LOM which shows the mine production tonnages, mill throughput, and copper and gold grades and recoveries along with the copper concentrate and contained metal recovered.

Table 5.10 summarises the LOM production schedule based on the annualised ore feed in the Financial Model.

Table 5.10
Hillside Stage 1 LOM Production Schedule

Item	Unit	Years											Total	
		-1	1	2	3	4	5	6	7	8	9	10		11
Ore Mined	Mt	0.6	6.9	9.2	8.0	4.2	9.3	6.7	7.3	6.7	7.0	10.8	5.1	81.7
Waste Mined	Mt	53.4	56.4	55.8	57.0	60.8	55.7	58.3	57.7	58.3	58.0	38.0	4.1	613.6
Strip Ratio	w:o	85.1	8.2	6.1	7.2	14.3	6.0	8.8	7.9	8.7	8.3	3.5	0.8	7.5
Total Mined	Mt	54.0	63.3	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	48.8	9.2	695.3
Ore Milled	Mt		5.2	7.9	7.8	7.9	7.9	7.9	7.4	6.6	7.0	8.0	8.1	81.7
Ore Grade	% Cu		0.65	0.62	0.63	0.45	0.57	0.50	0.47	0.54	0.71	0.92	0.75	0.63
	g/t Au		0.26	0.17	0.18	0.13	0.15	0.17	0.18	0.15	0.14	0.17	0.14	0.17
Recovery	% Cu		86.7	88.9	91.5	87.9	91.7	92.2	92.2	92.4	93.1	93.7	93.5	91.4
	% Au		81.8	80.9	81.8	75.8	76.8	77.0	76.8	74.4	73.5	75.2	72.3	76.8
Concentrate	kt		95.1	145.8	161.0	104.9	149.1	134.3	119.1	121.3	172.7	254.2	209.4	1,667
Conc Grade	% Cu		30.7	29.7	27.8	29.5	27.7	27.0	27.0	27.0	27.0	27.0	27.0	27.7
	g/t Au		11.9	7.2	7.0	7.5	6.3	7.6	8.6	6.3	4.3	4.1	4.0	6.3
Contained Cu	kt		29.2	43.3	44.8	30.9	41.3	36.3	32.2	32.8	46.6	68.6	56.5	462.6
Contained Au	koz		36.3	34.0	36.5	25.3	30.0	32.7	33.0	24.5	23.6	33.5	26.6	335.9

Note: Production figures from Financial Model file: 02.01.01 230313 - Rex Minerals Financial Model - ASX Release.xlsx

Mine production is planned on conventional open pit mining at a rate of 65Mt per year with two 550t hydraulic excavators for bulk mining and two 260t hydraulic excavators for more selective mining of the narrower ore and waste zones. Production is scheduled at 3Mt per month for the first three months increasing to 5Mt per month for the remainder of the pre-production year (Year -1) ramping up to a long-term rate of 5.4Mt per month.

Mining of the Stage 1 pit is planned in five phases; details are given in Section 9. Ore production averages around 7.5Mt per year but is significantly higher than ore processing in the first three years. Ore stockpiles provide ore blending options and ore feed to the plant during years when mined ore production is less than the mill feed throughput rate.

The major processing steps in the Hillside plant design are well proven, and therefore test work and scale-up methods are understood. Nevertheless, risks can never be fully resolved by small scale test work on limited samples. Every plant has a residual risk of some underperformance or slow ramp-up.

Process throughput ramps up to 500tpm or 6.0Mtpa in the first eight months of Year 1, and after a further six months reaches 667tpm or 8.0Mtpa. Concentrate grades of around 30% Cu are forecast for the early years of operation, based on increased levels of chalcocite and bornite in the feed, with a long-term concentrate grade forecast of 27% Cu. Copper recoveries are forecast to reach design levels over the first four months of processing.

Conclusions

Mine production ramps up in the preproduction year from 3Mt per month to the steady state production level of 5.4Mt by the third year of mining. The excavator fleet has sufficient capacity if the plant productivities can be met.

The establishment of significant ore stockpiles for most of the LOM reduces mine production risk in supplying ore to the process plant and provides ore blending opportunities.

Process ramp-up tonnages and recoveries appear aggressive. The performance of transition ores in the feed mix during the early years of processing impacts recoveries, with recoveries projected to increase to +92% when processing the deeper fresh ore feed. The comminution performance from the single stage SAG mill may take longer to achieve potentially impacting the ramp-up period.

5.10 Capital Expenditure

Summary

The OFS estimate of capital costs to bring the Stage 1, 6Mtpa project into production is A\$854M. The estimate is based on the 2020 DFS estimate updated to reflect current market prices for major equipment and materials and includes process layout optimisation works to cater for expansion to 8Mtpa. The scope of the estimate covers mine infrastructure and services, mining mobile equipment, concentrator process plant, concentrate filtration and handling, supporting infrastructure to the plant, overland pipelines, borefield, tailings storage facility, main potable water supply pipeline, HV electrical power supply, workshop, equipment and fit out. Supporting infrastructure includes regional infrastructure, water supply and distribution, electrical supply upgrades and communications upgrade.

Estimating Methodology

BDA notes the following in relation to the methodology used to prepare the 2022 capital cost estimate:

- Ausenco used its standard methodology for a feasibility type estimate to prepare the estimate to an accuracy of $\pm 15\%$ in accordance with AACE International guidelines, the US based organisation generally recognised as the authority for cost estimating
- the estimate was prepared using a standard work breakdown structure (WBS) and is based on feasibility study engineering and cost deliverables including:
 - equipment lists
 - material take-offs
 - electrical single line diagrams
 - piping and instrumentation diagrams
 - process flow sheets and specifications
 - budget prices for equipment and bulk materials
- bulk materials and equipment costs are generally based on budget quotations from prospective contractors and suppliers
- earthworks, concrete, structural steel, platework and tankage costs and rates are based on budget quotations from prospective suppliers and contractors
- installation labour rates have been calculated on the basis of rates from the Ausenco database; a notional weighted average manhour rate was calculated for each discipline, an estimate of the contractor's indirect costs added and the total rate applied to experienced productivity factors to determine the overall labour rate for each work item
- the capital cost estimate includes no allowance for escalation since it was prepared in 2022 nor for escalation during the construction period; BDA suggests that escalation allowances should be included in the financing plan and in the project financial model
- the 2022 estimate for indirect costs was based on the project being designed and constructed by an engineering, procurement and construction management (EPCM) contractor
- the estimate for the provision of EPCM services is based on a detailed build-up of manpower schedules derived from a project execution plan, the project schedule, a nominated location for the engineering office and typical manhour rates, overheads, expense rates and fees
- Owner's costs including non-process infrastructure have been prepared by Rex based on prior detailed studies and designs updated to current prices using a mix of consultants, indicative pricing and inhouse expertise.

The estimate is based on the latest set of general arrangement drawings for a Stage 1, 6Mtpa copper plant with primary crushing and stockpile reclaim designed for 8Mtpa. In the remainder of the processing plant, Ausenco has undertaken further equipment debottlenecking and updated design margins on mechanical equipment in order to achieve instantaneous volumetric flowrates equivalent to 8Mtpa, allowing for future increases in plant throughput.

Process Plant

The process plant capital estimate includes the costs of the processing facilities, associated infrastructure, construction indirects and EPCM costs, and was estimated in 2022 to be A\$347M.

The estimate of process plant costs for the 2022 OFS was prepared by Ausenco as follows:

- concrete quantities have been taken from feasibility study general arrangements, layout drawings and preliminary designs applied to quoted contractor unit rates
- quantities for structural steel supply, shop detailing and fabrication have been taken from feasibility study layouts and drawings and applied to budget unit rate quotations for fabrication from local and international fabricators, with the final pricing based on supply from China
- quantities for structural steel installation have been taken from feasibility study layouts and drawings and with quoted budget unit rates applied
- mechanical equipment, platework and tankage costs are based on items listed in the feasibility study equipment list applied to budget quotations for equipment items and unit rates for platework and tankage
- plant piping is a first principles estimate based on take-offs from feasibility study layout drawings, Process Flow Diagrams (PFDs) and Piping and Instrumentation Diagrams (“P&IDs”) and applied to budget rates provided by contractors or taken from the Ausenco database
- electrical and instrumentation costs are based on quotations for equipment and bulk materials applied to quantities taken from feasibility study single line diagrams, equipment lists and site layouts; instruments are taken from the feasibility study P&IDs
- the costs of installation labour were estimated from manhour numbers calculated from industry standard data for the equipment types to be installed and labour productivity factors; labour rates include the costs of mandatory meetings and breaks, small tools, statutory labour costs, personal protective equipment, clothing, supervision, indirect costs and margins; the construction labour rates are based on current Ausenco site installation rates and employment conditions
- the costs of craneage and other construction equipment were estimated from the Ausenco database for the hours required to install equipment and structural items applied to Ausenco in-house hourly rates.

Ausenco was instructed by Rex to use the lowest quoted unit rates and QA/QC services have been priced in for the supply of fabricated steel from China. The permanent administration office and warehouse/stores buildings are to be built as part of early works program for use by the EPCM contractor.

Mining Fleet

Mobile equipment totalling A\$160M is required during pre-production with a further A\$68M purchased during the operating phase, primarily in the early years as material movement ramps up and as haulage distances increase with the deepening of the pit. Timing of the fleet requirement has been determined within the mining cost model based on detailed calculations of total equipment hours required to undertake the specific tasks given volumes of material movement and cycle times. Mining fleet pricing has been based on detailed estimates provide by Hitachi and Caterpillar/Cavpower for delivery of fleet on site including options requested by Rex (Wenco system, ancillary, tyres, noise reduction on trucks). Approximately 95% of the costs are from quotations and 5% from estimates.

Non-Process Infrastructure and Owners Costs

Non-process infrastructure includes site preparation and earthworks, regional roads, non-process site buildings, IT and communications facilities, water and wastewater facilities, power supply, and Owners’ costs including land acquisition. The total cost of these items was estimated for the 2022 OFS at A\$179M.

Mining surface infrastructure incorporates the mine maintenance workshop, refuelling facilities, wash down facility, explosive magazines and tyre bay. Approximately 85% are based on quotations and 15% from estimates.

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Costs have been included for site wide clear and grub, mine site road network and the pre-stripping of the initial stages of the TSF and waste rock dumps (RSF) in Year 1. These costs have been derived by Rex and have been determined within the mining cost model.

Certain existing regional infrastructure items will need to be modified and/or relocated to accommodate the proposed project. Design and costing for the roadworks and associated modifications were completed by Cost Plan based on the detail design by Tonkin Consulting. A contingency of 10% of construction costs being A\$3.8M is included in the estimated A\$45.1 for regional roads.

The Stage 1 Tailings Storage Facility estimate is based on a design, quantities and rates supplied by consulting firm ATC Williams. It is presumed suitable materials will be available from borrow pits close to the project site. Tailings depositions, decant and return water piping and pumps are incorporated in the EPCM contractor's scope of work.

Potable water used for drinking and ablutions will be sourced from SA Water. In addition, an RO plant will be installed and operated on site to supply fresh water to the processing plant and mining operations. The first year of operating costs are included in the estimate.

Power infrastructure for the process plant site will be managed by ElectraNet from the 132kV Yorke Peninsula network, with a direct connection to Ardrossan West 132kV substation. SA Power Networks provided an indicative high-level costing ranging from A\$7.45M to A\$8.45M in June 2022.

In addition to the EPCM first fills, Rex has allowed for one month's plant consumption and an estimate of mining consumables to be warehoused prior to plant commissioning.

A detailed schedule for a phased-in Owner team over the 20-month development period has been prepared and costed by Rex. The cost estimate includes technical and G&A aspects of the project Owners team, including project management, procurement personnel and the mine manager for the duration. It also incorporates the establishment of maintenance, processing and mining teams prior to commissioning.

Costs have been included in the estimate to cover corporate recharges, legal fees, recruitment costs, environmental monitoring and a limited bus service during the construction period.

Construction insurance estimates have been incorporated on the basis that Rex will undertake a principal controlled EPCM insurance program covering Owner, contractor and subcontractor insurance for all aspects of the construction apart from professional indemnity insurance.

Land acquisition costs are based on a multiple of market value and includes land required for the processing plant and roads. It incorporates stamp duty obligations and estimates of legal fees.

Contingency

BDA notes that an A\$87M contingency allowance included in the 2022 OFS estimate includes A\$35M contingency on non-EPCM scope, A\$31M on Owner's scope and EPCM growth allowance of A\$21M. There is no contingency allowed for on the mine operating costs during construction and no growth allowance on Owner's scope. In total, the A\$87M contingency equates to 13% of the direct and indirect costs (excluding mine operating costs during construction) and before contingency. The industry standard for total contingency allowances for a high-quality feasibility study is in the range 10% to 15%, and on this basis the contingency allowance is considered reasonable. However, given the current inflationary environment, BDA suggests that it would be prudent to also make some allowance for 2022/23 and 2023/24 escalation levels.

Sustaining Capital

Sustaining capital comprises the costs of additional facilities proposed to be developed after the project is brought into production and replacement and upgrading of initial project facilities as the operation matures. Sustaining capital incurred by the owner's mining team for additional and existing equipment replacement, infrastructure and process plant equipment and for ongoing wall lifts on the tailings storage facility (TSF) has been estimated by Ausenco and incorporated in the operating cost estimate.

BDA considers that the process plant sustaining capital costs for the processing plant are optimistic. As a rule of thumb, sustaining capital costs are generally 1-2% of the installed plant capital costs. The Stage 1 processing plant capital cost is A\$347M so sustaining capital costs could be around A\$3.5M pa.

Site Rehabilitation Costs

Rex has committed to undertaking progressive rehabilitation of the project site during the mining operations; however, the tenement conditions note a rehabilitation cost estimate is required to be ascertained, and a bond

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covering the estimated rehabilitation costs is required to be posted prior to works commencing. Rex has obtained an independently reviewed rehabilitation cost estimate based on reasonable third-party costs of undertaking the rehabilitation strategies outlined in the PEPR, including additional costs such as inflation, contingency etc. The independent review indicated between A\$17-29M would be required to rehabilitate the site, with the former being the estimated costs at Year 2 of the project, and the latter end of the range being in Year 8 of the project.

BDA notes in the PEPR approval document from the DEM, that the calculated rehabilitation liability using the South Australian bond calculator was estimated to be A\$34,201,936 and therefore a bond to the value of \$34.2M is required to be paid prior to Rex commencing operations.

Rex also provided BDA with a copy of the Closure Cost estimate spreadsheet, which indicated the significant rehabilitation costs incurred were allocated to the rehabilitation of the waste rock landforms (approx. A\$7.8M), the TSF (approx. A\$7.2M), the processing facility (approx. A\$3.9M) and approx. A\$11.7M for indirect costs (management, monitoring etc). These costs were estimated based on the 2019 version of the SA Mine Rehabilitation Liability Calculator.

BDA notes that the financial model assumes A\$35M of salvage value to be realised on closure to help offset closure costs. Generally, mobile and fixed equipment and buildings have limited useful life at the end of a project life and therefore of limited value. The cost of disposal/removal generally far outstripping any resale or scrap value. BDA has estimated a salvage value of around A\$5M.

An allowance of A\$62M has been included in the project Financial Model for site rehabilitation to meet community and statutory requirements. It is planned to undertake progressive rehabilitation works throughout the duration of operations with the bulk of the costs allowed for in Years 11 and 14.

Conclusions

BDA considers the estimating methodology used by Ausenco and Rex for estimating the 2022 OFS estimate of direct and indirect costs for the initial capital required to bring the project into operation to be generally reasonable and appropriate for a definitive/optimised feasibility study.

While capital costs estimates were made in a post-COVID environment when capital cost inputs were relatively high, nevertheless the resources industry has experienced general cost increases over the last two years. BDA suggests that it would be prudent to incorporate allowance for pre-production capital cost increases since the 2022 estimates of around 8.0%.

5.11 Operating Costs

Operating costs were built up from first principles using a combination of supplier quotations and engineering estimates. Rex engaged Ausenco to estimate processing operating costs and internally managed the mining and general and administration operating cost estimates. The accuracy of the operating cost estimate is quoted as $\pm 20\%$ and reflects the plant operating at design capacity of up to 8Mtpa and an anticipated average feed grade of 0.62% copper.

Total site operating costs incorporate all costs incurred to deliver copper-gold concentrate to Port Adelaide port excluding site rehabilitation, royalties, ocean freight and port handling costs. Site operating costs average A\$218M per annum during operations and total unit costs are A\$29.45 per tonne of ore.

The total operating cost estimate includes all owner's costs, marketing charges, royalties and taxes. All cost estimates are in real A\$ terms with no inflation or escalation applied. An exchange rate of US\$0.70:A\$1.00 was used in the OFS and project Financial Model ("02.01.01 230313 - Rex Minerals Financial Model - ASX Release.xlsx").

Mining Costs

Mine operating cost estimates have been prepared by Rex assuming the mine is owner operated with a contractor margin for the first five years. Rex utilised a cost model constructed by Golder from a prior feasibility study phase. Golder constructed a detailed mining cost model incorporating a set of cost drivers derived from mining schedule outputs including material movement and equipment hours. The cost estimate was primarily based on vendor quotes for a heavy mining equipment ("HME") workshop, maintenance and repair contract ("MARC") costs, tyres and consumables.

