



ABN 12 124 960 523

ASX Release: 16 July 2018

Quarterly Activities Report for the period ended 30 June 2018

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HIGHLIGHTS

- Rex Minerals (Rex or the Company) successfully completes \$6M Placement:
 - Tranche 1 raised \$3.6M while Tranche 2 (to raise a further \$2.4M) is subject to shareholder approval
- Rex has invited eligible shareholders to invest through a Share Purchase Plan, which will support the Company's plans to develop the Hillside Project
- With a General Meeting of Shareholders set for 20 July 2018, Rex's Board of Directors recommends you:
 - **Vote in favour of the four share issue resolutions**
- Work has begun on all the programs outlined in the Company's Equity Raising Investor Presentation of 7 June 2018, including:
 - Extended Feasibility Study (2015 EFS) updated to 2018 dollars;
 - Chinese Feasibility Study commissioning process;
 - Mobile fleet options; and
 - Regional exploration.

Cash at bank at the end of the quarter was \$3.984 million, with a significant increase projected if shareholders approve Tranche 2 at the 20 July 2018 General Meeting. On top of this, the Company can expect to secure some additional funds from take-up and finalisation of the Share Purchase Plan.

Rex has released a new video (available on the Company's website), showcasing the "Re-birth of the Copper Industry on the Yorke Peninsula". The footage reminds us of the area's strong mining heritage, whilst highlighting some of the obvious infrastructure and competitive access advantages enjoyed by this region and the State of South Australia.

CORPORATE

In early June 2018, Rex advised that it was seeking to raise new funds, at 11c per share, through a two-tranche Placement and a Share Purchase Plan (SPP). Proceeds from the capital raising will be used to further de-risk the Company's Hillside Project in South Australia (SA) while seeking to enhance the investment value of Rex, including:

- Updating the Extended Feasibility Study capital estimate to 2018 dollars; and
- Commissioning a Chinese Feasibility Study with the objective of reducing the total capital cost.

Rex can report that it has successfully completed a Placement to professional and sophisticated investors. The Placement, which was oversubscribed, has been undertaken in two tranches, being:

- Tranche 1 – comprising 33.1 million shares, raising \$3.6M, which was issued on 18 June 2018; and
- Tranche 2 – comprising 21.4 million shares, raising \$2.4M, which is subject to shareholder approval at a Shareholders' General Meeting on 20 July 2018.

In addition to the Placement, Rex is offering eligible shareholders the right to participate in an SPP. To participate in the SPP, payment must be received by 5:00pm AEST on Friday, 20 July 2018.

The Directors recommend eligible shareholders vote in favour of the four resolutions for consideration at the General Meeting.

The timetable, with key dates for the SPP and the General Meeting, is:

Event	Description	Date
Record Date	The date on which Rex Minerals determines Eligible Shareholders	7:00pm (AEST) on Friday, 8 June 2018
Announcement Date	SPP announced	Tuesday, 12 June 2018
Offer opens	The date from which applications for New Shares can be submitted	Monday, 18 June 2018
General Meeting	Shareholders to approve the SPP	11:00am (AEST) on Friday, 20 July 2018
Offer closes	SPP closes	5:00pm (AEST) on Friday, 20 July 2018
Issue of New Shares	Shares issued under the SPP	Thursday, 26 July 2018
Quotation Commences	Share issued under the SPP expected to commence quotation on ASX	Monday, 30 July 2018

The timetable is indicative only and Rex Minerals may, at its discretion, vary any of the above dates by sending a revised timetable to ASX.

The Notice of Meeting, the SPP Offer Booklet and the SPP Application Form have been dispatched to eligible shareholders.

Rex encourages eligible shareholders to attend and vote in favour of the four resolutions at the General Meeting on 20 July 2018. For those eligible shareholders who are unable to attend the General Meeting, the Company invites you to vote by use of the Proxy Form dispatched as part of the Notice of Meeting.

Shareholders can vote online ('www.investorvote.com.au'), by mail (Computershare, GPO Box 242, Melbourne 3001) or by appointment of a proxy. For all enquiries, please call 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Proxy voting closes at 11:00am AEST on Wednesday, 18 July 2018.

Documents related to the Placement, the SPP and the Notice of Meeting were lodged with the ASX on 18 June 2018 and on the Rex website ('www.rexminerals.com.au'). Other related documents were lodged on 7 and 12 June 2018, and these include a detailed 37-page Equity Raising Investor Presentation.

HILLSIDE PROJECT

Next Steps

Work has commenced on the range of initiatives outlined in the Equity Raising plan. This includes re-costing the EFS announced in May 2015 to bring the costs and assumptions up to date in 2018 dollars.

In parallel and as mentioned, Rex has separately commissioned a Chinese Feasibility. The company running this study has assembled its team and kick-off meetings have been held. We expect this process to take in the order of four to five months.

The Company has also engaged with several external experts to review its updated exploration plans.

Program for Environment Protection and Rehabilitation (PEPR)

After submission of the full PEPR documents earlier this year, The DPC¹ undertook an initial adequacy check, and determined that all required areas appeared to have been included.

Rex has received initial feedback and comments from the DPC and other departments, and has been collating these. Where additional information may be required, work on sourcing or clarifying this has commenced. At quarter end, Rex was awaiting the final formal feedback documentation from the DPC and then will arrange any needed update meetings with SA Government departments to provide clarification or additional information.

