Rex Resources Corp.

Condensed Interim Financial Statements

For the Six Months Ended March 31, 2024
(unaudited)

Table of Contents

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

REX RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

As at	Note	**March 31, 2024 (unaudited)**	September 30, 2023 (audited)
ASSETS		**$**	$
Current assets			
Cash		**32,359**	32,024
Amounts receivable		**9,402**	15,371
Prepaid expense		**11,500**	-
		53,261	47,395
Exploration and evaluation assets	4	**275,000**	275,000
TOTAL ASSETS		**328,261**	322,395
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4, 6	**289,517**	214,469
SHAREHOLDERS' EQUITY			
Share capital	5	**1,285,601**	1,255,601
Reserves	5	**180,048**	180,048
Accumulated deficit		**(1,426,905)**	(1,327,723)
		38,744	107,926
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**328,261**	322,395

Nature of operations and going concern (Note 1)

The accompanying notes are integral to these condensed interim consolidated financial statements.

Approved on Behalf of the Board of Directors on May 28, 2024

/s/ Craig Taylor
Director

/s/ Anthony Zelen
Director

REX RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars – Unaudited

		Share Capital				
		Number of Class A Common Shares	Amount	Reserves	Accumulated Deficit	Total
			$	$	$	$
	Note					
Balance, September 30, 2022		**13,469,285**	**1,155,601**	**180,048**	**(543,606)**	**792,043**
Net loss for the period		-	-	-	(73,652)	(73,652)
Balance, March 31, 2023		**13,469,285**	**1,155,601**	**180,048**	**(617,258)**	**718,391**
Balance, September 30, 2023		**14,469,285**	**1,255,601**	**180,048**	**(1,327,723)**	**107,926**
Private placement funds received in advance		**-**	30,000	**-**	**-**	30,000
Net loss for the period		-	-	-	(99,182)	(99,182)
Balance, March 31, 2024		**14,469,285**	**1,285,601**	**180,048**	**(1,426,905)**	**38,744**

The accompanying notes are integral to these condensed interim consolidated financial statements.

REX RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

	Note	**For the three months ended March 31, 2024**	For the three months ended March 31, 2023	**For the six months ended March 31, 2024**	For the six months ended March 31, 2023
		$	$	**$**	$
EXPENSES					
Consulting	6	**15,000**	7,000	**30,000**	7,000
Office and administrative		**6,652**	9,124	**17,659**	**11,855**
Professional fees	6	**11,673**	31,639	**29,578**	**31,639**
Property investigation expense		**11,005**	-	**11,005**	-
Regulatory		**9,397**	22,998	**10,940**	**23,158**
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		**(53,727)**	(70,762)	**(99,182)**	**(73,652)**
Weighted Average Number of Shares Outstanding		**14,469,285**	13,469,285	**14,469,285**	**14,469,285**
Basic and Diluted Loss Per Share		**(0.00)**	(0.01)	**(0.01)**	**(0.01)**

The accompanying notes are integral to these condensed interim consolidated financial statements.

REX RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

	For the six months ended March 31, 2024	For the six months ended March 31, 2023
	$	$
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES		
Net loss for the period	**(99,182)**	(73,652)
Changes in non-cash working capital items:		
Amounts receivable	**5,969**	(8,604)
Prepaid expense	**(11,500)**	(45,335)
Accounts payable and accrued liabilities	**75,048**	(90,928)
	(29,665)	(218,519)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Prepaid – long term	**-**	69,929
Exploration and evaluation expenditures		(33,919)
	-	36,010
CASH FLOWS FINANCING ACTIVITIES		
Private placement funds received in advance	**30,000**	-
Net (decrease) increase in cash	**335**	(182,509)
Cash, beginning of the period	**32,024**	278,881
Cash, end of the period	**32,359**	96,372
Supplemental information:		
Interest paid	**-**	-
Income taxes paid	**-**	-

The accompanying notes are integral to these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Rex Resources Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 29, 2020. On June 2, 2021, the Company completed its initial public offering ("IPO") and commenced trading on the TSX Venture Exchange ("TSXV") on June 4, 2021 under the trading symbol "OWN". The Company is primarily engaged in mineral exploration activities in British Columbia, Canada. The head office and the principal address of the Company are located at 1570 – 505 Burrard Street, Vancouver, BC, Canada V7X 1M5.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the six moths ended March 31, 2024, the Company had a net loss of $99,182 (2023 - $73,652), and as of that date, an accumulated deficit of $1,426,905 (2023 - $1,327,723), had not advanced its mineral properties to commercial production, and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon results from its mineral property exploration activities, its ability to attain profitable operations, generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Geopolitical events and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business. These uncertainties may cast a significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with its proceeds from its initial public offering of its shares, loans from directors and companies controlled by directors and/or additional private placement of common shares. These consolidated financial statements do not include any adjustments that might result from this uncertainty. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended September 30, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending September 30, 2024 could result in the restatement of these condensed interim financial statements.