BDA notes that the breakdown of unit mining costs averaged over the LOM, excluding pre-strip/grubbing and progressive rehabilitation, amounted to A\$2.08/t of material moved. The costs exclude an 11% increase in labour costs post the estimate, the contractor profit margin and an increase in ancillary costs due to site safety and training, which together would add up to 25% to this figure. These were added later directly into the Financial Model.

Processing Costs

The plant operating cost estimate has been developed based on the process design criteria and mass balance developed by Ausenco and vendor quotes for reagents and consumables. Ausenco has estimated the operating costs for the process plant only and incorporated tailings quantities and associated operating costs prepared by tailings consultants, ATC Williams.

The processing operating cost estimate commences at A\$7.94/t in Year 1 and averages A\$10.32/t over the 11-year life of mine. While the average operating cost does not look unreasonable, the Year 1 cost appears low, particularly given typical industry ramp up which sees operating costs in Year 1 at 115% of long-term costs. The following observations can be made on the Hillside processing operating costs:

- the operating costs are derived on a bottom-up first principal basis, as is good practice
- variable costs make up 75% of the process operating costs which will be driven by the characteristics of the deposit and 40% of these variable costs are power costs
- increases in costs will be driven by increases in inflation, particularly in relation to energy costs. Reagents and other consumables will also be subject to inflationary pressure.

Power Costs

The OFS assumed that power to the project is supplied by a retailer and distributor (AGL or Alinta) at a unit cost of A\$0.1217/kWh. This rate is exclusive of a capital usage of A\$3.09M pa for 100% of the electrical infrastructure costs borne by ElectraNet (the transmission network service provider in South Australia). Under the negotiated position, ElectraNet will own and operate the transmission and connection assets to the low voltage side of the transformers. The unit cost was derived by Rex based on negotiations with ElectraNet.

Consumables

Consumables include items such as crushing and grinding media liners, lifters, RO plant and filter consumables. The consumption of grinding media and other consumables have been estimated based on data obtained from the vendors or the Ausenco in-house database. The cost of the grinding media (steel and ceramic), liners, trommel screen panels, RO plant consumables and other consumables are based on quotes from suitable suppliers.

Process Plant Maintenance

Plant maintenance costs have been developed for all process plant areas with costs derived by applying a 3.60% factor to the direct capital cost for the various plant areas and ramp-up as the plant ages. This factor is higher than the industry norm in anticipation of higher maintenance cost in the plant due to the use of sea water. The TSF maintenance costs have been supplied by ATC Williams and represent 4.12% of the TSF cost.

Process Water

Fresh water consumption is estimated from the process mass balance and includes freshwater consumption at the mine. Fresh water is produced from a reverse osmosis (RO) plant that uses sea water as its feed source. The cost of producing fresh water from the RO plant is A\$1.19/m³ (excluding power). RO plant power is captured in the overall power cost for the services area. The cost of sea water is assumed to be zero, with associated operational costs of the RO plant to create fresh water for the process plant (ie. power and maintenance) included in the other process cost sections.

General and Administration (G&A) Costs

G&A costs include labour and other operating costs associated with management and administration, training and safety requirements, communication systems, insurance (public liability, material damage, business interruption premiums based on broker recommendation) and corporate recharges, and total A\$2.27/t of ore processed over LOM.

Logistics Costs

Concentrate transport is proposed via sealed containers loaded on site and transported via B-double or PBS Road Train at 55t per load, approximately 160km to the Port of Adelaide. Flinders Ports Logistics has provided indicative pricing for a mine to vessel logistics package, including port infrastructure and containers, deriving an all-inclusive estimated loading cost of A\$61.23 per wet tonne (wmt) (A\$56.55/t transport and A\$4.68/t port handling) of product loaded.

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For copper concentrate transport, it is assumed that the concentrate will be loaded in 11,000wmt parcels (Handymax vessels) with Rex incurring a notional freight cost of US\$41.25/wmt over the LOM with product sold on a CIF² basis. This cost includes weighing and sampling.

Treatment and Refining Charges

The treatment and refining charges for the copper concentrates to be produced at Hillside were based on terms provide in an independent marketing report by AFX Commodities Pty Ltd.

Copper concentrate treatment charge was applied at US\$60 per dry tonne (dmt) of concentrate and a copper refining charge of US\$0.06/lb of payable copper. Payable copper is expected to be 96.75% of the final copper content, subject to a minimum deduction of 1.0 unit if the full copper content is less than 30.8%, and no price participation charges.

Gold refining charge of US\$6.00/oz of payable gold which is calculated on a grade related scale.

There are no expected levels of impurities that would incur treatment or refining penalty charges.

Conclusions

BDA considers the estimating methodology used by Ausenco and Rex for estimating the 2022 OFS estimate of operating costs for the life of mine (LOM) to be generally reasonable and appropriate for a definitive/optimised feasibility study.

The accuracy of the operating cost estimate is reported to be ±20% and reflects the plant operating at design capacity of up to 8Mtpa and an anticipated average feed grade of 0.62% copper.

Total site operating costs incorporate all costs incurred to deliver copper-gold concentrate to Port Adelaide port. Site operating costs average A\$218M per annum during operations and total unit costs are A\$29.45 per tonne of ore.

The total operating cost estimate includes all owner's costs, marketing charges, royalties, and taxes. Cost estimates were made in real terms (A\$) with no inflation or escalation applied.

CI cash costs are expected to average US\$1.52/lb Cu, all-in sustaining costs (AISC) of US\$1.78/lb Cu and total operating costs of US\$2.40/lb Cu.

BDA suggests that given the significant inflation in costs over the last two years it would be prudent to incorporate allowance for cost increases since many of the cost inputs were estimated in 2022. Rex has undertaken a review of operating cost estimates since the OFS and considers that there may have been an increase in the order of 4-5% to 2022/23. BDA considers a further increase of 4-5% is warranted for 2023/24 (for a total increase on OFS estimates of around 9%).

5.12 Project Implementation

Project Management

The implementation plan for the project development phase as set out in the 2022 OFS is for the project to be managed by a Rex project owner's team which will be responsible for non-plant infrastructure and the letting, administration and supervision of an EPCM contract for the process plant and the majority of the surface infrastructure. The EPCM contractor will also provide assistance in managing the Rex scope of works. In addition, the Owner's team will manage a mining contract for the development of the mine, with the equipment to be procured directly by Rex.

The 2022 OFS report includes an outline of the Project Implementation Plan ("PIP") which sets out the strategy that will be employed for the execution of the project so that it is designed, constructed and commissioned in a safe, efficient and accurate manner. The document will form the basis for the development of a more detailed plan for use during execution. BDA expects the plan will include management plans for engineering, procurement, construction, project controls, interfaces, reporting, health, safety and security, commissioning, and the environment.

² CIF basis is an international shipping agreement convention that means that a seller pays the charges to cover the costs, insurance, and freight ("CIF") of a buyer's order until the cargo is delivered to the destination port. This contrasts with the term Free on Board ("FOB") which means the seller only pays the handling and loading costs at the port of cargo departure and the buyer pays all onward shipping charges.

The Rex Owner's team will comprise a number of positions that report directly to the Rex Project Director. The positions will provide functional support and will be responsible for the work being undertaken by their respective area/disciplines across the whole of the project.

The EPCM contractor's team will comprise several senior managers that report directly to the Senior Project Manager, who in turn, reports into Rex. The senior managers provide functional support and are responsible for the work being undertaken by their respective area/discipline.

The successful delivery of the project will depend to a large extent on the expertise and experience of the project team members. The proposed management structure is reasonably common in the resource industry and, in BDA's opinion, is likely to result in the successful delivery of the project subject to the Rex and EPCM management teams having the requisite experience and expertise.

Contracting Strategy

Site construction will be undertaken by suitable constructors using a horizontal packaging approach, with Rex contracting the constructors directly and the EPCM contractor managing them. The proposed major contracts include:

- earthworks (Schedule of Rates)
- civil/concrete works (Schedule of Rates)
- industrial buildings (Lump Sum Design & Construct)
- SMP structural, mechanical, piping and platework (Lump Sum fabricate & install)
- electrical and controls (Lump Sum install)
- transmission line (Build, Own, Operate, Maintain)
- tailings storage facility (Lump Sum Design & Construct)

All major equipment will be procured and free issued to installation contractors. BDA notes that the contracting strategy proposed in the OFS varies slightly from the detailed schedule where the steel fabrication, including structural steel and platework, is included in the SMP package which eliminates significant interface risks.

Early Works

The early works will comprise:

- site geotechnical investigations to support detailed design
- community consultation
- negotiation of key supply agreements
- initial workforce accommodation
- critical path procurement activities
- developing a detailed project execution plan including a detailed project schedule.

Project Organisation

The project will be executed using the EPCM implementation methodology. Rex will have a small management team that will be supported by an EPCM contractor which will provide all the resources to undertake the engineering and design, procurement and construction management activities under contract to Rex. Site construction will be undertaken by suitable constructors using a horizontal packaging approach, with Rex contracting the constructors directly and the EPCM contractor managing them.

A collaborative project management approach will be applied that combines the skills and resources of the Rex project delivery team, the EPCM contractor, equipment suppliers and the BOOM, BOOT, Lump Sum and Schedule of Rates contractors.

The project is expected to employ a construction workforce of over 500 people, reverting to more than 400 full time employees during mining operations from Year negative 1 to Year 11. Operations employees will be sourced locally from the surrounding towns and most likely from greater Adelaide, 165km by road from site. The mine is assumed to be managed by the Owner's technical team with contract mining.

Commissioning and Handover

Commissioning will be managed by the EPCM contractor, with Rex providing operations support and acceptance. Where applicable, contractors will be required to complete performance trials within their respective scope of works to prove that the equipment and facility performance is in accordance with the design criteria.

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Preliminary planning indicates that the installation and commissioning of the transmission line and water supply infrastructure, critical path activities, can meet the target date for commissioning of the concentrator but may require early commitment to long lead electrical components.

Construction verification will be carried out when all construction and equipment installation has been completed and includes alignment checks, pipe pressure tests, dimensional checks, cable earthing and continuity tests, interlock tests and confirmation of instrument calibration.

No-load commissioning will include electrical energising, motor direction testing, conveyor belt tracking, mill rotation, running systems with water and the testing of sequence controls and automatic control loops.

Load commissioning includes running the plant with ore to produce product. Performance tests will be carried out to confirm that the plant satisfies the performance requirements of the contract.

A detailed commissioning plan will be required to clearly identify detailed commissioning plans, procedures, tagging requirements and responsibilities for suppliers, contractors, EPCM and Owners operations team.

Project Schedule

The 2022 OFS project schedule shows a duration from full funding approval to the completion of commissioning of the process plant of around 24 months. The detailed level 3 schedule included in the OFS is a Gannt Chart of around 1,500 activities and includes engineering, procurement and construction activity durations for the process plant based on the experience of Ausenco on similar projects in South Australia and elsewhere. As noted earlier, the contracting methodology in the OFS varies slightly to the detailed schedule whereby steel supply, shop detailing, and fabrication for structural steel and platework is now proposed to be included in the SMP package, thereby eliminating significant interface issues. BDA note that this will require the overall schedule to be modified to reflect the changes and place more emphasis on getting all the structural and plate steel designs completed for inclusion in the SMP tender package. BDA supports this strategy.

The critical path runs through the early works and ordering of long lead items, aligning with full funding approval, provision of vendor data to allow detail designs to be progressed, manufacture and delivery of long lead items, in particular the SAG mill, installation of equipment, piping, electrics and instrumentation, no load (dry) commissioning, and then load (wet) commissioning.

The detailed schedule is based on six months of early works progressing prior to the full funding approval. This work includes the development of standard drawings, finalisation of design criteria, early contractor engagement, preliminary design and MTO's, commencement of detail design for SMP, signing of the EPCM agreement, tendering and ordering of the SAG mill for provision of vendor data and to lock in a manufacturing slot with the full order to be released on the finalisation of project funding and Board approval to proceed.

BDA considers that the 2022 OFS schedule of 24 months for the process plant and surface infrastructure activities is achievable subject to the early works progressing in accordance with the detailed schedule.

Conclusions

The successful delivery of the project will depend to a large extent on the expertise and experience of the project team members. The proposed management structure is reasonably common in the resource industry and, in BDA's opinion, is likely to result in the successful delivery of the project, subject to the management team having the requisite experience and expertise and the EPCM contract documentation being to a reasonable industry standard.

BDA also considers that the implementation duration in the 2022 OFS project schedule for the process plant and infrastructure of 24 months is achievable provided the planned six months of works prior to full project financing is progressed to secure the long lead items and progress early design works.

5.13 Additional Stage 2 Planning

Some aspects of the Stage 2 planning have been discussed in the sections above. The 2021 PFS considered both Stage 1 and Stage 2 projects, and an initial mine plan and Ore Reserve was developed for Stage 2 at that time. Following on from the Stage 1 2022 OFS, Rex has updated the mine design, tailings expansion design and detailed production schedule for Stage 2 and prepared a financial model ("*240712 Consolidated Stage 1+2 Financial Model Revised 12.07.2024*") incorporating both stages.

Stage 2 extracts a further 25% of the Mineral Resource and is scheduled to commence in Years 10 and 11 to maintain ore feed to the plant as Stage 1 comes to an end, doubling the mine life to 22-years. Rex has modelled it this way so that Stage 1 and Stage 2 can be assessed separately, but Stage 2 could commence earlier with a ramp-up of mining capacity and expansion of the plant capacity.

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The Hillside project mining stages encompassing the OFS Stage 1 and the PFS Stage 2 plus Rex's conceptual studies on Stages 3 and 4 are summarised in Table 5.11 and illustrated in Figure 12.

Table 5.11

Hillside Stages 1-4

Description	Unit	Stage 1	Stage 2	Stage 3	Stage 4	Total
Ore	Mt	82	113	84	45	324
Contained Cu	kt	507	525	417	214	1,646
Contained Au	koz	436	433	462	197	1,528
Cumulative Mine Life	Years	11	22	30	40+	40+

Note – Stages 3 and 4 based only on conceptual studies

Parameters adopted for Stages 1 and 2 are summarized in Table 5.12.

Table 5.12

Hillside Parameters - Stage 1 (OFS), Stage 2 (stand-alone) plus Stage 1 and 2 Combined

Metric	Unit	Stage 1 Years 1-11	Stage 2 Stand Alone Years 10-22	Stage 1 and 2 Combined as Single Operation Years 1-22
Copper Price ¹	US\$/lb	3.92	3.92	3.92
Gold Price ¹	US\$/oz	1,610	1,610	1,610
Exchange Rate ¹	A\$:US\$	0.70	0.70	0.70
Pre-Tax NPV ²	A\$M	1,252	1,305	2,001
Post-Tax NPV ²	A\$M	847	867	1,361
Post-Tax IRR ²	% real	19	25	20
C1 Cash Costs (after by-products)	US\$/lb	1.52	1.86	1.78
AISC	US\$/lb	1.79	2.14	2.22
Payback period	Years	4.3	3.5	4.3

¹ Pricing assumptions: US\$3.92 Cu; US\$1,610 Au; FX USD:AUD \$0.70, unless otherwise stated.

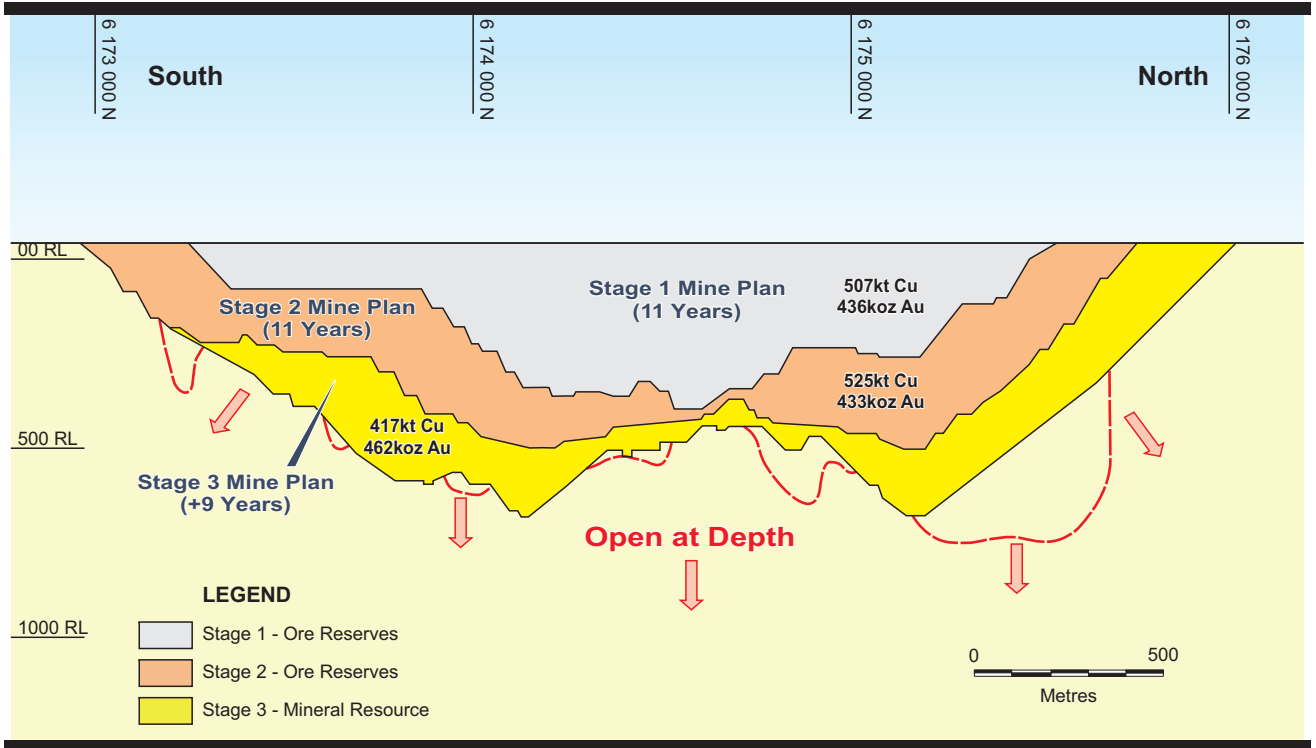
² Discount rate: WACC 4.88% (Real), 8.55% (Nominal) rounded to the nearest whole number (Source: Cape Leveque Securities Pty Ltd)

Stage 2, following on from Stage 1, has the following features:

- the completed pit designs from the 2021 Stage 2 PFS were used for updating the mine scheduling; these designs are setup in the AMC Consultants' Mine Max model
- Stage 1 follows the 2022 OFS schedule until Year 10; the new Stage 1 design does not backfill the pit and has a new ramp for Phase 4
- new mining equipment is purchased in Years 10 and 11, including:
 - increasing excavators from 4 – 6
 - trucks from 17 – 30
 - increasing ancillary equipment accordingly
- the additional sustaining capex for a continuous combined Stage 1 and Stage 2 includes:
 - A\$117M for additional land purchase, for the tailings dam and rock storage facility and for plant upgrades from 8Mtpa to 10Mtpa and A\$346M for mining equipment
 - Stage 2 works begin in Year 10; the mining transition from Stage 1 to Stage 2 (Years 10 and 11) will see an additional 102Mt mined in a cut back compared to the current Stage 1 schedule
 - total material movement increases from 65Mtpa to 85Mtpa in Year 12 until the end of Stage 2
 - plant throughput rate increases from 8Mtpa to 10Mtpa in Year 13 and continues at this rate to the end of Year 22.

