

HEAD OFFICE

A Level 19, 11 Waymouth Street
Adelaide South Australia 5000

T (08) 8299 7100
F (08) 8299 7199

P PO Box 3435 Rundle Mall
South Australia 5000

E rex@rexminerals.com.au
W www.rexminerals.com.au



ASX Release: 27 April 2016

Quarterly Activities Report - for the period ended 31 March 2016

ASX Code: RXM

Cash on hand: A\$7.2M

Shares on Issue: 220.5M

Options on Issue: 16.8M
(Unquoted)

Market Capitalisation:

A\$14.11M (at 6.4cps)

Share price range in quarter:

4.4c to 9.0c

Website: www.rexminerals.com.au

HIGHLIGHTS

- Rex Minerals Ltd (Rex or the Company) has an approved Mining Lease for the Hillside Project and during the quarter Rex moved closer to finalising additional and related information for the South Australian Government's Department of State Development.
- Rex also continues to prepare information for the Program for Environmental Protection and Rehabilitation as well as the Social Management Plan – both targeting delivery to government in September this year.
- The representative community consultative group, Hillside Mine Community Voice, has appointed Phil Tyler as new Chairperson.
- During the quarter, seven HMCV working groups were established to assist in providing local viewpoints on a range of environmental and social or community matters and impacts.

THE WORKING ENVIRONMENT

The regulatory and approvals process at the Hillside Project proceeds, as outlined above and detailed on page two and three of this report. To put this process into context, Rex's CEO Richard Laufmann makes the observation that while global demand for copper improves, Rex remains of the firm view that sustained recovery in copper prices is unlikely in the next year or so.

This timeframe in copper demand and price recovery, beyond the current and improving copper price of about US\$2.20 per pound, fits neatly into Rex's planning and development cycle. Again, this view comes from a low base, where copper prices hit a six-year low in mid-January this year, but importantly it positions Rex well for copper price recovery.

One leading and respected Australian-based international observer believes commodities are hitting a critical juncture. While China's economy is becoming less commodity intensive, this observer sees a welcome pick-up in China's housing sector which is a good thing given the heavy use of copper in urban electricity generation and distribution. That same observer cites copper as one of the best short-term performers.

Sentiment for gold price improvement is strong off the back of continuing positive fundamentals and increased safe haven and investor demand.

For further information, please contact:

Richard Laufmann
(Chief Executive Officer)
Phone: +61 8 8299 7100
E-mail: rex@rexminerals.com.au

For media and investor relations enquiry please contact:

Gavan Collery
Phone: +61 419 372 210
Email: gcollery@rexminerals.com.au

Quarterly Activities Report

HILLSIDE PROJECT

Project Approvals

Rex retains an approved Mining Lease (ML) for the Hillside Project, obtained in late 2014 from the SA Government's Department of State Development (DSD). In May 2015, Rex announced the results of an Extended Feasibility Study (EFS) which involved a smaller-scale but similar operational project focusing on copper/gold only and with the ability to expand or extend the operation at a later stage, depending on commodity pricing and overall project economics.

Since September 2014, Rex has been engaging with the community and the DSD on the detail of the revised project (which has a lower overall impact) and is now finalising this additional information for the DSD. This additional information is being compiled for presentation to the DSD to ensure consistency and compliance with the existing ML.

While many aspects of the Project have not changed, some areas have changed and they include a reduced footprint, mill throughput, commodities range (ie: only copper/gold concentrate to be produced) and some aspects of infrastructure.

Meanwhile, Rex has continued to prepare information for the Program for Environmental Protection and Rehabilitation (PEPR) and Social Management Plan (SMP) which are targeted to be submitted to government during September 2016.

The representative community consultative group, Hillside Mine Community Voice (HMCV), has been kept informed of progress through regular meetings. During the quarter, seven HMCV working groups were formed to assist in providing local viewpoints to aspects of the PEPR and the SMP (please see below).

Community Engagement

The Company has continued to engage closely with the community around the Hillside Project, local towns and regions using its Community Engagement Plan (CEP) as a guide. This plan is based around guidelines set down by the DSD and it incorporates actions and activities that the Company will engage in with the community through the planning, construction, commissioning, operation and rehabilitation phases. It incorporates multiple ways of direct and indirect engagement with the local community, including the HMCV.

The HMCV includes representatives of the surrounding landowners, progress associations, businesses, Yorke Peninsula council, and other local and regional groups, and it includes a Rex representative. The HMCV was established last year, in response to the approval of the Hillside Project ML and it has taken on similar tasks to the previously-convened Community Consultative Group which was established in 2011 and remained engaged during the exploration process.

