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ASX Release: 28 October 2016

Quarterly Activities Report - for the period ended 30 September 2016

ASX Code: RXM

Cash on hand: A\$4.85M

Shares on Issue: 220.5M

Options on Issue: 16.8M
(Unquoted)

Current market capitalisation:
A\$9.92M (at 4.5cps)

Share price range in quarter:
5c to 6.7c

Website: www.rexminerals.com.au

HIGHLIGHTS

- Rex Minerals Ltd's (Rex) Annual Report has been lodged with the ASX and, where requested, mailed to shareholders.
- The Company's Annual General Meeting of shareholders will be held on 25 November 2016.
- The South Australian Government has approved a 12-month extension for submission of the Hillside Project Program for Environment Protection and Rehabilitation (PEPR) and the Social Management Plan (SMP).
- Additional information focusing on proposed mining operations at the Hillside Project and community engagement has been provided to government and made publicly available on Rex's website.

The Company's 2016 Annual Report was lodged with the Australian Securities Exchange in early September this year and it has been mailed to those shareholders who have requested a physical copy.

On Friday 25 November, Rex will hold its Annual General Meeting. The Notice of Meeting has been sent to shareholders, with two resolutions for shareholder consideration.

On 25 August, Rex advised that the South Australian Government's Department of State Development had approved a 12-month extension for submission of the Hillside Project PEPR and the SMP in order to allow more time for engagement with stakeholders.

A range of additional information with a focus on the description of mining operations at the Hillside Copper-Gold Project and related community engagement has been provided to government and made available, as promised by Rex, via the Company's website.

In all three Quarterly Reports issued this calendar year, Rex has commented on the state of the base metals commodity markets, and in particular, copper supply and demand. More detail on analysis of these markets is provided on page 3 of this report.

For further information, please contact:

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Quarterly Activities Report

CORPORATE

The Annual General Meeting of shareholders of Rex Minerals (Rex) will be held at 10:00am on Friday, 25 November 2016 at the offices of Baker & McKenzie, level 19, 181 William Street in Melbourne. Details, including Explanatory Notes for the two resolutions for consideration, were dispatched to shareholders on 24 October 2016. The Directors of Rex and senior management look forward to meeting with shareholders at the AGM. If you are unable to attend, details of voting options are provided on the personalised Proxy Forms sent to shareholders.

Rex's 2016 Annual Report to shareholders and its Corporate Governance Statement were lodged with the Australian Securities Exchange (ASX) on 9 September 2016. The Annual Report was subsequently mailed to those shareholders who have requested a physical copy of the report. Electronic copies of both reports are available on the Company's website.

HILLSIDE PROJECT

PEPR Extension

On 25 August 2016, Rex advised that the South Australian Government's Department of State Development (DSD) had approved a 12-month extension for the submission of its Program for Environment Protection and Rehabilitation (PEPR). The extension also encompasses the Social Management Plan (SMP) for the Company's Hillside Copper-Gold Project on the Yorke Peninsula. Rex requested, and the government agreed, that a 12-month extension is appropriate to allow adequate time for engagement with all stakeholders.

Leading up to this, and as a result of changed commodity prices, Rex undertook an Extended Feasibility Study (EFS), the findings of which were announced to the market in May 2015. The EFS focused on a smaller start-up project to produce copper-gold, allowing for expansion of operations as economic conditions permit.

On 3 June 2016, Rex provided the DSD with additional information regarding the revised project to ensure consistency with the granted Mining Lease and lease conditions. During this process, Rex has been advancing its community engagement work through its Community Engagement Plan (CEP), a key part of which is ongoing engagement through the work of the representative community group Hillside Mine Community Voice (HMCV) which comprises representatives of landowners, business owners, interest groups, regional groups and Rex.

This additional information, focusing on the "Description of the Mining Operations" and related support documents as well as the CEP, has now been made available publicly, as promised, on Rex's website.