2. BASIS OF PRESENTATION (Continued)

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 1414447 B.C. Ltd. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation. The Company owns 100% (2022 – 0%) of 1414447 B.C. Ltd., which is the registered tenure holder of the Company's mineral interests in its Rex Property.

Significant estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments concerning the future. The Company's management reviews these estimates and judgments on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant estimates and judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates and judgments made, relate to, but are not limited to the following:

Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Recoverability of the carrying value of exploration and evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the exploration and evaluation assets, current and future metal prices, and market sentiment are all factors considered by the Company.

In respect of the carrying value of exploration and evaluation assets recorded on the consolidated statements of financial position, management has determined that it continues to be appropriately recorded, as there are no indications that the value of the assets have declined more than its carrying amount.

3. SIGNIFICANT ACCOUNTING POLICIES

New accounting standards issued but not yet effective

The following accounting standards and amendments are effective for future periods. The Company is in the process of assessing the impacts of the adoption of these standards and amendments in the Company's consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2024.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

(Expressed in Canadian Dollars - Unaudited)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the following accumulated expenditures:

	Rex Property	Kalum Project	Total
	$	$	$
Balance at September 30, 2022	**-**	**454,129**	**454,129**
Acquisition costs	275,000	-	275,000
Camp costs	-	15,186	15,186
Geological	-	68,569	68,569
Reports	-	25,730	25,730
BC METC received	-	(13,750)	(13,750)
Impairment	-	(549,864)	(549,864)
Balance at September 30, 2023	**275,000**	**-**	**275,000**
Balance at March 31, 2024	**275,000**	**-**	**275,000**

Rex Property

On June 19, 2023, the Company closed an acquisition transaction to acquire for all the issued and outstanding shares of 1414447 B.C. Ltd., an arm's length private B.C. company that holds an undivided 100% interest in eight contiguous mineral claims located near Port Alberni, British Columbia, generally known as the Rex Property.

The Company acquired 1414447 B.C. Ltd. for the sole purpose of acquiring the Rex Property. Based on the number of shares acquired and the Company's decision making power, the Company was determined to be the acquirer. The acquisition was determined to be an asset acquisition because 1414447 B.C. Ltd. did not meet the definition of a business. Upon closing of the transaction, 1414447 B.C. Ltd. became a subsidiary of the Company. The total consideration paid totaled $275,000 and has been allocated to the assets and liabilities acquired based on their estimated fair values on June 19, 2023 as follows:

		Total
		$
Consideration:	Shares issued	100,000
	Deferred cash payable included in accounts payable and accrued liabilities	115,000
	Cash paid	60,000
Allocated:	Rex Property	1
	Accounts payable	(1)
	Excess allocated to the Rex Property	275,000

The Company issued 1,000,000 common shares with a fair market value price of $0.10 per share. The deferred cash payable of $115,000 was due on December 18, 2023, and the Company is negotiating with the vendor to extend the payment date.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Mactush Option

On May 20, 2024, the Company entered into a property option agreement to purchase 100% undivided interest in and to eight (8) mineral claims located in the Alberni Mining Division of British Columbia ("Mactush Option").

To exercise the option, the Company must make a series a payments totalling $300,000 as follows:

1- $20,000 upon the final bulletin of the TSX Venture Exchange;
2- $80,000 payable on or before 6 months from November 20, 2024;
3- $100,000 payable on or before May 20, 2025, and
4- $100,000 payable on or before May 20, 2026.

In addition, the Company must issue shares to the optionors as follows:

1- 2,500,000 common shares upon the final bulletin of the TSX Venture Exchange;
2- $75,000 worth of common shares on or before May 20, 2025;
3- $100,000 worth of common shares on or before May 20, 2026;

In the event that the Company wishes to accelerate the option exercise within 12 months following the date of the Mactush Option, the final cash payment and the final issuance of Common Shares will be subject to reductions of $25,000 and $50,000, respectively.

Upon the exercise of the Mactush Option, the property will be subject to a 2% net smelter returns royalty in favour of the optionors, one-half (or 1%) of which the Company has the option to purchase at any time for $250,000.

The Mactush Option is subject to an arm's length finders fee of $18,000.

Kalum Project

On August 12, 2020, as amended November 4, 2020, November 23, 2020, December 16, 2020, March 16, 2021, April 22, 2021, October 4, 2021, March 17, 2022, and December 21, 2022, the Company entered into a purchase option agreement ("Option Agreement" or "Option") with Eagle Plains Resources Ltd. ("Eagle Plains"), whereby the Company was granted exclusive rights to acquire 60% of Eagle Plain's 4 mining claims located in the Terrance area of British Columbia, Canada. During the year ended September 30, 2023, the Company decided not to pursue the Kalum Project in order to focus on the Rex Property, and wrote off capitalized expenditures of $549,864.