Stage 2 assumes the addition of a Coarse Particle Flotation (“CPF”) circuit to the processing plant, allowing for a ramp up in ore throughput from 8Mtpa to 10Mtpa.

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REX Minerals Ltd

Hillside Copper Project

Figure 12

HILLSIDE OPEN PIT STAGES

Coarse particle flotation is planned to be achieved through the incorporation of CrossFlow classification and HydroFloat technologies while increasing the comminution throughput to 10Mtpa at a primary grind size of P₈₀ of 450µm. BDA has not sighted detailed test work on the CPF or any narrative on the downstream effect of these changes to the conventional flotation or regrind circuits but notes the contingency of converting the single stage SAG mill to a SAG-Ball Mill circuit (“SABC”) if the testwork and piloting of the CPF flowsheet is unsuccessful, however at an increased capital cost.

Stage 2 sits fully within the Hillside Mineral Lease and was anticipated in Section 3.5.12 of the approved Hillside PEPR.

Stage 2 Capital Cost

Rex’s estimates of Stage 1 and Stage 2 capital costs are shown in Table 5.13.

Table 5.13

Hillside Stage 1 and Stage 2 Pre-Production Capital Cost Summary

Pre-Production Capital	Unit	Stage 1 Years 1-11	Stage 2 Stand Alone Years 10-22
Processing Plant & Assoc. Infrastructure	A\$M	347	0
Mining Fleet	A\$M	160	330
Non-Processing Infrastructure	A\$M	179	66
Contingency & Growth	A\$M	87	20
Total Pre-Production Capital	A\$M	773	416
Mine Development Operating Costs (including pre- strip/cutback)	A\$M	81	235
Total Pre-Production Costs	A\$M	854	651

As noted previously, BDA considers that the process plant sustaining capital costs for the processing plant may be optimistic. As a rule of thumb, sustaining capital costs are generally 1-2% of the installed plant capital costs. The Stage 1 processing plant capital cost is A\$347M so sustaining capital costs would be around A\$3.5Mpa. Additionally, with the added Stage 2 processing plant capital expenditure of A\$48M, there is a minimal increased allowance for sustaining capital costs. BDA has recommended to BDO that for valuation purposes the sustaining capital be increased to around A\$4.0Mpa during Stage 2.

Stage 2 Operating Costs

Rex’s estimates of Stage 1 and Stage 2 operating costs are shown in Table 5.14.

Table 5.14

Hillside Stage 1 and Stage 2 Operating Cost Summary

Operating Cost Summary	Unit	Stage 1 Years 1-11	Stage 2 Stand Alone Years 10-22	Stage 1 and 2 Combined Years 1-22
Average Mining Cost total material (LOM)	A\$/t	2.08	2.30	2.17
Average Mining Cost per tonne ore (LOM) (after initial pre- strip/cutback)	A\$/t	16.86	16.27	17.47
Processing Cost per tonne ore	A\$/t	10.32	9.29	10.08
G&A Operating Costs per tonne ore	A\$/t	2.27	1.85	2.17
Average Total Operating Costs per tonne ore (excluding pre-strip)	A\$/t	29.45	27.41	29.72

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6.0 HILLSIDE STAGES 3 AND 4

Table 5.11 and Figure 12 illustrate the potential for further pit pushbacks towards the end of Stage 2 to access a Stage 3 and Stage 4 pit, for a total mine life of approximately 40 years. While preliminary pit optimisation has been undertaken, no Ore Reserve for Stage 3 or Stage 4 pits has been formally estimated.

In addition to potential open pit mining, in the 2021 PFS Rex has also considered underground mining methods to exploit the deeper Hillside mineralisation. Ultimately, if mining of the resource below Stage 2 is undertaken, decisions will be made at the time which method of mining provides the better economic return. The decision will also take into account infrastructure, environmental and community issues. BDA notes that the planned Stage 1 and Stage 2 open pits, surface infrastructure, waste dumps and TSF take up the entire ML area. The pushbacks required to access a Stage 3 and Stage 4 pit would likely require an expansion of the TSF and some redesign of the waste dumps in the later years of Stage 2. In considering all these factors, as well as the economics of further substantial waste cutbacks, underground mining may be a more favoured option.

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7.0 YORKE PENINSULA EXPLORATION

Tenements

In addition to the Mineral Lease (ML), Extractive Minerals Lease (EML) and Miscellaneous Purpose Licence (MPL) over the Hillside project, Rex holds eight Exploration Licences (ELs) on the Yorke Peninsula with a combined area of 1,976km² (Table 7.1). These ELs lie generally to the west, north and south of the Hillside project (Figure 3).

Table 7.1
Yorke Peninsula Exploration Tenements

Tenement	Location	Area (km ²)	Date Granted	Expiry Date
EL 5981	Moonta South	68	23 Jun 2017	22 Jun 2028
EL 6136	Moonta South	91	20 Mar 2018	19 Mar 2029
EL 6189	Moonta South	243	02 Aug 2017	01 Aug 2028
EL 6245	Moonta South	1,014	02 Aug 2017	01 Aug 2028
EL 6455	Moonta South	28	05 Nov 2019	04 Nov 2024
EL 6497	Moonta South	254	28 Jul 2020	27 Jul 2025
EL 6515	Moonta South	257	21 Sep 2020	20 Sep 2025
EL 6531	Moonta South	21	10 Jun 2020	9 Jun 2025

The tenements were acquired by Rex as part of its 2007 IPO, in a share based transaction valued at A\$1.6M. Exploration expenditure to date totals approximately A\$13M, excluding any expenditure related to the Hillside prospect. Regional exploration work has comprised principally geophysical surveys, soil sampling, geological and structural interpretation and limited drilling.

Rex has in place an Amalgamated Expenditure Arrangement (“AEA”) covering seven of the tenements with a minimum expenditure commitment of A\$740,000 over the two year period to May 2025. An additional commitment of A\$175,000 is due on EL6515 by September 2024. Expenditure to end May 2024 totalled A\$198k leaving an outstanding commitment of A\$717k. Rex is planning a geophysics survey which, with data processing and logistics will satisfy the minimum expenditure requirements.

Geology

The regional geology underlying the Rex ELs is largely a continuation of the Hillside geology comprising the Moonta Subdomain within the Olympic Cu-Au Province of the eastern Gawler Craton. The area is largely underlain by Palaeoproterozoic Wallaroo Group meta-sediments and felsic and mafic volcanics with broad zones of alteration, and Hiltaba Suite intrusives. The ELs straddle the Pine Point structural corridor. Steeply dipping north-south structures are interpreted to underlie the ELs (continuations of the Hillside structures) but much of the underlying geology is obscured by 30m or more of Tertiary cover.

Exploration Potential

Rex has been actively exploring on the Yorke Peninsula since 2008. A number of historic copper occurrences are known and include the Wallaroo and Moonta mines as well as numerous smaller workings. The Hillside mineralisation was discovered by Rex in 2008, based on the drilling of gravity and magnetic features. The project area is centred over a pair of large magnetic anomalies which lie on either side of the major north-south trending Pine Point splay fault. To date, Rex has only systematically drilled the Hillside deposit on the eastern side of the fault. The western magnetic anomaly remains to be fully drill-tested.

The results from a 3D seismic survey completed in 2022 over the Hillside deposit and the western magnetic anomaly showed potential for identifying major structures, alteration systems and lithologies which could control similar mineralisation systems to the Hillside deposit along strike and at depth. Rex followed up the 3D seismic survey with the drilling of two 1,350m deep drill holes to test geological features indicated by the seismic data. Rex proposes further deep drilling in conjunction with downhole Transient Electromagnetic (“TEM”) geophysical surveys to test for sulphide mineralisation at depth.

Potential at Hillside exists west of the PPF splay fault for strike and depth extensions to the Hillside mineralisation, but Rex’s current focus is on development of the Hillside deposit as currently defined.

Exploration of the surrounding ELs has also largely relied on geophysical surveys as the initial target identification tool. Rex has a substantial data base of both government, open file and Rex magnetic, radiometric, gravity and EM data. Rex has also carried out Induced Polarisation (IP) surveys, geochemical soil sampling and widespread

reconnaissance air core drilling. Various specialist consultants have been engaged to undertake interpretation of the geophysical data, and geological and structural interpretations.

In 2018 Rex commissioned an independent review (Haynes Review) of the Yorke Peninsula geology and available geophysical data (principally magnetic, radiometric and gravity) to identify priority targets for further work. There is a high correlation between magnetic highs and currently defined copper mineralisation. Four high-ranked targets were identified for IOCG styles of mineralisation together with six intermediate targets and 10 lower priority targets. Targets of particular interest were associated with the Willamulka Gabbro which is considered coeval with the 1590Ma thermal event associated with generation of mineralisation within the Olympic Province. The review also focussed on mafic and felsic volcanic units within the basal Walleroo Group and proximity to Hiltaba Suite granites.

Priority targets identified included:

- *Hillside South* - 1.3km south of Hillside within the PPFZ where anomalous copper had been intersected in an aircore hole overlying a magnetic high similar to Hillside
- *Parara* – 15km north of Hillside and west of Ardrossan where copper was discovered in 1872 and a small shaft sunk; the prospect coincides with a magnetic feature and a geochemical anomaly with a 7km strike and a number of shallow workings; Rex drilled four holes in 2010-11, with the best intersection being 34m at 0.6% Cu
- *Westbrook* – 35km northwest of Hillside, the target is associated with a strong copper anomaly with a 1,200m strike which was identified in historical calcrite sampling; a shallow cover sequence overlies Walleroo metasediments and volcanics and a Hiltaba granite intrusive; the anomaly has been confirmed with more recent Rex soil sampling, but no follow-up drilling has been undertaken to date
- *Haynes Priority Targets* – the 2018 Haynes review identified a number of targets of which YP 13 and 14, proximal to the Curramulka Gabbro and approximately 25km southwest of Hillside are considered priority targets for haematite-dominant Carrapateena or Prominent Hill style mineralisation with magnetite peripheral to inferred host breccias; Bouguer gravity surveys are proposed with follow up diamond drilling

Numerous other lower priority targets have also been identified, on the basis of geophysical data, geological interpretation, soil sampling and reconnaissance aircore drilling. In most target areas the basement rocks are obscured by a cover of younger sedimentary rocks or transported sediments. Some of these targets have been followed up with limited diamond drilling, but most remain untested at depth. Target areas include Hillside North, Hillside West, Equis, Ranald, Port Julia, Ethel Yorke Valley, East Kainton, and White Cliffs

Exploration Programme

An airborne (helicopter) magnetotelluric (“MT”) survey is planned to survey the Hillside area and surrounds, including a significant portion of the surrounding ELs, totalling approximately 3,000-line kilometres and covering an area of approximately 600km². MT surveys measure the electrical resistivity of the sub-surface rocks, assisting with the identification of geology, structure and alteration and presence of sulphides. This data will supplement existing magnetic and radiometric coverage to allow preparation of a more detailed regional geology and conductive target areas for follow-up gravity surveys and drilling. Detailed follow up work including drilling of the priority targets is also planned.

Conclusions

The Rex Yorke Peninsula ELs cover a significant area of prospective ground within the eastern Gawler Craton, north, south and west of the Hillside project. Mineralised structures within the Hillside project area extend into the ELs but Rex’s priority has naturally focussed on definition of the Hillside deposit itself, and work within the surrounding ELs is still largely at an early exploration stage. Geological and geophysical surveys and interpretations have identified a number of target areas for follow up. An airborne MT survey is planned as the next stage of investigation. BDA considers the area covered by the ELs warrants ongoing exploration effort, including follow-up drilling of priority geophysical and geological targets. The discovery of the Hillside deposit, the geological and geophysical parallels of the Yorke Peninsula prospects with other Gawler Craton deposits, and the occurrence of historical copper mines and workings combine to confirm the potential prospectivity of the area covered by the Rex ELs, but at this stage there are no defined areas of economic mineralisation beyond the Hillside deposit itself.

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8.0 HOG RANCH PROJECT

8.1 Background

The Hog Ranch property is located in Washoe County in northwest Nevada, approximately 270km north of Reno by road (around 3.5 hours' drive) and approximately 45km from the California border and 91km from the Oregon border (Figure 4). Year-round access to the property is via a well-maintained gravel road, off county road 34N. The two nearest towns are Gerlach to the south and Cedarville to the northwest, both of which are approximately one hour's drive from Hog Ranch.

The property area lies approximately 1,900m above sea level on hilly terrain. The climate is classified as arid continental with annual precipitation of approximately 300mm.

The property is host to a number of gold occurrences, of which six deposits in the central and southern portion of the property were mined by shallow open pits and processed by heap leaching from 1985-1992.

The property comprises a total of 1,737 mining claims covering a total area of approximately 14,400ha (144km²). Rex purchased a 100% interest in the property in August 2019, via its purchase of US Company Hog Ranch Minerals Inc. (HRMI) which it holds through its wholly owned subsidiary Hog Ranch Group. The mining claims are located on public land managed by the Bureau of Land Management (BLM)

Figure 4 illustrates the location of the Hog Ranch area and shows the original claim boundaries, and the additional claims staked by Rex in 2023.

Tenements

Rex maintains an option agreement for the 247 claims held in the name of Platoro West Incorporated ("Platoro") holding a 24.9% interest and Nevada Select Royalty with 75.1%. The Agreement provides full operational control of the project to HRMI with a series of minimum expenditure and activity commitments required to keep the agreement. The Agreement covers various royalty payments together with a purchase option to acquire 100% of Hog Ranch tenements and buy the advanced royalty payments.

In 2023, Rex intersected lithium mineralisation in clays in two drill holes (HR21-025 and HR22-007) located near the Airport-Cameco prospects, associated with lake sediments within the Cottonwood Creek Caldera. Rex subsequently staked an additional 702 mining claims (approximately 5,900ha), CC1 -578 and CHR1-124, to extend the northeast and southwest coverage of the Caldera sediments, bringing the total holdings to the current 1,737 claims (14,400ha). HRMI directly owns 1,490 of the claims (listed in Table 8.1) with 247 claims held in the name of Platoro; HRMI controls these claims through a mining lease agreement with purchase option with Nevada Select Royalty Inc.

All claims are held as unpatented mining claims and are located on US Bureau of Land Management (BLM) land.

Table 8.1

Hog Ranch - Rex Mining Claims (June 2024)

Mining Claims	Location	Lease Status	Area (Square Feet)	Area (ha)	Date Certified
NHR 1 – 30	Washoe County	Claimed	27,000,000	251	10/08/2019
NHR 31 – 100	Washoe County	Claimed	63,000,000	585	28/01/2020
NHR 101 – 232	Washoe County	Claimed	118,800,000	1,104	10/07/2020
NHR 233 – 417	Washoe County	Claimed	166,500,000	1,547	19/11/2020
NHR 418 – 434	Washoe County	Claimed	15,300,000	142	30/04/2021
GL 1 – 104	Washoe County	Claimed	93,600,000	870	10/07/2020
GL 105 – 177	Washoe County	Claimed	65,700,000	610	19/11/2020
GL 178 – 354	Washoe County	Claimed	159,300,000	1,480	30/04/2021
CC 1 – 578	Washoe County	Claimed	520,200,000	4,833	08/11/2023
CHR 1 – 124	Washoe County	Claimed	111,600,000	1,037	08/11/2023
Pantoro West Claims	Washoe County	Claimed	205,700,000	1,911	
Total				14,400(approx.)	