As a result of receiving approval for this extension of time, and in accordance with Regulation 65(10) of the *Mining Regulations 2011* (Mining Regulations), Rex is now required to submit a PEPR for approval to the DSD that fully complies with the *Mining Act 1971* (Mining Act) and Mining Regulations by 16 September 2017.

Quarterly Activities Report

Community Engagement

In June 2016, Rex submitted a series of documents to the DSD regarding its revised Hillside Project, including a detailed “Description of the Mining Operations” and related technical reports. After an initial adequacy assessment by the DSD, further information was added and the documents were then released publicly through the Rex website.

During this process, the Company has been continuing to provide information regarding the Project to the HMCV and directly to local landowners, businesses and other local stakeholders. A series of responses to specific questions and issues has been provided through the seven HMCV Working Groups. These responses and updates continue to be made publicly available along with outcomes of the HMCV meetings.

In early October, the HMCV conducted a public meeting to inform the local and regional community about the work of the representative community group, and in particular the HMCV Working Groups established to provide input into the PEPR which, as outlined above, is now due to be provided to the DSD by September 2017. Rex is now working with the HMCV to encourage community input into the key areas of the PEPR.

During the quarter, Ross Sawers joined the Company as Stakeholder Engagement Manager. Coming from an agricultural and regional development background, Ross has worked for OZ Minerals and Santos on their stakeholder, community and indigenous engagement programs. Ross adds a considerable depth of experience to Rex in these key areas.

At the Hillside site, Rex personnel have continued to work with the lease farmer of Rex’s 100%-owned property for the control of winter weeds, and ensuring safety around the Hillside Project site during the recent storm activity. No on-site damage occurred as a result of the storms.

COMMODITY MARKETS INSIGHT

The copper price began the year in the vicinity of US\$4,300 per tonne (US\$1.95 per lb - a near-six-year low) and currently sits around US\$4,800 per tonne (US\$2.18 per lb). The consensus view of an international panel of 18 industry specialists expects the copper price to recover leading into 2018, reflecting the emerging supply gap.

While Rex has consistently said that a sustained recovery in copper price is unlikely in the near-term, the above consensus view matches Rex’s proposed planning and development cycle for the Hillside Copper-Gold Project, and it positions Rex well for copper price recovery in the longer term.

Further, the Australian Government (the Department of Industry, Innovation and Science, quarterly report on resources and energy) was recently reported as saying that global refined copper production is expected to rise by 1.7% this year and 2.3% next year as new mine capacity comes on-line. The same report estimates that world copper consumption will have risen by 1.5% in 2016 to 23Mt and will reach 24Mt next year (up 3%), so there is growth in the sector. Recovery in copper demand and prices, albeit slow, is underway.

Quarterly Activities Report

ABOUT THE HILLSIDE PROJECT

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

- a A\$480 million 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 24,000 ounces of gold per year; and
- an estimated construction workforce of 550 people and an estimated production workforce of about 500 people.

Tenement Schedule for the quarter ending 30 September 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	72	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 to progress the PEPR/SMP process. The Company will also continue with its important community and government consultation process, with a continuing emphasis on the Yorke Peninsula community.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Rex Minerals Ltd

ABN

12 124 960 523

Quarter ended ("current quarter")

September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(429)	(429)
(b) development	-	-
(c) production	-	-
(d) staff costs	(510)	(510)
(e) administration and corporate costs	(421)	(421)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,352)	(1,352)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3)	(3)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,205	6,205
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,352)	(1,352)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,850	4,850

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	4,850	6,205
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (current quarter should equal item 4.6 above)	4,850	6,205

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
129
-

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

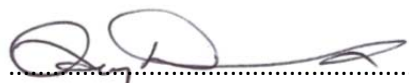
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(150)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(545)
9.5 Administration and corporate costs	(295)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(990)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL5133	Ownership	96km ²	72km ²
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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Company secretary

Date: 28 September 2016

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.