

HEAD OFFICE

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ASX Release: 30 January 2015

Quarterly Activities Report - for the period ended 31 December 2014

ASX Code: RXM

Cash on hand: A\$13.7M

Shares on Issue: 220.5M

Options on Issue: 640K

Market Capitalisation: A\$24.26

Share range in quarter: 7.7c to 26.5c

Website: www.rexminerals.com.au

*Lower CapEx start-up option
identified*

*Focus on Stage One processing at
a rate of 6Mtpa*

Company cost structure reduced

For further information, please contact:

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HIGHLIGHTS

- Copper has slumped to below \$2.50/lb. Iron Ore has slid to \$64/t and gold remains in the vicinity of \$1,280/oz. Global commodity market volatility and exchange rate sensitivity have relegated the resource sector to difficult times.
- The Hillside Extended Feasibility Study has pared back the original plan and now focuses on a copper-gold development plan that more than halves capital and production rates (Stage One). Future expansion, including the production of iron ore, is preserved as a Stage Two expansion to the original plan.
- Rex has focused on a 6Mtpa start-up Project that significantly simplifies the mining, and processing as well as reducing the capital in all areas to produce a copper-gold concentrate.
- Changes to the mining schedule and mining dilution have also delivered improvements in copper-head grade.
- Initial estimates are positive and indicate that the new development plan can remain cash positive in a low copper price environment. If the plan can be confirmed, it has the potential to position the Hillside Project as an attractive new copper development opportunity.

SUMMARY COMMENTS

Extensive work has been completed on a number of possible processing and mining options at Hillside, taking into account the changed economic conditions and forecasts. This has led to the current work program on Stage One which will now focus on a 6Mtpa copper-gold only start up with substantially reduced CapEx, prior to the expansion to a larger-scale processing plant including the recovery of iron-ore. The mining schedule for Stage One includes a significantly reduced and more simplified mine design which will also allow for higher copper grades to be delivered to the processing plant.

OUTLOOK

Whilst the Extended Feasibility Study will continue to be our primary focus, given the broader market pull back, we will similarly continue to reduce costs substantially and preserve cash.

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HILLSIDE PROJECT

Extended Feasibility Study

On August 8, 2014, Rex announced that it would extend the work associated with the Feasibility Study (Extended Feasibility Study) to pursue lower capital options, based on a smaller scale starting operation at the Hillside Project.

The December 2014 quarter focused on determining the best combined approach for the capital cost, processing rate and mining schedule. An extensive review of a range of options has narrowed down the approach to focus on the Stage One development of a 6Mtpa plant (copper-gold only) before expanding to a larger plant with the inclusion of producing an iron-ore concentrate at a later date.

Work on the processing plant has focused on equipment selection to deliver the best returns from the Stage One development while allowing for the later expansion of the processing plant. AMEC and Hyundai continue to remain engaged and supportive of the Hillside Project and are assisting Rex with the plant design and costing for the 6Mtpa processing plant.

The work on the mining schedule and associated equipment selection has focused on the delivery of the highest grade possible to the processing plant. The reduced initial processing rate has allowed for reduced dilution of the orebody based on the equipment selection. The mining work will now focus on the development of a detailed and optimised mine plan which will deliver the best possible copper grade into the 6Mtpa processing plant. This plan will also allow for the expansion to a larger mining rate to facilitate an investment decision by the Company to expand the Project to a larger scale, including iron ore, as defined within our Mining Lease conditions.

So why extend the Hillside Project Feasibility Study in the first place?

The global prices (and market sentiment) of copper, gold and iron ore have decreased significantly over the past 12 months to their lowest level in over five years.

This decline in prices and sentiment needs to be accommodated in any assessment and financing of a new mining project.

Notwithstanding the current outlook for copper prices, the case for copper and gold in the medium to long term remains positive with a strong prospect of a demand-supply deficit in the copper market in the near future.

This development underpinned the decision to concentrate on copper and gold in Stage One of the Hillside Project.

The resource sector will continue to ride a cyclic curve and Rex is working to ensure we are ready to capitalise on the next inflexion.

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Tenement Schedule for the quarter ending 31 December 2014

Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5056	Moonta South	Granted	km ²	416	2/08/2012
EL5055	Moonta South	Granted	km ²	1262	2/08/2012
EL4514	Moonta South	Granted	km ²	24	10/06/2010
EL5508 ¹	Moonta South	Granted	km ²	151	5/11/2014
EL5133	Wandearah	Granted	km ²	96	1/08/2012
EL4779	Wandearah	Granted	km ²	81	13/10/2011
EL5070	Cowell	Granted	km ²	85	24/10/2012
ML6438 ²	Hillside	Granted	Ha	2998	16/09/2014
EML6439 ²	Hillside	Granted	Ha	225	16/09/2014
MPL146	Hillside	Granted	Ha	94	16/09/2014

CORPORATE

During the quarter, the Company held its Annual General Meeting of Shareholders and all resolutions were passed with the results available for viewing on the Company website.

Cash at the end of the quarter was \$13.7M. The completion of restructuring of the Company resources has produced a lower cost structure facilitating the Extended Feasibility Study completion later in 2015. Cash outflows for the reported quarter were \$2.1M and lower than the estimated \$3.2M reported on the previous quarterly report.

Net cash outflows for the next quarter are estimated to be \$2.2M and expenditure relates mainly to work associated with the Extended Feasibility Study.

Ongoing cash requirements in the 2015 calendar year are expected to be approximately \$2M per quarter and will ensure the Company maintains a strong cash position to finish the Extended Feasibility Study and conclude financing discussions.

ACTIVITIES PLANNED FOR NEXT QUARTER

Rex will continue the work associated with the Extended Feasibility Study with detailed designs now underway for both the processing plant and mining schedule.

¹ EL5508 was granted during the quarter, increasing Rex's tenement holdings by 151km²

² MC4346 and MC4354 have ceased and been replaced by ML6438 and EML6439

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 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 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	(1,792)	(5,424)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	251	405
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	-	-
	(2,147)	(7,851)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	22
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	-	21
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(2,147)	(7,830)

+ 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)	(2,147)	(7,830)
	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	(2,147)	(7,830)
1.20	Cash at beginning of quarter/year to date	15,907	21,590
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	13,760	13,760

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	397
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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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)	1,582
4.2 Development	
4.3 Production	
4.4 Administration	611
Total	2,193

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	7,260	5,407
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (term deposits)	6,500	10,500
Total: cash at end of quarter (item 1.22)	13,760	15,907

+ 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	EL5508	0	151km ²

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			
	<i>(description)</i>			
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			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

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 (description and conversion factor)	640,000	- -	Exercise price \$1.20	Expiry date 30/4/2015
7.8	Issued during quarter	-	-	-	
7.9	Exercised during quarter	-	-	-	
7.10	Expired during quarter	200,000 3,000,000	- -	\$1.20 \$0.91	30/4/2015 31/8/2017
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: 30 January 2015

(Director/Company secretary)

Print name: Rosalie Bolingbroke

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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this 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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