Note: Total Area comprises the area of each 1,500ft x 600ft Lode Mining Claim (approximately 8.36ha per claim)

Purchase and Royalty Agreement

The purchase agreement incorporates a specified Area of Interest (AOI) covering 712 claims including the Platoro claims and other areas both inside and outside of the current claim boundaries. These claims are subject to a royalty agreement (the Agreement) with Platoro and Nevada Select Royalty Inc.

Figure 4 illustrates the current property area held by Rex, including the AOI subject to the royalty agreement and illustrates the original claim boundaries, the locations of the two drill holes defining the lithium discovery and the additional claims staked by Rex in 2023.

The Agreement gives full operational control to HRMI, with various minimum expenditure and activity commitments to maintain the claims in good standing. The Agreement provides a purchase option which can be exercised at any time by payment of US\$2M, giving 100% ownership without payment of further royalties other than the Production Royalty (see below).

As at the current date, Rex confirms that all claims are in good standing, all fees paid and up to date and all minimum expenditure commitments satisfied.

As of 31 December 2023, Rex had spent a cumulative US\$9.6M on work expenditures within the AOI. This sum exceeded the cumulative work expenditure required of US\$4.15M before 1st April 2024 under the Mining Lease and Purchase Agreement.

8.2 Project History

Gold mineralisation at Hog Ranch was first discovered in 1980 by Noranda Exploration and Ferret Exploration in joint venture. Following exploration drilling and economic analysis, a consortium made up of Western Goldfields, Geomax (parent company of Ferret Exploration) and Royal Resources provided the funding to commence open pit mining and heap leaching in 1985, under the name of Western Hog Ranch Inc. (WHRI).

After approximately 18 months of operation the property was sold to Western Mining Corporation (WMC), who purchased 100% of Hog Ranch in early 1988. Operations continued until 1992, when, with the gold price at a relatively low US\$333 per ounce, mining ceased and closure and rehabilitation activities commenced; site rehabilitation was completed in 1994.

During operations, ore was mined from six pits namely Bells, East, Krista, Geib, 139 and West. Open pit mine production totalled 7.7Mt at 1.23g/t Au. The Bells pit had the highest grade of 1.41g/t Au. Gold was recovered by heap leaching with recorded recoveries averaging 80%. Total gold production approximated 200,000oz.

Rex acquired the property in August 2019 by way of purchase of a 100% interest in Hog Ranch Group, the owner of HRMI.

8.3 Hog Ranch Geology

Regional and Local Geology

The project lies within a broad region of relatively young (15 million years ago or 15Ma) volcanic rocks comprising flow banded welded rhyolite units interlayered with unwelded tuffs. The volcanic units have been subsequently hydrothermally altered, with the hydrothermal activity interpreted to be the source of the gold mineralisation.

The Hog Ranch mineralisation is classified as a low-sulphidation epithermal deposit which formed at relatively shallow depths. Numerous similar epithermal deposits occur throughout northwest Nevada of similar age to the Hog Ranch deposit, with the volcanism and hydrothermal activity associated with the 'Yellowstone Hot Spot'. Some well-known and commercially successful gold mines that are of this same generation and style of gold mineralisation include the Sleeper gold deposit and the Midas gold deposit in Nevada.

The Hog Ranch area is defined by a large area of alteration, which initially attracted explorers to the area. The gold mineralisation within this zone of alteration is predominantly dispersed horizontally along favourable and relatively flat lying or gently westerly dipping lithologies.

The deposits are typically low grade, but high-grade veins over 20g/t Au occur associated with narrow vertical 'feeder' structures. There is potential for significant higher grade gold mineralisation to occur at depth, as has been discovered at other project locations in Nevada, but to date no such zones have been intersected at Hog Ranch.

As noted, the dominant host rocks at Hog Ranch are welded, often flow banded, rhyolites, which are the more competent and less permeable rock types, and unwelded volcanic tuffs, which are relatively soft and permeable making them more amenable to mineralisation by hydrothermal fluids.

A number of north-easterly and north-westerly regional structures cut through the host stratigraphy and appear to have had a significant influence on the location of the gold mineralisation.

Principal Deposits and Prospects

Historical mining was focussed on two principal areas, Bells in the south of the tenement area and Krista in the central area. A number of pits were mined at prospects in a zone extending northeast-southwest from Krista, namely East, Geib, 139 and West.

Rex's principal drilling programmes have been undertaken at Bells and Krista. Exploration drilling has also been undertaken along a zone striking northwest from Krista, including the Cameco and Airport deposits to the northwest.

Alteration and Mineralisation

Within the historical open pits, it was noted that the alteration and gold mineralisation was concentrated along the more permeable unwelded volcanic tuffs which provide a favourable environment for the formation of an extensive shallow 'blanket' of bedding parallel gold mineralisation.

The hydrothermal fluids associated with both the alteration and gold mineralisation are interpreted to be linked to a deep-seated source via a series of steeply dipping faults and feeder zones which acted as the plumbing system to bring the mineralising fluids to the palaeosurface, forming extensive shallow and low-grade gold mineralisation which has preferentially extended along the more porous unwelded volcanic tuff units, and higher grade quartz-adularia vein hosted gold mineralisation within feeder structures beneath the blanket of disseminated gold mineralisation.

Rex considers the area has potential for higher grade mineralisation at depth within a postulated 'boiling zone' at over 200m beneath the current day surface, analogous to the high-grade vein hosted gold mineralisation seen at the Sleeper and Midas epithermal gold deposits.

Hog Ranch Mineral Resource Estimate - Gold

On 23rd March 2021, Rex announced an updated Mineral Resource estimate for Hog Ranch with a total of 2.26Moz of contained gold. Current and forecast gold prices have allowed a significant lowering of cut-off grade compared with the mine operations in the 1980s and 90s, which has resulted in a more robust and continuous outline of gold mineralisation. The updated Mineral Resource estimate is shown in Table 8.2.

Table 8.2

Hog Ranch Gold Mineral Resource (March 2021)

Deposit	Cut-Off Grade (g/t)	Tonnage (Mt)	Grade (g/t)	Gold (koz)
Oxide Mineralisation				
Bells - Indicated	0.2	24	0.50	390
Bells - Inferred	0.2	13	0.40	170
<i>Bells - Subtotal</i>	<i>0.2</i>	<i>37</i>	<i>0.47</i>	<i>560</i>
Krista - Indicated	0.2	11	0.48	170
Krista - Inferred	0.2	110	0.39	1,380
<i>Krista - Total</i>	<i>0.2</i>	<i>121</i>	<i>0.40</i>	<i>1,550</i>
Oxide Total	0.2	158	0.41	2,110
Sulphide Mineralisation				
Cameco - Inferred	0.3	3.9	0.75	90
Airport - Inferred	0.3	2.8	0.63	60
Sulphide Total	0.3	6.7	0.70	150
Total		165	0.43	2,260

Note – the Krista resource covers the broader Krista area including the deposits mined in separate historic pits

The overall gold resource at Hog Ranch includes mineralisation at four locations. The gold mineralisation at Krista and Bells is classified as oxide type within weathered rocks and where the gold mineralisation has been demonstrated by historical mining and more recent testwork to be amenable to low-cost open pit mining and heap leaching. The gold mineralisation at the Cameco and Airport prospects is classified as sulphide type; heap leach testing to date indicates that the gold is amenable to heap leaching, but with lower gold recoveries, and therefore higher cut-off grades have been applied in the reporting of the Mineral Resources.

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Lithium Potential – Caldera Project

In 2023, Rex intersected lithium mineralisation in clays near the Airport-Cameco prospects, toward the western edge of the Platoro claims, associated with lake sediments within the Cottonwood Creek Caldera. Historic drilling at Hog Ranch was focused on gold exploration with minimal to no multi-element data. More recent drilling by Rex in 2021 and 2022 incorporated multi-element analyses, including lithium. The two highest grade drill hole intercepts were obtained in drill holes HR21-025 and 22-007 at the Airport prospect (Table 8.3). Rex has named its lithium investigations the Caldera project. Figure 4 illustrates the extent of the Caldera project and the location of the highest-grade drill hole intercepts.

Table 8.3
Significant Lithium Intercepts - Hog Ranch Caldera Project

Drill Hole Number	From (m)	To (m)	Down Hole Length (m)	Average Li Assay (ppm)
HR21-025	67.1	73.2	6.1	593
HR22-007	125.0	137.2	12.2	971
<i>including</i>	128.0	134.1	6.1	1,246

Following recognition of the potential for lithium mineralization, Rex staked an additional 702 mining claims (3,410ha) to extend the northeast and southwest coverage of the Caldera sediments, bringing the total holdings to the current 1,737 claims.

The lithium occurrence is hosted in clays within lacustrine sediments derived from volcanic ash. Rex considers the occurrence to be similar to the Thacker Pass lithium clay deposit to the northeast of Hog Ranch, being developed by Lithium Americas (Figure 4). The Thacker Pass deposit is hosted within the McDermitt Caldera with lithium mineralisation considered to be derived from eruption of lithium-bearing magmas and ash tuffs deposited within a shallow lake developed in the caldera basin. The deposited sediments were then diagenetically altered by hydrothermal action to form smectite and illite clays, with the lithium being primarily associated with smectite type clays such as hectorite.

A similar deposition model is postulated for the lithium occurrence at Hog Ranch. Geological mapping of the area shows a significant circular structure, the Cottonwood Creek Caldera, with a radius of approximately 23km. Caldera lake sediments, primarily illite and smectite type clays, are found across a significant portion of the caldera basin, with younger basalt flows located toward the west central portion of the basin. Lithium mineralisation is found in drill holes to the east of the basalt flows in the central part of the caldera.

Hyperspectral imaging shows elevated muscovite illite and K/Th alteration in the area of the Airport prospect and also in small pockets in the northwest of the overall project area, noted as the Gillam prospect area. Rex considers these areas may be prospective for lithium mineralisation.

The lithium exploration effort remains at an early stage; no Mineral Resource has been defined and no Exploration Target been developed.

8.4 Exploration Approvals - Plan of Operation

In the United States, when a Company wishes to disturb more than 5 acres (2.0ha) to advance exploration or development of a project, it must conduct comprehensive base line surveys to appraise the biological and cultural resources of the area to ensure that it does not disturb any sensitive cultural or biological resources. These baseline studies form the bulk of an Environmental Assessment (“EA”) which is a prerequisite to obtaining permission to disturb more than 5 acres (2.0ha) as detailed in a Plan of Operation (“PoO”).

On 22 April 2024, the US Department of Interior’s Bureau of Land Management (BLM) agency approved the PoO for the Company’s proposed future exploration activities over Bells and Krista. The State of Nevada conducted a one-month public consultation period which did not yield any material comments or concerns. The Nevada Division of Environmental Protection (“NDEP”) issued the Hog Ranch Reclamation Permit on 11 June 2024, which marks the full and final approval of the Hog Ranch PoO. The Hog Ranch PoO encompasses all of the Bells and Krista project areas and most of the Airport-Cameco area (Figure 4). The fully approved PoO allows for larger scale exploration with disturbance of up to 200 acres (80.9ha) permitted at each project area.

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9.0 VALUATION OF REX MINERALS EXPLORATION PROPERTIES

9.1 Valuation Principles and Methodologies

Valuation Principles

As a general principle, the fair value of a property as stated in the VALMIN Code is the amount a willing buyer would pay a willing seller in an arm's length transaction, wherein each party acted knowledgeably, prudently and without compulsion.

Standards and Procedures

This report has been prepared in keeping with the VALMIN Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005 and 2015. Resource and reserve estimation procedures and categorisations have been reviewed in terms of the JORC Code, 2012. The effective date for this valuation is the date of this report.

Valuation Methods

The valuation methods considered are detailed in Section 3 of this report. There is no single valuation methodology which is appropriate for all situations. Rather, there are a variety of valuation methods, all of which have some merit and are more or less applicable depending on the circumstances.

BDO has valued the advanced development asset (the Hillside project) based on a discounted cashflow method. BDA has worked with BDO to assess the reasonableness of the production and cost parameters and LOM projections used in the financial models.

BDO has requested that BDA undertake a valuation of any residual resources not captured in the discounted cash flow analysis.

BDA has considered project resources which extend beyond the modelled Hillside reserve and LOM plan. In BDA's opinion it is reasonable to conclude that a willing and knowledgeable buyer would ascribe some value to the potential for such resources to support an extension of mine life beyond the current LOM plan. However, the Stage 1 and 2 project has a long mine life in excess of 20 years and BDA and BDO consider that a willing and knowledgeable buyer would ascribe limited value to potential developments beyond this time frame. BDA has discussed with BDO the modelling of further extensions to mine life and has considered the potential value of such extensions (heavily discounted as such extensions would only come into play after 20 plus years) as a basis for estimation of the additional value that a willing and knowledgeable buyer might ascribe.

Other properties such as the South Australian Yorke Peninsula exploration tenements and the Hog Ranch tenements in Nevada are regarded as primarily exploration properties; while extensive drilling together with historical production at Hog Ranch has allowed the estimation of an Indicated and Inferred Mineral Resource, there is no proposed development plan or feasibility study at this stage and no defined Ore Reserve. For such early-stage projects with uncertainties concerning timing, production and costs, a discounted cash flow analysis is not appropriate, and BDA has considered exploration-type valuation methodologies, including acquisition cost, exploration expenditure and comparable transactions.

The assets to be valued and the approaches adopted are summarised in Table 9.1.

Table 9.1

Rex Minerals - Projects to be Valued

Project/Property	Valued By	Methodology/Comment
South Australia		
Hillside - Stages 1 and Stage 2 - LOM Plan	BDO	Discounted cashflows
Hillside - Stage 3 and Stage 4 - Potential LOM Extensions	BDA	Indicative value, discounted by time factors and project uncertainties
Hillside - Exploration Potential	BDA	Exploration methodologies
Yorke Peninsula ELs	BDA	Exploration methodologies
Nevada - USA		
Hog Ranch - Gold Resources and Exploration Potential	BDA	Exploration methodologies
Hog Ranch - Lithium Exploration Potential	BDA	Exploration methodologies

9.2 Hillside Project Stages 1 and 2

The Hillside Stage 1 and 2 projects are reasonably well defined by feasibility studies, based on defined Ore Reserves and detailed mine planning, metallurgical testwork, capital and operating cost estimation, environmental and community studies and government approvals. Life of mine plans and financial models have been prepared and BDA and BDO agree that the project is appropriately valued through a net present value approach. BDO has undertaken a discounted cashflow valuation of the Hillside Stage 1 and 2 projects. BDA has worked with BDO to advise on the reasonableness for valuation purposes of the production schedule and capital and operating cost estimates and has suggested modifications and sensitivities where considered appropriate.

9.3 Hillside Project Stages 3 and 4

Stages 1 and 2 have a combined scheduled mine life of 22 years. Rex considers there is potential to further expand and extend the operation to Stages 3 and 4; these stages are less well defined, are based on Mineral Resources rather than Ore Reserves and conceptual studies rather than detailed feasibility studies. No approvals are in place for the additional cutbacks, waste dumps and tailings storage facilities that would be required for these extensions and preliminary studies have considered whether underground operations may be a more cost-effective approach to these latter stages.

Given these uncertainties, a discounted cash flow valuation of Stages 3 and 4 is considered inappropriate; a willing and knowledgeable buyer would be unlikely to ascribe material value to potential extensions 22 years in the future, however, in BDA's opinion, there would be some additional value attached to the additional resources and the potential for a longer life project, albeit with additional exploration and capital expenditure.

BDA has assessed the potential added value of a further extension to mine life, considering both additional capital expenditure and additional potential revenue. Any additional revenue would be significantly discounted, based both on the time factor, being some 20+ years in the future, and the uncertainties regarding detailed plans and future approvals. On balance, BDA considers that a willing and knowledgeable buyer may be prepared to assign a small incremental value (<5%) for the perceived Hillside mine potential beyond the life of Stage 2; in BDA's opinion, BDA considers it likely that a willing and knowledgeable buyer would ascribe in the order of A\$10-20M to such additional long term extension of operations, with a most likely value of A\$15M.

9.4 Hillside Project Additional Exploration Potential

Within the Hillside Mineral Lease there are significant targets that remain to be drilled. Within the planned pit there remain some areas that have not been fully explored by drilling and where potential for extensions to mineralisation exist. Along strike to the north and south the structural trends associated with Hillside mineralisation continue and warrant further drilling. Similarly at depth the mineralisation is not closed off. To the west of the Pine Point Fault a magnetic and gravity anomaly similar to the Hillside anomaly remains to be explored.

BDA considers that there is significant potential for further extensions to mineralisation to be defined within the Hillside Mineral Lease; however, in BDA's opinion, the value that a willing and knowledgeable buyer would ascribe to the Hillside property is fully encapsulated within the Stage 1 and 2 value and any additional value ascribed to the Stage 3 and 4 potential; on this basis no additional value has been ascribed to further exploration potential within the Mineral Lease.

9.5 Valuation of Rex Yorke Peninsula Exploration Licence Potential

In addition to the Mineral Lease (ML) over the Hillside project, Rex holds eight Exploration Licences (ELs) on the Yorke Peninsula with a combined area of 1,976km². These ELs lie generally to the west, north and south of the Hillside project (Figure 3).