Once final feedback has been provided and meetings held, Rex will be updating and submitting final PEPR documents to the DPC. Once approved, these documents will be released on the DPC's website for public access.

The Hillside Project is a large, long-life mine with exciting exploration upside. Approval of this PEPR will be a major milestone in the implementation of the SA Government's Copper Strategy, which is expected to deliver significant social and economic benefits locally, regionally and more broadly to the State of South Australia and the Nation.

¹ From 1 July 2018, the Mining Regulatory division within the South Australian Department of Premier and Cabinet (DPC) will come under the newly gazetted Department of Energy and Mining. Hence this quarterly report refers to DPC as it covers up to end June 2018. Future reports will refer to the DEM.

Community Engagement

During the June quarter, Rex continued to meet and engage with community members in the Hillside Project region, both through the Hillside Mine Community Voice (HMCV) group and directly with local landowners, townspeople, and regional local and government groups.

At one of the HMCV meetings, the CEO of another Adelaide-based mining group with existing operations in farming and community areas was invited to present on their extensive community engagement and interaction process. Rex is keen to learn from and share with others how best to be an integral part of the local community and as a good neighbour now and into the future at its Hillside mining operation, and to ensure the benefits from our operation and community-wide activities extend to the community's benefit while ensuring sound management of the surrounding environment and in minimising any adverse impacts.

COMMODITY MARKET INSIGHT

The price of copper on 30 April 2018, the date of our last Quarterly Report, was US\$3.09 per pound. That price rose to a high of US\$3.32 on 8 June 2018 and now sits at US\$2.82. This represents a fall of around 15% in just over four weeks.

Clearly, copper (as with other metals) has come under price pressure since the start of June on fears that a 'trade war' between China and the US could harm economic growth. This was exacerbated by the liquidation of a large copper position held by a Beijing-based brokerage group, placing huge additional downward pressure on the global copper price.

Whilst significant media speculation surrounds this recent selling, we, along with other learned market analysts, consider the underlying fundamentals to the projected long-term trajectory of increasing demand for copper in tightening supply have not materially changed. Whilst the spectre of an all-out trade war is certainly not positive for Australia's export industries, this alone does little to threaten the underlying thesis that the world is in need of significantly more copper than is being produced.

In a recent report, Macquarie Wealth Management simply said: "The future's copper." It went on to say that "looking beyond the mildly over-supplied refined copper balance we see over the next couple of years, on the three- to five-year horizon we see the copper market heading into a substantial and widening deficit." Macquarie added: "... what is needed are new copper mine projects to come in to bolster growth ..."

Broker UBS says in a report dated late June 2018 that: "The (copper) price is not expensive at around an incentive price considering the ongoing demand growth from electrification and the always considerable task in growing supply," adding the observation that "China's demand appears to be moderating, but the rest of the world's industrial production is accelerating."

Quarterly Activities Report

Tenement Schedule for the quarter ending 30 June 2018

Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5055	Moonta South	Granted	km ²	1,262	01/08/2017
EL5056	Moonta South	Granted	km ²	416	01/08/2017
EL5508	Moonta South	Granted	km ²	74	04/11/2018
EL5683	Moonta South	Granted	km ²	21	09/06/2017
EL5981	Moonta South	Granted	km ²	122	22/06/2019
EL6100	Moonta South	Granted	km ²	94	16/01/2020
EL6136	Moonta South	Granted	km ²	185	19/03/2020
EL6143	Moonta South	Granted	km ²	104	15/04/2020
ML6438	Hillside	Granted	Ha	2,998	15/09/2035
EML6439	Hillside	Granted	Ha	225	15/09/2018
MPL146	Hillside	Granted	Ha	94	15/09/2035

CORPORATE INFORMATION

ASX Code: RXM

Issued Share Capital 30 June 2018

Ordinary Shares	253,597,684
Options on Issue (Unquoted)	16,800,000

Share Price Activity for the June 2018 Quarter

Low	10.5c
High	19c
Last (13 July 2018)	11c

Share Registry

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

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Registered Office

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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")

June 2018

<i>Consolidated statement of cash flows</i>	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(200)	(1,557)
(b) development	-	-
(c) production	-	-
(d) staff costs	(483)	(2,025)
(e) administration and corporate costs	(332)	(1,332)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	68
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	(1,005)	(4,846)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(9)
(b) tenements (see item 10)	-	-
(c) investments	-	-

+ See chapter 19 for defined terms.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) other non-current assets	-	-
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	(4)	(9)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,639	3,639
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	(240)	(240)
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	3,399	3,399

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,594	5,440
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,005)	(4,846)

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,399	3,399
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,984	3,984

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,984	1,594
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)	3,984	1,594

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
	-

+ See chapter 19 for defined terms.

7. <i>Payments to related entities of the entity and their associates</i>	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	

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8. <i>Financing facilities available</i> <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.		

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9. <i>Estimated cash outflows for next quarter</i>	\$A'000
9.1 Exploration and evaluation	(478)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(452)
9.5 Administration and corporate costs	(388)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1,318)

+ See chapter 19 for defined terms.

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	Cease Ownership	100%	0%
		EL5070	Cease Ownership	100%	0%
		EL5883	Cease Ownership	100%	0%
		EL6100	Reduce Area	250km ²	94km ²
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EL6143	Ownership	0%	100%

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:



Date: 16 July 2018

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 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.