Recently, a new Chair, Phil Tyler, was appointed to the HMCV. Phil has extensive experience and understanding of the mechanics of government and its interface with Ministries, business, industries and community. He specialises in leadership, change management, stakeholder relationship development and strategic planning. Phil's employment background includes DSD, the Department of Further Education, Employment, Science & Technology, local government, the Department of Trade and Economic Development and the Whyalla Economic Department Board Inc. Phil has been involved in regional development as well as community and workforce engagement in a number of regions and is eminently qualified and experienced to Chair the diverse range of people and interest groups involved in the HMCV.

Quarterly Activities Report

Rex and the HMCV offer their thanks to outgoing Acting Chair, Kate Van Schaik, who took on the role from late 2014 to direct and assist in setting up the new group. Rex acknowledges and thanks Kate for taking on the role and appreciates her dedication and invaluable contribution to the development of the HMCV. Kate will continue her involvement with the HMCV through participation in working groups.

Rex is continuing one-on-one meetings with landholders directly adjacent to the Hillside Project site and in the broader vicinity to update them on the EFS and related project parameters. Further meetings with community members, businesses and local government are planned.

These groups will involve other community members outside the HMCV and will be meeting regularly to enable cross-pollination of ideas. Rex is providing background information and detail where required by and within each group, and group leaders will report back through the HMCV.

About Hillside

Located 12kms south of the township of Ardrossan on South Australia's Yorke Peninsula, the EFS into the Hillside Copper and Gold Project was initiated in mid-2014. Key findings to date from the EFS include:

- a A\$480M development, including an open pit mine and processing plant;
- an initial 13+ year mine life, with a Mineral Resource (measured, indicated and inferred) of 337Mt @ 0.6% copper and 0.14g/t gold, equating to approximately 2.0Mt of copper and 1.4Moz of gold;
- an Ore Reserve (proved and probable) of 82Mt;
- an annual minerals processing rate of six million tonnes to produce approximately 35,000 tonnes of copper and 25,000 ounces of gold per year; and
- an estimated construction workforce of 550 people and an estimated production workforce of about 500 people.

CORPORATE

During the quarter, Rex Non-Executive Director, Mitch Hooke, was recognised in the Australia Day Honours with the awarding of an Order of Australia in the General Division (AM), citing "for significant services to business, particularly to the mining and minerals sector, to policy development, research and trade and to the indigenous community."

Also during the quarter in review, Rex lodged its Half-Year Report and Related Accounts with the Australian Securities Exchange.

Quarterly Activities Report

Tenement Schedule for the quarter ending 31 March 2016

Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5056	Moonta South	Granted	km ²	416	02/08/2012
EL5055	Moonta South	Granted	km ²	1,262	02/08/2012
EL5683	Moonta South	Granted	Km ²	21	10/06/2015
EL5508	Moonta South	Granted	km ²	151	05/11/2014
EL5133	Wandearah	Granted	km ²	96	01/08/2012
EL4779	Wandearah	Granted	km ²	41	13/10/2011
EL5070	Cowell	Granted	km ²	85	24/10/2012
ML6438	Hillside	Granted	Ha	2,998	16/09/2014
EML6439	Hillside	Granted	Ha	225	16/09/2014
MPL146	Hillside	Granted	Ha	94	16/09/2014

NEXT QUARTER

During the next quarter, Rex will continue its interaction with the DSD on the Mining Lease and PEPR activities. The Company will also continue with its important community and government consultation process, with a major emphasis on the Yorke Peninsula community. In line with the 12-month extension granted by the South Australian Government, Rex will continue with the work programs to deliver the PEPR and SMP, targeted for September 2016.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Rex Minerals Ltd

ABN

12 124 960 523

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(421)	(1,779)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	41	170
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (ATO Refund)	-	-
Net Operating Cash Flows	(1,031)	(3,723)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	5	5
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(1,026)	(3,718)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,026)	(3,718)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,026)	(3,718)
1.20	Cash at beginning of quarter/year to date	8,238	10,930
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	7,212	7,212

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	129
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (including feasibility studies)	460
4.2 Development	
4.3 Production	
4.4 Administration	565
Total	1,025

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,212	8,238
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (term deposits)	-	-
Total: cash at end of quarter (item 1.22)	7,212	8,238

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	220,519,784	220,519,784	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities (description)			

+ See chapter 19 for defined terms.

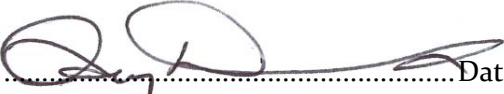
Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	16,800,000	-	<i>Exercise price</i> 6.3c	<i>Expiry date</i> 30 November 2019
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 27 April 2016
(Company secretary)

Print name: Kay Donehue

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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