The tenements were acquired by Rex as part of its 2007 IPO, in a share-based transaction valued at A\$1.6M. Exploration expenditure to date on the eight ELs totals approximately A\$13.2M, excluding any expenditure related to the Hillside project. Regional exploration work has comprised principally geophysical surveys, soil sampling, geological and structural interpretation, reconnaissance aircore drilling and some limited diamond drilling.

9.5.1 Acquisition Cost

As noted, Rex acquired the Yorke Peninsula tenements (including the EL over the then still to be discovered Hillside deposit) in 2007 in a share based transaction valued at A\$1.6M. The subsequent discovery of the Hillside deposit has materially impacted the prospectivity and perceived value of the surrounding tenements and Rex has also materially added to the exploration tenement value with extensive geophysical and geological surveys and expenditure. BDA therefore considers the original acquisition expenditure to have little relevance in terms of a

current valuation and has not considered this value in its estimation of the current value of the Rex Yorke Peninsula ELs.

9.5.2 Exploration Expenditure

Since the acquisition of the Yorke Peninsula ELs, Rex has committed substantial exploration funds undertaking magnetic, radiometric and gravity surveys, geological interpretations, soil sampling, aircore drilling and diamond drilling. Independent specialists have been engaged to assist with data compilation and interpretive work and identification of priority target areas. A number of target prospects have been identified; one drill hole has intersected 34m at 0.6% Cu at the Parara prospect, but generally limited follow-up work has been undertaken given the priority focus on the Hillside project and feasibility studies.

Rex's expenditure on EL exploration over the last 17 years has totalled A\$13.2M excluding any expenditure on the Hillside project and on licences which have been relinquished. BDA considers that this expenditure has significantly added to the knowledge and value of the tenements; a number of targets have been identified warranting further exploration, but to date significant drill hole intersections are limited. Considering prospectivity enhancement multipliers (see Section 3) BDA consider 1.5 is an appropriate factor, giving an estimate of value of the Yorke Peninsula ELs surrounding Hillside of A\$19.8M.

9.5.3 Comparable Transactions

BDA has considered whether there have been other transactions undertaken on similar exploration tenements that might provide a further guide to the valuation of Rex's Yorke Peninsula ELs. The following transactions, listed in Table 9.3, are considered relevant in terms of assessing value indicated by Comparable Transactions or Joint Venture Terms.

In estimating relevant Yardsticks, BDA considers that the timing of such transactions is important, as there can be substantial changes in value with time, primarily related to changes in commodity prices. A high commodity price at the time is likely to have increased the envisaged value of the property and a lower commodity price is likely to have lowered the envisaged value.

Normalising Factors

BDA has applied a normalising factor ("NF") to the value implied by the transaction based on the relative price of the commodity at the time of the transaction and the current valuation date; the NF = copper price on the effective valuation date divided by the copper price on the various transaction dates.

BDA has utilised the copper futures historical data available on the Investing.com website (<https://au.investing.com/commodities/copper-historical-data>) as the basis for the normalising factors.

Table 9.2
Prices used for Copper Normalising Factors

Date	Copper Price (US\$/t)	Normalising Factor	Comment
<i>Effective Valuation Date July 2024</i>	9,740		<i>Date of announcement of transaction</i>
19 October 2004	2,859	3.41	Teck Cominco/Avoca JV on Moonta South
22 December 2006	6,292	1.55	Tasman and WCP Lake Torrens JV
15 March 2022	9,949	0.98	Terramin/JOGMEC JV on the South Gawler Ranges Project
23 June 2022	8,312	1.17	Encounter/South 32 JV on the Jessica Project
9 March 2023	8,904	1.09	Alkane acquisition of two NSW projects from Sandfire
3 August 2023	8,597	1.13	Lachlan Star purchase of three NSW projects from DevEx

Teck Cominco/Avoca Joint Venture on South Australia Projects

On 19 October 2004, Teck Cominco Pty Ltd ("Teck Cominco") negotiated an option to joint venture into the areas held by Avoca in South Australia. The areas included the Port Julia project and the Cowell project as well as an area known as Red Hill or Moonta North which was subsequently relinquished.

The JV agreement enabled Teck Cominco to earn an 80% interest in the two project areas by spending A\$1.5M on each project within 4 years and then free carrying Avoca's 20% to a decision to mine.

As part of the arrangement Teck Cominco subscribed for A\$300,000 worth of Avoca shares at a price of A\$0.31 and was issued 1,000,000 options to subscribe for Avoca ordinary shares at an exercise price of A\$0.37/option before 31 March 2007. The area covered by the two projects at the time of the Teck Cominco joint venture consisted of 3,574km² at Port Julia and 1,112km² at Cowell.

For the purposes of the current valuation BDA has considered only the exploration expenditure of A\$3M for Teck Cominco to earn an 80% interest and disregarded the free carry of Avoca's 20% interest as well as the purchase of Avoca shares and options.

JV Acquisition Parameters

- Joint Venture date - 19 October 2004
- Expenditure Requirement - A\$3.0M to earn 80%
- Implied requirement for 100% - A\$3.75M
- Area - 4,686km² (includes the Port Julia and Cowell tenements)
- Yardstick - A\$800/km²
- Normalising factor - 3.41 (Table 9.1)
- Adjusted yardstick for effective date of July 2024 - A\$2,729/km²

Based on the above the Joint Venture Terms implied valuation of the Yorke Peninsula exploration tenure of 1,976km² is A\$5.4M.

WCP/Tasman Lake Torrens Gawler Craton Joint Venture

On 22 December 2006, Tasman Resources NL ("Tasman") and WCP Resources Limited ("WCP") negotiated a joint venture on the Lake Torrens IOCG project immediately north of the Olympic Dam mine.

The JV agreement enabled WCP to earn a 65% interest in the Lake Torrens project tenements totalling 2,870km² by spending A\$6.5M in exploration over 5 years with a minimum expenditure of A\$750,000 in the first year before it could withdraw; no interest would be earned until WCP had spent at least A\$2.5M which would earn an interest of 25% in the project and thereafter it would earn a further 5% interest for each additional A\$0.5M expenditure.

At the time of the joint venture agreement Tasman had identified a number of targets consisting of iron oxide altered breccia systems, mineralised haematite-magnetite breccias and untested gravity and/or magnetic anomalies. The most interesting targets were considered to be the Titan and Marathon South magnetic and gravity anomalies. Limited follow-up drilling had obtained low grade copper values at depth (eg. at Titan 111m at 0.1% Cu from 604m and 47m at 0.3% Cu from 608M including 5m at 1.1% Cu).

For the purposes of the current valuation BDA has utilised the earn-in expenditure requirement of A\$6.5M to earn a 65% interest in the Lake Torrens project.

JV Acquisition Parameters

- Joint Venture date - 22 December 2006
- Expenditure Requirement - A\$6.5M to earn 65%
- Implied requirement for 100% - A\$10.0M
- Area - 2,870km²
- Yardstick - A\$3,484/km²
- Normalising factor - 1.55 (Table 9.1)
- Adjusted yardstick for effective date of July 2024 - A\$5,001/km²

Based on the above the Joint Venture Terms the implied valuation of the Yorke Peninsula exploration tenure of 1,976km² is A\$9.88M.

Terramin/JOGMEC South Gawler Ranges JV

On 15 March 2022, Terramin Australia Limited ("Terramin") signed an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") giving JOGMEC the right to earn a 70% interest by spending A\$7.5M over 6 years on the South Gawler Range Project ("SGRP"). The SGRP consisted of exploration licences totalling 4,524km², located 100km west of Port Augusta and 185km southwest of the Carrapeteena copper-gold mine.

At the time of the JV the SGRP was described as a highly prospective multi-commodity asset with the potential to host significant iron oxide-copper-gold mineralisation as well as a variety of other mineral deposit types. The project includes the Menninnie Dam and Viper deposits consisting of 7.7Mt at 5.7% Zn+Pb and 27g/t Ag (JORC 2004). Haematite-rich breccias, comparable to those at Olympic Dam, crop out at several localities and have not been drill tested.

The terms of the SGRP JV consisted of three JOGMEC earn-in stages:

Stage 1 - JOGMEC to earn a 30% interest for an expenditure of A\$1.5M by 31 March 2024, including a minimum expenditure of A\$0.5M by 31 March 2023.

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Stage 2 - an option for JOGMEC to acquire a further 21% interest by sole funding an additional A\$2.0M up to 31 March 2026.

Stage 3 - an option for JOGMEC to acquire a further 19% interest by sole funding an additional A\$4.0M up to 31 March 2028.

The terms included a minimum expenditure of A\$500,000 in Stage 1. In addition, at the completion of the earn-in JOGMEC was entitled to purchase an additional 6% interest for A\$3.0M, granting Terramin a 0.5% NSR royalty.

BDA has used the full earn-in parameters (including the option to purchase the additional 6% interest for the purposes of this valuation.

JV Acquisition Parameters

- Joint Venture date - 15 March 2022
- Expenditure Requirement - A\$10.5M to earn 76%
- Implied requirement for 100% - A\$13.8M
- Area - 4,524km²
- Yardstick - A\$3,050/km²
- Normalising factor - 0.98 (Table 9.1)
- Adjusted yardstick for effective date of July 2024 - A\$2,889/km²

Based on the above the Joint Venture Terms, the implied valuation of the Yorke Peninsula exploration tenure of 1,976km² is A\$5.71M.

Encounter/South 32 JV on the Jessica Copper Project

On 23 June 2022, South 32 Limited (“South 32”) entered into a JV with Encounter Resources Limited (“Encounter”) on two Northern Territory projects (Jessica and Carrara). For the purposes of this report, BDA has utilised the JV terms applicable to the Jessica project, located east of Tennant Creek, as this is a copper-focussed exploration project.

The Jessica project tenements, covering an area of some 6,300km², are located along the Brunette Downs Rift Corridor along the flanks of the East Tennant Creek gravity ridge and at the intersection with a major NNW structural corridor. The project area is considered prospective for both sediment hosted copper deposits and IOCG-style deposits but has only been subject to very limited prior early exploration (assessment of drill chips from water bores using hand-held XRF equipment).

The key terms of the JV include South 32 having the right to earn a 60% interest by sole funding A\$15M within 10 years. During this period South 32 can earn an additional 15% interest by completing a scoping study.

JV Acquisition Parameters

- Joint Venture date - 23 June 2022
- Expenditure Requirement - A\$15M within 10 years to earn 60%
- Implied requirement for 100% - A\$25.0M
- Area - 6,300km²
- Yardstick - A\$3,968/km²
- Normalising factor - 1.17 (Table 9.1)
- Adjusted yardstick for effective date of 30 June 2024 - A\$4,643/km²

Based on the above the Joint Venture Terms, the implied valuation of the Yorke Peninsula exploration tenure of 1,976km² is A\$9.17M.

Alkane Purchase of Two NSW Projects from Sandfire

On 9 March 2023 Alkane Resources Limited (“Alkane”) agreed to a share-based purchase of 100% of two projects (Comobella North and Southern Junee Porphyry) from Sandfire Resources Limited (“Sandfire”) for A\$1.9M in Alkane shares. Both projects are considered prospective for copper-gold porphyry deposits.

The Comobella North project, totalling 64km² is adjacent to and north of Alkane’s North Molong porphyry project and covers the same volcanics and intrusives that host Alkanes Boda and Kaiser deposits.

The Southern Junee Porphyry project consists of a group of tenements totalling 235km² covering the southern extension of the Junee-Narromine Volcanic Belt of the Macquarie Arc which consists of buried intrusive complexes in a similar setting to the North Parkes copper-gold mine.

Acquisition Parameters

- Purchase date - 9 March 2023
- Percentage acquired - 100%
- Purchase amount A\$1.9M (2,781,438 Alkane shares)
- Area - 299km²
- Yardstick - A\$6,355/km²
- Normalising factor - 1.09 (Table 9.1)
- Adjusted yardstick for effective date of July 2024 - A\$6,926/km²

Based on the above the purchase terms, the implied valuation of the Yorke Peninsula exploration tenure of 1,976km² is A\$13.7M.

Lachlan Purchase of NSW Projects from DevEx

On 3 August 2023, Lachlan Star limited (“Lachlan”) agreed to a share sale agreement with DevEx Resources Limited (“DevEx”) to acquire 100% of three projects (June, North Cobar and Basin) covering 1,656km² in NSW for A\$7.5M in Lachlan shares and a 2% NSR royalty.

The June and Basin projects are situated on the southern extension of the Macquarie Arc a recognised porphyry copper-gold terrane and exploration by DevEx and prior explorers have identified several copper-gold targets within the project tenements.

The North Cobar project lies on the northern extension of the Rookery and Endeavor fault systems which host several significant base metal and gold mines.

Acquisition Parameters

- Purchase date - 3 August 2023
- Percentage acquired - 100%
- Purchase amount A\$7.5M (756,727,200 Lachlan shares) plus a 2% NSR royalty
- Area - 1,653km²
- Yardstick - A\$4,537/km²
- Normalising factor - 1.13 (Table 9.1)
- Adjusted yardstick for effective date of July 2024 - A\$5,127/km²

Based on the above purchase terms, the implied valuation of the Yorke Peninsula exploration tenure of 1,976km² is A\$10.1M.

Summary of Yorke Peninsula Comparable Transaction Valuations

The above transaction Yardstick valuations are summarised in Table 9.3. BDA considers the average of A\$9.3M provides a reasonable guide to a Comparable Transaction valuation, with a ±A\$7.4-11.2M.

Table 9.3

Summary of Comparable Exploration Property Transactions

Transaction	Date	Area (km ²)	Yardstick A\$/km ²	Adjusted Yardstick A\$/km ²	Implied Value A\$M
Teck Cominco/Avoca Moonta South JV	19/10/2004	3,574	1,049	3,577	7.1
WCP/Tasman Lake Torrens JV	22/12/2006	2,870	3,484	5,001	9.9
Terramin/JOGMEC South Gawler JV	12/03/2022	4,524	3,050	2,889	5.7
Encounter/South 32 Jessica JV	23/06/2022	6,300	3,968	4,643	9.2
Alkane purchase NSW projects	09/03/2023	299	6,355	6,926	13.7
Lachlan purchase NSW projects	03/08/2023	1,653	4,537	5,127	10.1
Average Value					9.3

Note: Implied Values (A\$M) are calculated by multiplying the adjusted yardstick (adjusted for changes in copper price) by Rex's Yorke Peninsula Exploration Licence tenure of 1,976km²

9.5.4 Overall Summary Yorke Peninsula Exploration Valuation

Table 9.4 shows three estimates of value of the Rex Yorke Peninsula exploration tenements. BDA considers the historical acquisition cost which pre-dates the discovery of the Hillside deposit is not relevant to current valuations, which would recognise the proximity of these tenements to the Hillside deposit and the comparable geology; the historical acquisition cost is therefore not used in the valuation.

Exploration expenditure post-acquisition is considered relevant and has undoubtedly added to the tenement value; the Comparable Transaction data is also considered relevant.

Table 9.4
Summary of Valuation of Yorke Peninsula ELs

Methodology	Valuation (A\$M)			Comments
	Low	Most Likely	High	
Acquisition Cost 2007	1.6	1.6	1.6	Outdated and not considered relevant; not used
Exploration Expenditure x PEM	15.8	19.8	23.8	Exploration expenditure x PEM 1.5; range ±20%
Comparable Transaction	7.4	9.3	11.2	Average of six transactions on Cu exploration targets
Preferred Value Range	11.6	14.6	17.5	Average based on Expl. Expend. + Comp. Trans.

Note: Preferred Value based on average of Exploration Expenditure and Comparable Transactions; Low and High ranges based on ±20% of Most Likely values

The valuation based on a multiple of exploration expenditure is significantly higher than that based on Comparable Transactions. BDA has decided to give equal weighting to both estimates and to use a simple average as the preferred value of the Yorke Peninsula exploration ground.

Given the overall value of Rex's assets implied by the current transaction³, BDA considers that around 5% of that amount (as estimated and summarised in Table 9.4) is not an unreasonable estimate of the value that might be ascribed by a willing buyer to the exploration tenements surrounding Hillside and that a willing and knowledgeable buyer would ascribe some value to a reasonable buffer of exploration ground to supplement the long-term potential of the project.

9.6 Valuation of Hog Ranch Property Exploration Potential

The Hog Ranch property comprises a total of 1,737 mining claims covering a total area of approximately 14,400ha (148km²) in Washoe County in northwest Nevada, 230km north of Reno. Rex purchased a 100% interest in the property in August 2019, via its purchase of US Company Hog Ranch Minerals Inc. (HRMI) which it holds through its wholly owned subsidiary Hog Ranch Group.

The mining claims are located on public land managed by the Bureau of Land Management (BLM). As such, underlying title to the property is held by the US government. However, unpatented mining claims are considered as property and can be bought and sold, and thereby represent value. Of the total 1,737 mineral claims held by Rex, 1,159 claims (9,536ha) are considered prospective for gold, and the remainder for lithium.

The original purchase comprised 1,035 claims over a historic gold mining area and Rex has since expanded its title to 1,737 claims. Of the original purchase, 247 claims are held in the name of Platoro West Inc. (Platoro). The purchase agreement incorporates a specified Area of Interest (AOI) covering 712 claims including the Platoro claims and other areas both inside and outside of the current claim boundaries. These claims are subject to a royalty agreement (the Agreement) with Platoro and Nevada Select Royalty Inc. The Agreement gives full operational control to HRMI, with various minimum expenditure and activity commitments to maintain the claims in good standing. The Agreement provides a purchase option which can be exercised at any time by payment of US\$2M, giving 100% ownership without payment of further royalties other than the Production Royalty (see Section 8). Rex advises that it exercised its option to buy out the Advanced Mineral Royalty for US\$2M in 2019.