5. SHARE CAPITAL

Authorized:
Unlimited number of fully paid Class A common shares without par value and with voting rights ("Common shares").
Unlimited number of Class B Preferred Shares without par value – none issued.

Issued:

For the six months ended March 31, 2024

No share issuance activity.

Subsequent to March 31, 2024, on April 25, 2024, the Company closed a private placement through the issuance 5,150,000 common shares and 2,575,000 attached warrants ("Unit"). The Units were issued at $0.05 and the Company received $257,500 in gross proceeds. The attached warrants have a two year expiry and have an exercise price of $0.075 per share. The Company also paid $9,200 in cash finders fees.

For the year ended September 30, 2023

On June 19, 2023, the Company issued 1,000,000 common shares with a fair market value price of $0.10 per share for acquisition of 1414447 B.C. Ltd (Note 4).

Escrow shares

On December 22, 2020, the Company executed an escrow agreement with an escrow agent and a certain security holders where they have agreed to deposit 2,250,000 common shares in escrow. Under the escrow agreement, 25% of the shares were released upon completion of the IPO and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release. As at September 30, 2023, the Company had 750,000 (2022 – 1,500,000) shares held in escrow.

Stock options

On April 18, 2023, the Company adopted the Incentive Stock Option Plan (the "Plan"). The shares issuable under the Plan are as follows:

- The term of any options granted may not exceed 10 years from the date of grant;
- The aggregate number of shares ("Optioned Shares") that may be issuable pursuant to options granted under the Plan will not exceed 10% of the number of issued shares of the Company at the time of the granting of options under the Plan;
- No more than 5% of the issued shares of the Company, calculated at the date the option is granted, may be granted to any one Optionee (as hereinafter defined) in any 12-month period;
- No more than 2% of the issued shares of the Company, calculated at the date the option is granted, may be granted to any one Consultant in any 12-month period; and
- No more than an aggregate of 2% of the issued shares of the Company, calculated at the date the option is granted, may be granted to all Employees and/or Consultants conducting "Investor Relations Activities" (as that term is defined in TSX Venture Exchange Policy 1.1) in any 12-month period.

(Expressed in Canadian Dollars - Unaudited)

5. SHARE CAPITAL (continued)

A continuity schedule of stock options is as follows:

	Number of options	Weighted average exercise price ($)
Options outstanding, September 30, 2022	**675,000**	**0.20**
Expired	(675,000)	0.20
Options outstanding, September 30, 2023	**-**	**-**
Options outstanding, March 31, 2024	**-**	**-**

Subsequent to March 31, 2024, on May 15, 2024, the Company granted 1,200,000 options to directors, officers and consultants of the Company. These options had a grant date fair value of $61,400 calculated using the Black-Scholes model with the following inputs: i) exercise price: $0.06; ii) share price: $0.07; iii) term: 5 years; iv) volatility: 89%; v) risk-free interest rate: 3.67%.

Warrants

A continuity schedule of share purchase warrants is as follows:

	Number of warrants	Weighted average exercise price ($)
Warrants outstanding, September 30, 2022	**1,956,000**	**0.24**
Expired	(276,000)	0.15
Warrants outstanding, September 30, 2023	**1,680,000**	**0.25**
Expired	(1,680,000)	0.25
Warrants outstanding, March 31, 2024	**-**	**-**

(Expressed in Canadian Dollars - Unaudited)

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

During the six months ended March 31, 2024, $30,000 (2023 - $7,000) was paid or accrued to the Chief Executive Officer for consulting fees.

As at March 31, 2024, $42,000 (2023- $10,500) was payable to related parties. The amounts payable are included in accounts payable and accrued liabilities, and are unsecured, non-interest bearing and payable on demand.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

	Level	Ref.	**March 31, 2024**	September 30, 2023
			$	$
Other financial assets	1	a	**9,341**	43,824

a. Comprises cash, amounts receivable excluding refundable goods and services tax and reclamation deposit

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies.

The fair values of the Company’s financial instruments are not materially different from their carrying values due to the short-term maturity nature of the financial instruments.

Management of financial risk

The Company’s financial instruments are exposed to certain financial risks, which include the following:

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and amounts receivable. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Amounts receivable are due from the Canada Revenue Agency and a third party vendor which management believes there to be a low risk of default. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term operating requirements. The Company's cash is held in corporate bank accounts available on demand. The Company's accounts payable and accrued liabilities are due within 90 days of March 31, 2024. Liquidity risk has been assessed as high.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Price risk

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the period. The Company is actively looking to acquire an interest in a business or assets, and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There have been no changes to the Company's approach to capital management during the year ended March 31, 2024.

8. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

9. COMMITMENTS

As at March 31, 2024, the Company had an obligation to pay $115,000 for the acquisition of 1414477 B.C. Ltd. by December 18, 2023, and the Company is negotiating with the vendor to extend the payment date (Note 4). The amount remains unpaid as of the Board approval date of these condensed interim financial statements.