As at the current date, Rex confirms that all claims are in good standing, all fees paid and up to date and all minimum expenditure commitments satisfied.

9.6.1 Acquisition Cost

Rex has advised that its initial 2019 acquisition cost was A\$1.6M based on the value of the Rex shares issued under the transaction agreement. Rex subsequently exercised its purchase option of US\$2M (A\$2.9M) to buy out the Advanced Mineral Royalty, so it may reasonably be concluded that Rex has paid A\$4.5M for its current position and holding in the Hog Ranch property.

While this price is clearly indicative of the assessed value of the project at the time, Rex has undertaken substantial drilling and other expenditure on the project since the date of purchase and has significantly increased the Mineral Resources to 2.2Moz of contained gold. Rex has also identified potential lithium clay mineralisation and has significantly increased the area of the project by staking additional claims to cover the potential area of caldera lithium mineralisation.

³ Rex Minerals - Scheme Implementation Deed – ASX announcement 8 July 2024, implied fully diluted equity value of A\$393M.

BDA therefore considers that the A\$4.5M figure represents a minimum base case for the valuation but is not indicative of the current value of the project.

9.6.2 Exploration Expenditure

Rex advises that its expenditure to date on the project has totalled A\$9.6M. This expenditure relates largely to the drilling programmes to increase the gold Mineral Resources, the resource estimation work and preliminary feasibility studies on the potential redevelopment of mining operations at Krista and Bells prospects. Given the delineation of a significant Mineral Resource, BDA considers that a PEM of 3 is appropriate, which would translate to a valuation based on exploration expenditure of approximately A\$29M. Allowing for a $\pm 20\%$ range BDA considers that the exploration expenditure indicates a value range of A\$23-35M with a preferred value of A\$29M. BDA also recognises that substantial work was undertaken by previous owners which also contributed to the resource data base and current value.

9.6.3 Comparable Transactions

BDA has considered whether there have been any comparable transactions in the area which may provide a useful guide to the market value of the Hog Ranch property, based on a \$/ha yardstick. For the purposes of this valuation BDA has used an area of 9,536ha as being the relevant area for the gold component of the project and 4,833ha for the lithium component (see Section 8.1).

Normalising Factors

BDA has applied a normalising factor (NF) to the value implied by the transaction based on the relative price of the commodity at the time of the transaction and the current valuation date; the NF = gold price on the effective valuation date divided by the gold price on the comparable transaction date.

BDA has utilised the gold futures historical data available on the Investing.com website (<https://au.investing.com/commodities/gold-historical-data>) as the basis for the normalising factors.

Table 9.5
Prices used for Gold Normalising Factors

Date	Gold Price (US\$/oz)	Normalising Factor	Comment
<i>Effective Valuation Date July 2024</i>	<i>2,339</i>		<i>Date of announcement of transaction</i>
6 March 2017	1,226	1.91	Radius Gold purchase of Bald Peak
22 September 2021	1,779	1.31	Ridgeline Minerals farm-in to the Swift gold project
31 December 2021	1,827	1.28	Element 79 purchase of Maverick Springs
21 October 2022	1,782	1.31	Westward's purchase of the Coyote and Rossi claim blocks
13 July 2023	1,966	1.19	Element 79 sold Long Peak and Stargo projects
20 February 2024	2,040	1.15	Westward's option to acquire the Toiyabe project
26 February 2024	2,039	1.15	Orla Mining purchase of Contact Gold
10 July 2024	2,403	0.97	Provenance Gold purchase of White Rock project

Potentially comparable transactions are discussed below.

Radius Gold

Radius Gold Inc. ("Radius Gold") announced the acquisition of the Bald Peak gold property from Ely Gold and Minerals Inc. and its wholly owned subsidiary Nevada Select Royalty Inc on 6 March 2017. The property consists of 38 unpatented mineral claims (approximately 318ha) in Mineral County, NV and a Mineral Prospecting licence in Mono County, CA. The property overlies a 6km long NE-trending zone of mineralized quartz-chalcedony veins, stockworks and hot spring silica sinters. Terms of the acquisition included payment of US\$35,115 in cash, the granting of a 3% NSR to Nevada Select and an annual advance royalty payment to Nevada Select of US\$25,000. The NSR can be reduced to 1% by paying US\$1M to Nevada Select. Based on a total initial consideration of US\$0.06M (initial payment plus first advance royalty payment) and assuming negligible value for the California licence, this transaction implies a value of US\$189/ha.

Acquisition Parameters

- Purchase date - 6 March 2017
- Percentage acquired - 100%
- Purchase amount US\$60,115 (includes the first-year advanced royalty payment only)
- Area - 318ha
- Yardstick - US\$189/ha

- Normalising factor - 1.91 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$361/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$3.4M.

Ridgeline Minerals Corp.

Ridgeline Minerals Corp. (“Ridgeline”) announced on 22 September 2021 that it had agreed to an earn-in agreement with Nevada Gold Mines (NGM), a JV between Barrick Gold Mines and Newmont Corp., whereby NGM could earn up to a 75% interest in Ridgeline’s Swift gold project. The Swift project is a district-scale (7,500ha) land package located within the Cortez district of the Battle Mountain-Eureka trend in Nevada. The terms of the transaction were:

- reimbursement of prior expenditures of US\$372,763 to Ridgeline
- initial earn-in (60%) by spending a minimum of US\$20M over 5 years
- second earn-in option to earn an additional 10% interest by sole-funding an additional US\$10M in work expenditures prior to 31 December 2029.

Acquisition Parameters

- Purchase date - 22 September 2021
- Percentage acquired - 60%
- JV earn-in amount US\$20.4M (expenditure reimbursement plus initial earn-in)
- Implied amount for 100% - US\$34M
- Area - 7,500ha
- Yardstick - US\$4,533/ha
- Normalising factor - 1.31 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$5940/ha

Based on the above purchase terms, the implied valuation of the Hog Ranch gold exploration tenure of 9,536ha is US\$56.6M.

Element 79 Gold Corporation

On 31 December 2021, Element 79 Gold Corp. (“Element 79”) announced the acquisition of the Maverick Springs project and 14 additional projects comprising the Battle Mountain Portfolio located principally in northern and eastern Nevada, from Clover Nevada LLC. The Maverick Springs property is located approximately 105km southwest of Wells to the east of the southern end of the Carlin Trend, the host of several large-scale gold mines, and had a historical Indicated and Inferred resource of 155Mt at 0.30g/t Au and 34.3g/t Ag. The project claims totaled 2,416 unpatented mineral claims totaling approximately 20,200ha.

The terms of the transaction provided for a cash payment of Canadian dollars (“C\$”) C\$1.5M plus C\$0.5M previously paid; a promissory note for US\$150k due 31 January 2022 and issuance of 5,095,733 shares of Element79 at a deemed value of C\$0.77/share, plus a contingent cash payment of C\$2M upon the earlier of production or 12 months following closing of the Asset Purchase Agreement. A NSR of 7.4% is payable on production.

Total cash payments comprised C\$7.92M + US\$0.15M = US\$6.2M using a C\$/US\$ exchange rate of 0.78 as at 31 December 2021.

Acquisition Parameters

- Purchase date - December 2021
- Percentage acquired - 100%
- Purchase amount US\$6.2M
- Project area – 20,200ha
- Yardstick – US\$307/ha
- Normalising factor - 1.28 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$393/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$3.8M.

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Westward Gold Inc.

Westward Gold Inc. (“Westward”) announced on 21 October 2022 an agreement with Freemont Gold Inc. (“Freemont”) and its Nevada-based subsidiary, Intermont Exploration Corp. to acquire Freemont’s 100% interest in the Coyote and Rossi claim blocks located along the Carlin Trend in Elko County, NV. The claims comprised 111 unpatented mining claims (928ha) located approximately 6km north of Nevada Gold Mines’ (NGM’s) South Arturo Mine and 12km northwest of NGM’s Goldstrike Mine.

The terms of the acquisition were:

- US\$19,647 due upon closing for reimbursement of claim fees paid by Freemont
- 600,000 common shares of Westward released from escrow May 2023, price C\$0.175/share (US\$75,600)
- 400,000 common shares of Westward released from escrow September 2023, price C\$0.105/share (US\$30,240)
- 2.0% NSR on Coyote claims, of which half can be repurchased at any time for US\$2M in cash
- 1% NSR on Rossi claims, of which half can be repurchased at any time for US\$1M in cash, plus an existing 2% NSR held by Nevada Select Royalty Inc.

Acquisition Parameters

- Purchase date - 21 October 2022
- Percentage acquired - 100%
- Purchase amount US\$125,487 (reimbursement of fees plus Westward shares, royalties disregarded)
- Area - 928ha
- Yardstick - US\$135.2/ha
- Normalising factor - 1.31 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$177.1/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$1.7M.

Element 79 Gold Corporation

Element 79 sold two projects (Long Peak and Stargo), to Centra Mining Ltd (“Centra”) on 13 July 2023 for a total consideration of 2,500,000 common shares of Centra at a deemed price of C\$0.40/share, or C\$1.0M (US\$0.758M at the 13 July 2023 exchange rate). The Long Peak project comprised 34 unpatented claims located at the northern end of the Battle Mountain trend near the Copper Canyon Mine in Lander County, NV. The Stargo project comprised 337 unpatented claims located south of the Battle Mountain trend in Nye County. The total area involved is approximately 3,003ha. Both properties are early-stage properties considered prospective for gold mineralisation.

Acquisition Parameters

- Purchase date - 13 July 2023
- Percentage acquired - 100%
- Purchase amount US\$0.758
- Area - 3,003ha
- Yardstick - US\$252/ha
- Normalising factor - 1.19 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$300/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$2.9M.

Westward Gold Inc.

Westward Gold Inc. announced on 20 February 2024 it had exercised its option to acquire 100% of the Toiyabe Project in Lander County, Nevada from Minquest Ltd. The Toiyabe project comprises 248 unpatented mining claims (2,073ha).

The final terms of the purchase were US\$313,500 paid in 3,391,839 shares of Westward at a deemed price of US\$0.0939/share. Minquest retained a 3% NSR on the 248 claims, of which one-half can be purchased by cash payment of US\$2M per 1%.

Total initial consideration was US\$313,500 for 2,073ha = US\$151/ha.

Acquisition Parameters

- Purchase date - 20 February 2024
- Percentage acquired - 100%
- Purchase amount US\$313,493 (royalties disregarded)
- Area - 2,073ha
- Yardstick - US\$151.2/ha
- Normalising factor - 1.15 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$173.9/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$1.7M.

Orla Mining Ltd.

Orla Mining Ltd. (“Orla”) announced on 26 February 2024 an agreement with Contact Gold Corp. (“Contact”) to acquire all the issued and outstanding shares of Contact. Contact’s key asset is its 100% owned Pony Creek property. The Pony Creek property is a 4,500ha exploration land package adjacent to Orla’s South Railroad property in the Carlin Trend, Nevada. The Pony Creek project has identified resources of 433,000oz gold at 0.52g/t. Contact also owns the Green Springs property located at the southern end of the Cortez trend. The Green Springs property is an early-stage exploration project.

Under the terms of the transaction, each Contact share will be exchanged for 0.0063 Orla shares for total consideration of US\$0.03 per Contact share. The total purchase price is approximately US\$8.1M or US\$1,800/ha.

Acquisition Parameters

- Purchase date - 26 February 2024
- Percentage acquired - 100%
- Purchase amount US\$8.1M (in the form of Orla shares)
- Area - 4,500ha
- Yardstick - US\$1,800/ha
- Normalising factor - 1.15 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$2,070/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$19.7M.

Provenance Gold Corp.

On 10 July 2024 Provenance Gold Corp. (“Provenance”) announced it had made US\$125,000 payment of a total purchase cost of US\$250,000 to Gold Royalty Corp. for 100% of the White Rock Gold project in northeastern Nevada. The project is located approximately 105km northeast of Wells, Elko County Nevada and consists of 164 unpatented mineral claims covering 1,327ha. Gold Royalty Corp retained a 2% NSR royalty.

The White Rock project contains an epithermal gold deposit extending over an area of approximately 3.2km by 1.6km. Drilling by Provenance confirmed the results of historical drill holes. Results to date include significant down-hole widths of sediment hosted gold mineralisation suggesting the potential for the discovery of a low-grade open pit resource.

Acquisition Parameters

- Purchase date - 10 July 2024
- Percentage acquired - 100%
- Purchase amount US\$0.25M (excludes the royalty)
- Area - 1,327ha
- Yardstick - US\$188.39/ha
- Normalising factor - 0.97 (Table 9.5)
- Adjusted yardstick for effective date of July 2024 - US\$182.7/ha

Based on the above purchase terms, the implied value of the Hog Ranch gold exploration tenure of 9,536ha is US\$1.7M.

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Summary - Comparable Transactions

A summary of the comparable transaction \$/ha yardsticks applied to the Hog Ranch gold claim area of 9,536ha is shown in Table 9.6. The transactions demonstrate a wide range of values; BDA has considered rejecting the high (and low) outliers, which gives a value more in line with Rex's initial Hog Ranch purchase, but BDA considers that including all the transactions provides a value which better reflects the value of properties with material resources.

Table 9.6
Summary of Comparable Gold Project Transactions

Transaction	Date	Area (ha)	Yardstick US\$/ha	Adjusted Yardstick US\$/ha	Implied Value	
					US\$M	AS\$M
Radius Gold - Bald Peak	06/03/2017	318	189	361	3.4	4.9
Ridgeline Minerals - Swift	22/09/2021	7,500	4,527	5,930	56.6	80.9
Element 79 - Maverick Springs/Others	31/12/2021	20,200	307	393	3.8	5.4
Westward Gold - Coyote and Rossi	21/10/2022	928	135	177	1.7	2.4
Element 79 - Long Peak/Stargo	13/7/2023	3,003	252	300	2.9	4.1
Westward Gold - Toiyabe	20/02/2024	2,073	151	174	1.7	2.4
Orla Mining - Pony Creek	26/02/2024	4,500	1,800	2,070	19.7	28.1
Provenance Gold - White Rock	10/06/2024	1,327	188	183	1.7	2.4
Average Value				1,199	11.4	16.3

Notes: Exchange rate used A\$/US\$ = 0.7; Implied Values are calculated by multiplying the adjusted yardstick (adjusted for changes in gold price) by Rex's Hog Ranch gold exploration tenure of 9,536ha.

The area of the Hog Ranch property considered to have potential for gold mineralisation comprises 1,159 claims or approximately 9,536ha. Applying the average comparable transaction \$/ha factor of US\$1,199/ha to this area yields a potential value of US\$11.4M or A\$16.3M, within a ±20% range of A\$13.0-19.6M.

9.6.4 Additional Value - Lithium Exploration Potential

Following identification of lithium values within lacustrine clays within the Cottonwood Creek Caldera, Rex added lithium to its list of target commodities at Hog Ranch and pegged an additional 437 claims (3,653ha) to extend the coverage over the Caldera prospect. In total, Rex now considers that it holds 578 claims (approximately 4,833ha) with potential for lithium mineralisation.

Lithium deposits of potential economic significance in similar geological environments have been discovered to the northeast of Hog Ranch in the Thacker Pass and McDermitt deposits, and project development is underway at Thacker Pass.

BDA has considered whether this recent discovery of lithium in clay within the Hog Ranch Caldera prospect has materially added to the value of the Hog Ranch property. BDA has considered a number of transactions relating to lithium clay deposits in the Nevada area to determine whether any of these provide a guide to the potential Hog Ranch lithium value based on comparable transactions. BDA notes that to date only two drill holes have intersected significant lithium values, and these intersections are relatively low grade and under considerable cover material.

Normalising Factors

BDA has applied a normalising factor (NF) to the value implied by the transaction based on the relative price of the commodity at the time of the transaction compared to the 90-day average leading up to the July 2024 effective valuation date.

BDA has utilised the lithium carbonate prices as reported on Investing.com (www.investing.com/commodities/lithium-carbonate-99-min-china-futures-historical-data) with prices shown in Chinese Yuan ("CNY").

Table 9.7
Prices used for Li Normalising Factors

Date of Transaction	LCE Price CNY/t	LCE Price US\$/t	NF	Comment
<i>Valuation Date July 2024</i>	<i>87,500</i>	<i>11,983</i>		<i>Date of announcement of transaction</i>
10 July 2022	455,500	17,806	0.19	American Battery Technology purchase option Little Smokey Valley
5 August 2022	458,500	67,841	0.19	Clear Sky option to acquire 100% of Halo Lithium LLC
11 August 2022	458,500	67,841	0.19	Morella option to acquire 60% North Big Smokey
27 September 2022	494,500	69,026	0.18	Pan American option to acquire lode claims in Esmeralda County
10 January 2023	452,500	66,653	0.19	Tearlach Resources option to acquire 70% Tonapah North/Gabriel proj.

Note: prices for battery grade lithium carbonate on the dates shown, as reported on www.investing.com/commodities/lithium-carbonate-99-min-china-futures-historical-data with prices shown in Chinese Yuan ("CNY"); the Normalising Factor (NF) has been calculated using the CNY/t figures; the US\$/t figures are as of the exchange rate at the transaction date and are provided for reference purposes only

Potentially comparable transactions are listed below.

American Battery Technology Company

American Battery Technology Company ("ABTC") entered an option agreement on 1 September 2021 to undertake exploration on 305 unpatented lode mining claims (2,469ha) held by 1317038 Nevada Ltd. in the Little Smokey Valley near Tonopah, Nevada. The claim area was known to be adjacent to lithium claystone mineralisation reported by others. The price of the option was US\$150,000. The option provided for a purchase price of US\$8M to complete the overall transaction and own 100% of the project claims, which was exercised on 10 July 2022. ABTC has subsequently identified significant high grade lithium claystone mineralisation on the property and has pegged additional claims in the area.

Acquisition Parameters

- Option date - 10 July 2022 (option exercise date)
- Percentage acquired - 100%
- Purchase amount - US\$8.15M (includes initial option payment)
- Area - 2,468.64ha
- Yardstick - US\$3,301/ha
- Normalising factor - 0.19 (Table 9.7)
- Adjusted yardstick for effective date of July 2024 - US\$627/ha

Based on the above purchase terms, the implied value of the Hog Ranch lithium exploration tenure of 4,833ha is US\$3.0M.

Clear Sky Lithium Corp.

Clear Sky Lithium Corp ("Clear Sky") announced an option agreement with Halo Lithium LLC on 5 August 2022 to acquire the Halo project, located in Esmeralda and Nye Counties in Nevada and consisting of 98 mineral claims (793ha) prospective for claystone hosted lithium mineralisation. The property is located immediately adjacent to known claystone mineralisation claims held by others. The terms of the option agreement specified the following:

- initial payment of US\$250k in cash and issuance of 1,865,269 shares of CSLC
- on 1st anniversary of agreement: cash payment of US\$200k and issuance of 1,250,000 shares of CSLC
- on 2nd anniversary of agreement: cash payment of US\$200k and issuance of 500,000 shares of CSLC

The shares were to be valued at the 20-day weighted average price (WAVP) at the time of the transaction; CSLC shares traded in the range of C\$0.45-0.96 and closed at C\$0.57/share at the end of August. Based on this range, C\$0.57/share has been used to value the shares. The US\$/C\$ exchange rate for August 2022 was 1.2922 C\$/US\$.

Acquisition Parameters

- Option date - 5 August 2022
- Percentage acquired - 100%
- Purchase amount US\$2.24M (includes all shares up to and including 2nd anniversary plus initial option payment)
- Area - 793ha
- Yardstick - US\$2,825/ha

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- Normalising factor - 0.19 (Table 9.7)
- Adjusted yardstick for effective date of July 2024 - US\$537/ha

Based on the above purchase terms, the implied value of the Hog Ranch lithium exploration tenure of 4,833ha is US\$2.6M.

Morella Corporation

On 11 August 2022, Morella Corporation Limited (“Morella”) announced signing an Earn-in Option Agreement for a 60% interest in Lithium Corporation’s (“Lithium Corp”) North Big Smokey (“NBS”) project. The NBS project is located in Nye County, Nevada and is located approximately 110km north of Tonapah. The area is known to host lithium claystone mineralisation. The project consists of 178 claims (1,376ha). The terms of the Earn-In Agreement specified the following:

- Morella to pay US\$65,000 within 5 days of signing (paid 22 May 2022)
- option to earn a 60% interest in the NBS project over 4 years by spending no less than US\$1M in aggregate
- issue US\$100,000 in Morella shares within 60 days
- issue US\$100,000 in Morella shares on 1st anniversary date of Earn-in Agreement
- issue US\$100,000 in Morella shares on 2nd anniversary date of Earn-in Agreement
- issue US\$100,000 in Morella shares on 3rd anniversary date of Earn-in Agreement
- issue US\$100,000 in Morella shares on 4th anniversary date of Earn-in Agreement
- option to acquire an additional 20% in the project within 1 year of completion of Earn-in Agreement for US\$750,000
- option to acquire remaining 20% interest in the project within two years of completion of Earn-in Agreement for US\$750,000
- 2.5% NSR due Lithium Corp if 100% interest acquired by Morella, subject to a 50% buy down by paying US\$1M to Lithium Corp.

Acquisition Parameters

- Option date - 11 August 2022
- Percentage acquired - 60%
- Purchase amount - US\$0.565M (includes all shares to and including 4th anniversary plus initial option payment)
- Implied amount for 100% - US\$0.94M
- Area - 1,376ha
- Yardstick - US\$685/ha
- Normalising factor - 0.19 (Table 9.7)
- Adjusted yardstick for effective date of July 2024 – US\$130/ha

Based on the above purchase terms, the implied value of the Hog Ranch lithium exploration tenure of 4,833ha is US\$0.6M.

Pan American Energy Corporation

Pan American Energy Corporation (“Pan American”) entered into a property option agreement on 27 September 2022 with Horizon Lithium LLC and FMS Lithium Corporation for rights to acquire a 100% interest in 839 unpatented lode claims (7,015ha) in Esmeralda County, Nevada. The property is located near Tonapah, Nevada. At the time of the transaction, no work had been conducted on the property, however, the property is immediately adjacent to known claystone hosted lithium mineralisation on claims held by American Battery Technology Company.

The terms of the transaction specified the following:

- initial cash payment of US\$250k and issuance of common shares of Pan American valued at US\$2M
- on 1st anniversary receipt of drill permits, cash payment US\$250k and issuance of common shares of Pan American valued at US\$3M
- on 2nd anniversary of receipt of drill permits cash payment of US\$500k and issuance of common shares of Pan American valued at US\$4M

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- if, within 5 years of the effective date (27 September 2022) Pan American completes 10 drill holes totaling at least 400m and for which the average grade of cumulative drill core is at least 750ppm, Pan American to issue US\$1.250M in shares
- if Pan American publicly discloses a NI 43-101 Inferred Mineral Resource exceeding 2Mt LCE within the 5-year period, issuance of US\$3.75M in shares of Pan American.

On 15 November 2023, Pan American publicly disclosed a NI 43-101 technical report detailing Indicated and Inferred Mineral Resources of 10.2Mt LCE grading an average of 678ppm Li based on a 300ppm Li resource cut-off.

Acquisition Parameters

- Purchase date - 27 September 2022
- Percentage acquired - 100%
- Purchase amount US\$10.0M (up to and including 2nd anniversary)
- Area - 7,015ha
- Yardstick - US\$1,426/ha
- Normalising factor - 0.18 (Table 9.7)
- Adjusted yardstick for effective date of July 2024 – US\$257/ha

Based on the above purchase terms, the implied value of the Hog Ranch lithium exploration tenure of 4,833ha is US\$1.2M.

Tearlach Resources Corp.

Tearlach Resources (“Tearlach”) announced an agreement on 10 January 2023 to acquire up to a 70% interest in unpatented mining claims comprising 1,636ha over the Tonopah North/Gabriel lithium project held by Blackrock Gold Corp, a wholly owned subsidiary of Black Rock Silver. The terms of the option agreement provided for Tearlach to earn a 51% interest (First Option) in the claims by spending an aggregate of US\$5M in exploration and development, consisting of at least US\$500k on or before January 2024 and at least US\$4.5M on or before January 2026. As a condition of the First Option Tearlach was required to pay US\$100k in cash on or before 30 April 2024, failing which Black Rock had the right to terminate the agreement.

Tearlach could earn an additional 19% interest (Second Option) to hold 70% of the project by spending an additional US\$10M in exploration and development and issuing a NI43-101 compliant bankable feasibility study by January 2028.

Lithium values up to 1,217ppm Li over 1.5m were reported on the property prior to exploration by Tearlach. The reported average thickness of the lithium bearing zone was 28m, with lithium occurring within 8m of surface and intersected at depths of up to 117m below surface. The lithium mineralisation was reported to be similar to the adjacent TLC lithium deposit owned by American Lithium Corp.

Tearlach spent over US\$1M on exploration, drilling 11 core holes and expanded the resource area by additional claim staking within the overall area of interest. Drill intercepts encountered lithium mineralisation in multiple lithium horizons with significant thicknesses averaging 50m in the Upper Zone and 8m in a Lower Zone. Overburden averaged approximately 10m, with a range from 3-20m. Lithium values ranged from 495ppm to a maximum of 1,460ppm Li, with only two holes reporting less than 600ppm Li.

Acquisition Parameters

- Purchase date - 10 January 2023
- Option to acquire - 51%
- Purchase amount US\$5.10M (only option payment plus first stage exploration commitment)
- Implied amount for 100% - US\$10.0M
- Area - 1,636ha
- Yardstick - US\$6,112/ha
- Normalising factor - 0.19 (Table 9.7)
- Adjusted yardstick for effective date of July 2024 - US\$1,161/ha

Based on the above purchase terms, the implied valuation of the Hog Ranch lithium exploration tenure of 4,833ha is US\$5.6M.

Tearlach opted not to exercise the option and did not pay the US\$100K payment due in April 2024 and the option was terminated by Black Rock. Given that the transaction did not proceed BDA has not used this transaction in its valuation estimate.

Summary – Hog Ranch Lithium Potential Comparable Transactions

Table 9.8 summarises the comparable transactions reviewed for the valuation of the Hog Ranch lithium potential.

Table 9.8
Summary of Comparable Lithium Transactions

Transaction	Date	Area (ha)	Yardstick US\$/ha	Adjusted Yardstick US\$/ha	Implied Value	
					US\$M	A\$M
American Battery - Little Smokey Valley	10/07/2022	2,469	3,031	627	3.0	4.3
Clear Sky - Halo	05/08/2022	793	2,825	537	2.6	3.7
Morella - North Big Smokey	11/08/2022	1,376	685	130	0.6	0.9
Pan American - Esmeralda	27/09/2022	7,015	1,426	257	1.2	1.7
Average Value				388	1.9	2.7

Notes: Exchange rate used A\$/US\$ = 0.7; Implied Values are calculated by multiplying the adjusted yardstick (adjusted for changes in LCE price) by Rex's Hog Ranch lithium exploration tenure of 4,833ha; Tearlach-Tonapah North/Gabriel transaction not used as it did not proceed

Lithium mineralisation within the overall Caldera prospect area held by Rex is contained in illite and smectite type clays within Caldera lacustrine sediments. The available data indicates the highest-grade intercepts are thin and are located at depth, compared to similar projects in Nevada and Arizona; and that the overall average grade is low. Compared to other lithium clay prospects in the region stripping ratios will be high (>10:1).

The comparable transactions noted in Table 9.8 were all completed during a period of relatively high lithium prices. It is noted that lithium prices have declined significantly in 2024 and are projected to remain relatively low and below 2022 consensus prices for several years.

No metallurgical test work has been undertaken on the mineralised material. However, it would be expected that processes similar to other projects in the area could be employed. Such processes include acid leaching of the clay followed by leach purification and crystallization of lithium salts or alkaline roast-leach with leach purification and subsequent crystallization of lithium salts. No such projects are in commercial operation, however, two projects, Lithium Americas' Thacker Pass project and Ioneer's Rhyolite Ridge project, are in construction or at an advanced stage of development. These projects have significant resources and reserves with high grades (>2,500 ppm Li) but also with high estimated capital and operating costs.

In BDA's opinion, the low average grade, depth and thinly bedded nature of the Hog Ranch lithium mineralisation, limited exploration data, and the current to medium term outlook for lithium prices are negative factors affecting the value of the Hog Ranch lithium potential.

The area of the expanded Hog Ranch property considered to have potential for Li mineralisation comprises 578 claims or 4,833ha. Applying the average comparable transaction \$/ha factor of US\$388/ha to this area yields a potential value of US\$1.9M or A\$2.7M, within a range of A\$2.2-3.2M.

9.6.5 Resource Ounce Yardstick

Rex has announced an upgraded Indicated and Inferred Mineral Resource estimate for Hog Ranch of 165Mt at 0.43g/t Au containing approximately 2.26Moz of gold. Valuations of gold resources commonly adopt a yardstick approach, applying a \$/oz value to the contained ounces in the resource. This yardstick value can vary depending on the 'quality' of the ounces which can relate to resource/reserve category, grade, mineability, location and other factors. Generally, a high-grade deposit would be valued more highly than a lower grade deposit, a low stripping ratio would imply a higher value than a deposit with a high stripping ratio, and the factor would be downgraded if the deposit was in an unfavourable mining location or could be impacted by environmental and approval factors. Clearly the prevailing gold price and gold price projections are also major factors in influencing the yardstick factor.

The gold resource at Hog Ranch is relatively low grade, but is amenable to low-cost heap leaching, the stripping ratio is reasonable, and the deposits are located in a favourable mining jurisdiction. BDA has reviewed a range of gold valuations pertaining to low grade open pit deposits and has concluded that a yardstick of US\$20 per resource ounce is a reasonable yardstick to adopt. Based on this factor the Hog Ranch project would be valued at around US\$45M or A\$65M with a range of A\$52-78M.

9.6.6 Recent Broker Valuations

BDA considers it important to consider any other valuations that have been undertaken on the properties being assessed. BDA has enquired of Rex whether any other valuations have been carried out on the Rex properties and Rex has advised that the only other recent valuations undertaken relate to Broker valuations. BDA has reviewed all recent Broker valuation reports; these largely relate to valuation of the Hillside project. The Brokers have generally not considered any additional exploration value for the Yorke Peninsula ELs, but several have estimated a value for the Hog Ranch property, as shown in Table 9.9, with a range of A\$30-57M and an average of A\$43M.

Table 9.9
Brokers Valuations - Hog Ranch Property

Broker	Report Date	Broker Valuations - (100% Basis)
Acova Capital	June 2024	A\$57M
Shaw and Partners	June 2024	A\$40M
MST Access	June 2024	A\$46M
Euroz Hartleys	May 2024	A\$30M
Average		A\$43M

Note – most Brokers have not provided any detail of their Hog Ranch valuation

9.7 Summary - Hog Ranch Property Valuation

BDA has considered a number of different guides to value the Hog Ranch property. These have included acquisition cost, exploration expenditure, comparable transactions and other valuations. BDA considers that the original acquisition cost of A\$1.6M does not provide a useful guide to current value as there has been substantial exploration expenditure in the meantime and a significant increase in Mineral Resources. In terms of comparable transactions, BDA has considered transactions related to gold mineralisation potential and lithium potential; exploration for lithium at Hog Ranch is at an early stage and the intersections to date are low grade and at depth; BDA has combined the gold and lithium comparable transaction valuations to obtain an overall valuation for the Hog Ranch exploration potential, but notes that the additional value relating to lithium potential at this early stage is considered limited.

Table 9.10
Valuation Summary – Hog Ranch Property

Methodology	Valuation (A\$M)			Comments
	Low	Most Likely	High	
Multiple of Exploration Expenditure	23	29	35	Expenditure x PEM of 3.0
<i>Comparable Transactions – Gold Potential</i>	<i>13</i>	<i>16</i>	<i>20</i>	<i>Average of 8 comparable transactions based on \$/ha</i>
<i>Comparable Transactions – Lithium Potential</i>	<i>2.2</i>	<i>2.7</i>	<i>3.2</i>	<i>Average of 4 comparable transactions based on area and contained gold ounces in resource</i>
Combined Comparable Transaction Valuation	15	19	23	
Resource Ounce Multiple	52	65	78	2.26Moz; Yardstick of US\$20/oz
Broker Valuations	34	43	52	Average of 4 estimates
Preferred Value/Range	31	39	47	Range based on $\pm 20\%$ of average value

Note: A\$/US\$ conversion of 0.7 applied; Preferred Value based on average of Exploration Expenditure, Combined Comparable Transactions (Au and Li), Resource Ounce Multiples and Broker Valuations; Low and High ranges based on $\pm 20\%$ of Most Likely values

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9.8 Overall Summary Valuation Rex Minerals Properties and Exploration Potential

A summary of BDA's assessment of Rex Minerals' exploration properties potential is shown in Table 9.11.

Table 9.11

Valuation Summary of the Rex Mineral Assets and Exploration Potential (100% Basis)

Property	Valuation (A\$M)			Comments
	Low	Most Likely	High	
Hillside Project Stage 1 and 2				
Stage 1 development and Stage 2 expansion based on existing resources and LOM plan	See IER	See IER	See IER	Assessed by BDO with technical input from BDA
Potential for Stage 3 and Stage 4	10	15	20	BDA has assessed potential additional incremental value beyond the Stage 1 and 2 22 year mine life
Yorke Peninsula exploration potential	12	15	18	Assessed by BDA based on exploration expenditure multiples and comparable transactions
Hog Ranch Exploration Projects in Nevada				
Gold and Lithium Potential	31	39	47	Assessed by BDA based on exploration expenditure multiples, comparable transactions, resource ounce yardsticks and other valuation reports

Note: the estimates above have all been made on a 100% basis.

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10.0 ASSOCIATES/CONSULTANTS - QUALIFICATIONS AND EXPERIENCE

BDA Review Team

BDA has a team of dedicated consultants and a wide range of specialists that it can call upon. In all cases BDA aims to use the best qualified and most experienced consultants for the job. The qualifications and experience of the principals of BDA and the associates who contributed to this review are summarised below.

Mr Hancock and Mr McIntyre (BDA Executive Directors) provided project direction and participated in the technical review, meetings, site visit and reporting. Mr Hancock is a geologist and Mr McIntyre a mining engineer; both have extensive project review, due diligence, and evaluation experience. Mr Faul (BDA General Manager) is a mining engineer with wide operational, technical and banking experience and managed the ITSR review and preparation of the ITSR report.

The BDA ITSR review team comprised the specialist consultants below, primarily covering the disciplines of geology/resources/reserves, metallurgy/processing, engineering/ construction/ implementation/ infrastructure/ capital and environmental/community aspects, including ESG and Social Action Plans.

Mr Malcolm Hancock (BA, MA, FGS, FAusIMM, MIMM, MMICA, CP (Geol), MAIMVA) is a Principal and Executive Director of BDA. He is a geologist with more than 45 years of experience in the areas of resource/reserve estimation, reconciliation, exploration, project feasibility and development, mine geology and mining operations. Before joining BDA, he held executive positions responsible for geological and mining aspects of project acquisitions, feasibility studies, mine development and operations. Mr Hancock has been involved in the feasibility, construction, and commissioning of several mining operations. He has worked on both open pit and underground operations, on gold, copper, base metal, uranium, light metal and industrial mineral projects, and has undertaken the management and direction of many of BDA's independent engineer operations in recent years. Mr Hancock provided project direction, geological review, valuation of the Hillside and Hog Ranch exploration properties, report management and editing and project liaison.

Mr John McIntyre (BE (Min) Hon., FAusIMM, MMICA, CP (Min), MAIMVA) is a Principal and Managing Director of BDA. He is a mining engineer who has been involved in the Australian and international mining industry for more than 45 years, with operational and management experience in copper, lead, zinc, nickel, gold, uranium and coal in open pit and underground operations. He has been involved in numerous mining projects and operations, feasibility studies and technical and operational reviews in Australia, West Africa, New Zealand, North and South America, PNG and Southeast Asia. Mr McIntyre has been a consultant for more than 30 years and has been Managing Director of BDA since 1994, involved in the development of the independent engineering and technical audit role. Mr McIntyre provided project direction and mining, geotechnical and cost input review.

Mr Mark Faul (BE. Min (Hons), MBA, MAppFin, FAusIMM, GAICD, MAIMVA) is General Manager of BDA and is a mining engineer with extensive mining finance and investment experience with more than 35 years in the mining, resources investment banking and private equity investing in Australia, SE Asia, PNG, Africa, Europe and the Americas. His experience includes operations management, project feasibility and development, strategic planning, due diligence, cost assessment, financial modelling, project and corporate finance. Mr Faul is experienced in a range of commodities, including copper, gold, nickel, base metals, platinum group metals, minor metals, diamonds and gemstones, rare earths, uranium, in both surface and underground mining. He has extensive experience in mine management, economic analysis, project evaluation, valuation, risk management, project finance from a financier and investor perspective, and as a company director. Mr Faul was the BDA Project Manager for this assignment, managing all technical aspects of the review, including mining, capital and operating costs, and coordinating report preparation.

Mr Peter Goldner (BSc. (Hon) Geology, FAusIMM, FAIG, CPGeo) is a Senior Associate of BDA with more than 45 years experience in the management, exploration, project evaluation, mine development, mine operations and general management of geological services. He has worked in both surface and underground operations in a range of commodities, including gold and precious metals, copper, lead/zinc, base metals, nickel and uranium. He has extensive experience in resource/reserve estimation, reconciliation procedures and the audit and review of estimates. Mr Goldner has worked in Australia, PNG, USA, the Philippines, Indonesia and Alaska. Mr Goldner reviewed the valuation of the Yorke Peninsular and Hog Ranch exploration properties.

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Mr Don Hains (BA. Chem. (Hons.), MBA, Member CIMM, Registered Professional Geologist Ontario (#0494), MSMME, M Metallurgical Society of AIME, M American Ceramics Society) is a Senior Associate of BDA and is qualified as an industrial minerals exploration and economic geologist with more than 30 years of experience in the development, use and analysis of industrial minerals properties and materials. His experience encompasses most of the industrial minerals and several specialty metals, including lithium, tantalum, antimony, niobium, gallium, germanium and rare earths. Assignments have ranged from valuation reports to feasibility and market studies. He is the author of the *Best Practice Guidelines for Reporting of Lithium Brine Resources and Reserves* and a co-author of the *Best Practice Guidelines for Reporting on Industrial Minerals Resources and Reserves*. Both these guideline documents provide recommended best practice when reporting resources and reserves under NI 43-101. Mr Hains has reviewed the lithium potential and value of the Hog Ranch properties.

Mr Peter Ingham (BSc. (Min), M.Sc., DIC, GDipAppFin (Sec Inst), CEng, FAusIMM, MIMMM, MAIMVA) is General Manager Mining of BDA and is a graduate mining engineer with more than 30 years in the mining industry in Europe, Africa, Australia and Asia. His experience includes operations management, mining contract management, strategic planning, project assessment and acquisition, cost estimation and operational audits and troubleshooting. He is experienced in a range of commodities, including gold, copper, nickel, lithium, base metals and platinum, in both surface and underground mining. He has extensive experience in assessment of mining contracts. Mr Ingham reviewed the mining, geotechnical and production schedule aspects of the project.

Ms Katie Barns (BE. (Hons) Chemical Eng., MBA, MAusIMM, MIEngNZ) is a Senior Associate of BDA with 28 years' experience in the Australian and New Zealand mining industries. She is a metallurgist and chemical engineer and has worked as process superintendent, commissioning metallurgist and technology strategy manager in a number of operations in Australia, New Zealand and Argentina, with experience in gold, nickel, copper, silver, zinc, lead and iron. She has worked as Technical Superintendent at Macraes gold project in NZ, responsible for daily metallurgical operations and R&D including autoclave/pressure oxidation and leaching. She has worked as Technology Manager with Xstrata/Glencore responsible for development and implementation of mineral processing technologies and is a principal consultant with Mineralis Pty Ltd. Ms Barns has reviewed the metallurgical testwork, process plant design, flow sheet, recovery forecasts, plant throughput and capital and operating cost forecasts.

Mr Andrew Woolaston (BE (Civil)) is a Senior Associate of BDA with 40 years' experience in mining, processing and infrastructure sectors within Australia and overseas, including PNG, Malaysia, China and Philippines. He has worked in project and operations roles on several major gold/copper projects including Ok Tedi, Boddington, Lake Cowal, Syama (Mali) and was the project manager for a further five gold mines in the Philippines. His principal fields of expertise include study management, project management, estimating, cost control, schedule and construction management.

Ms Belinda Bastow (BSc(Hon) Enviro, PostGradDip (IA), MEnvir. Law) is an Associate of BDA with more than 25 years' experience in environmental science and law, including the fields of impact assessment, environmental management, mine closure, environmental law, sustainability, cultural heritage, and regulatory consultancy services. Ms Bastow has worked as an environmental professional on mine sites across Western Australia and has provided operational support to mines in Africa and South America. She has worked with BDA on mining projects in South Australia and has reviewed the environment, ESG, tenure, approvals and social aspects.

Ms Alice Hopson (BSc (Hon) Marine Biology, Zoology) is an Associate of BDA with 18 years' experience in the resources sector environmental field, including corporate management, approvals, on-site environmental management, mine site rehabilitation and closure, sustainability, cultural heritage, and deep-sea tailings management and ESG performance. Ms Hopson has also worked as an environmental and sustainability professional in the fishing and aviation industries, on various mine sites across Western Australia, Papua New Guinea and the Solomon Islands and has provided consultancy services and completed environmental due diligence on mines in Africa and South America. She has worked with BDA on mining projects in South Australia and has reviewed the environment, ESG, tenure, approvals and social aspects.

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11.0 STATEMENT OF INDEPENDENCE

Neither the Principals nor Associates of BDA have any material interest or entitlement in the securities or assets of Rex Minerals, or any associated companies. BDA will be paid a fee of approximately A\$175,000 for this report comprising its normal professional rates and reimbursable expenses. The fee is not contingent on the conclusions of this report.

12.0 LIMITATIONS AND CONSENT

BDA consents to making this report available to the Directors of Rex and BDO on the understanding that all parties are aware of and understand the scope of BDA's engagement as set out in the Scope of Work. Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document or used for any other purpose without written consent from BDA as to the form and context in which it appears.

This report does not constitute a technical or legal audit. The assessment in this report has been based on data, reports and other information made available to BDA by Rex and referred to in this report. Rex has advised BDA that all relevant documentation relating to the projects has been provided, that the information is complete as to material details and is not misleading.

BDA has reviewed the data, reports and information provided and has used consultants with appropriate experience and expertise relevant to the various aspects of the projects. The opinions stated herein are given in good faith. BDA considers that the basic assumptions are factual and correct, and the interpretations are reasonable. This BDA report contains forecasts and projections based on information provided by Rex. BDA's assessment of the mine plans, projected production schedules and capital and operating costs are based on technical reviews of project data and a Hillside site visit. However, these forecasts and projections cannot be assured and factors both within and beyond the control of Rex could cause the actual results to be materially different from the assessments and projections contained in this report.

BDA has independently analysed data provided by Rex, but the accuracy of the conclusions of the review largely relies on the accuracy of the supplied data. BDA does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from third party use of it. BDA reserves the right to change its opinions on the mining studies and exploration properties expressed in this report should any of the fundamental information provided by Rex be significantly or materially revised.

BDA warrants that its activities have followed accepted engineering standards through the use of professionally qualified engineers and the adoption of standards as specified by the appropriate professional Associations. BDA takes no responsibility for any loss or damage arising from the use of this report or information, data or assumptions contained therein, except for where loss or damage results from the bad faith, wilful misconduct or negligence on the part of BDA.

In commissioning BDA for this report, Rex has indemnified BDA for any liability:

- a) resulting from BDA's reliance on information provided by Rex that is materially inaccurate or incomplete; and
- b) relating to any consequential extension of workload through queries, questions or public hearings arising from the BDA ITS Report.

This indemnity does not absolve BDA from critically examining the information provided.

Yours faithfully

BEHRE DOLBEAR AUSTRALIA PTY LTD

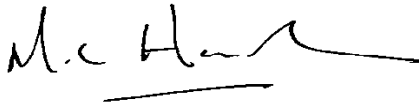


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APPENDIX I – CONSENT LETTER



ACN No. 065 713 724

Minerals Industry Consultants

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Australia

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ABN 62 065 713 724

28 August 2024

Mr Sherif Andrawes
Partner, Corporate Finance & Deal Advisory
BDO Corporate Finance Australia Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000

Consent to be Named - Independent Expert's Report prepared by BDO Corporate Finance Australia Limited.

Dear Mr Andrawes,

INDEPENDENT TECHNICAL SPECIALIST SERVICES PROVIDED BY BEHRE DOLBEAR IN RELATION TO REX MINERALS LIMITED

We have reviewed the Independent Expert's Report prepared by BDO Corporate Finance Australia Limited dated 28 August 2024 in relation to the proposed acquisition of all outstanding Rex Minerals shares by MACH Metals Australia Pty Ltd via scheme of arrangement.

We consent to the inclusion of all references and comments relating to ourselves, Behre Dolbear Australia Pty Ltd and our Independent Technical Specialist Report, dated 12 August 2024, in the form and context in which they appear in the Independent Expert's Report prepared by BDO Corporate Finance Australia Limited.

Signed for and on behalf of

Behre Dolbear Australia Pty Ltd

by its duly authorised representatives:

Malcolm C Hancock
Executive Director – BDA

John S McIntyre
Managing Director – BDA

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APPENDIX II - GLOSSARY

GLOSSARY

Term/Abbreviation	Description
3D	Three Dimensional
AACE International	Association of Advancement of Cost Engineering
AAS	Atomic Absorption Spectrometry
ACM	Acid Consuming Materials
AISC	All-in Sustaining Costs
Aldam	Aldam Geoscience Pty Ltd
ALS	ALS Chemex Laboratories Pty Ltd, Perth
AMC	AMC Consultants Pty Limited
AMD	Acid and Metalliferous Drainage
AMDEL	Australian Mineral Development Laboratories
AMPD	Absolute Mean Paired Difference
ANCOLD	Australian National Committee on Large Dams guidelines (2012)
Au	Gold
AuEq	Gold Equivalent
Ausenco	Ausenco Limited
AVCS	Andrew Vidale Consulting Services
BD	Bulk Density
BDA	Behre Dolbear Australia Pty Limited
Behre Dolbear	Behre Dolbear & Company, Inc.
BOCO	Base of Complete Oxidation
BOPO	Base of Partial Oxidation
CAT	Caterpillar Equipment
CCG	Hillside Project Community Consultative Group
CCRA	Climate Change Risk Assessment
CEP	Community Engagement Plan
CIF	Cost, Insurance, Freight Charges
COG	Cut-off grade
CRM	Certified Reference Material
Cu	Copper
CuEq	Copper Equivalent
CV	Coefficient of Variation
DCYP	District Council of Yorke Peninsula
DD	Diamond Drilling
DEM	SA Department of Energy and Mining
DFS	Definitive Feasibility Study
DSCP	Decant and Seepage Collection Pond
DTM	Digital Terrain Model
EFS	Extended Feasibility Study
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EL	Exploration Licence
EML	Extractive Minerals Lease
EMP	Environmental Management Plan
EP	Exploration Permit
EPA	SA Environmental Protection Authority
EPAP	Equator Principles Action Plan
EPCM	Engineering, Procurement and Construction Management
EPFI	Equator Principles Financial Institutions
EPs	Equator Principles
EP(IV)	Equator Principles IV
ESG	Environmental and Social Governance
FOB	Free Onboard Freight Charges
G&A	General and Administration
GC	Ground Control
Genalysis	Genalysis Laboratory Services
GHG	Greenhouse Gas
g/t	Grams per Tonne

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GLOSSARY CONTINUED

Term/Abbreviation	Description
Ground Control Engineering	Ground Control Engineering Pty Ltd
Ha	Hectare
Hillside	Hillside Copper Gold Project
HMCV	Hillside Mine Community Voice
HME	Heavy Mining Equipment
HRIA	Human Rights Impact Assessment
HSEMP	Health, Safety and Environment Management Plan
HV	High voltage
ICP-AES	Inductively coupled plasma atomic emission spectrometry
ID ²	Inverse Distance Squared
IFC	International Finance Corporation
ILUA	Indigenous Land Use Agreement
IOCG	Iron Oxide Copper Gold
IRR	Internal Rate of Return
IRSA	Inter-Ramp Slope Angle
ITE	Independent Technical Expert (BDA)
ITR	Independent Technical Due Diligence Review
IWMS	Integrated Waste Management System
JORC	Joint Ore Reserve Committee Code, 2012
kg	Kilogram
kg/t	Kilogram per Tonne
kL/d	Kilolitres per Day
km	Kilometre
KNA	Kriging Neighbourhood Analysis
kV	Kilovolt
kWh	Kilowatt Hour
Lenders	Prospective Financiers to the Hillside project
L/s	Litres per Second
lb	Pound
LOM	Life of Mine
m	Metre
m/s	Metres per Second
m ³ /s	Cubic Metres per Second
µm	Micron (10 ⁻⁶)
M	Million
Ma	Million Years
MARC	Maintenance and Repair Contract
MIA	Mine Infrastructure Area
MII	Measured, Indicated and Inferred (Resource Categories)
Mining Plus	Mining Plus Pty Limited
ML	Mineral Lease
mm	Millimetre
MPL	Miscellaneous Purposes Licence
MRE	Mineral Resource Estimate
MRF	Mine Rehabilitation Fund
MT	Mine Technics Pty Ltd
Mt	Million Tonnes
Mtpa	Million Tonnes per Annum
MW	Megawatt
NAF	Non-Acid Forming
NF	Normalising Factor
NPV	Net Present Value
NSR	Net Smelter Return
OFS	Optimised Feasibility and Definition Phase Engineering Study, December 2022
OK	Ordinary Kriging
OREAS	Ore Research and Exploration Pty Limited
P ₈₀	80% Passing
PAF	Partially Acid Forming
PEPR	Program for Environment Protection and Rehabilitation
Pf	Probability of Failure
PFD	Process Flow Diagrams
PFS	Hillside Pre-Feasibility Study, October 2012
P&IDs	Piping and Instrumentation Diagrams

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GLOSSARY CONTINUED

Term/Abbreviation	Description
PIP	Project Implementation Plan
PPF	Pine Point Fault
PPFZ	Pine Point Fault Zone
Ppm	Parts per Million
Project	Hillside Copper Gold Project
PS	Performance Standard
QA/QC	Quality Control/Quality Assurance
RC	Reverse Circulation Drilling
Rex	Rex Minerals Limited
RFS	Rock Storage Facility
RO	Reverse Osmosis
ROM	Run-of-Mine
RQD	Rock Quality Designation
SAG	Semi Autogenous Grinding
SGS	Spiers Geological Consultants
SMP	Social Management Plan
SMU	Selective Mining Unit
TEM	Transient Electromagnetic
the project	Hillside Copper Gold Project
t/m ³	Tonnes per Cubic Metre
t/m ³ /h	Tonnes per Cubic Metre Per Hour
TML	Transportable Moisture Limit
tpa	Tonnes per Annum
tpd	Tonnes per Day
tpm	Tonnes per month
TSF	Tailings Storage Facility
US\$	US Dollar
V	Volt
WBS	Work Breakdown Structure
XRF	X-Ray Florescence

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