



HEAD OFFICE

A 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 and Media Release: 25 May 2015

ASX code: RXM

Hillside Project – Mineral Resource and Ore Reserve Update

- **Updated Open Pit Ore Reserve with a focus on copper-gold only**
- **Copper Ore Reserve grade increase of over 19%**
- **New Ore Reserve supports a 13+ year mine life for a 6Mt per annum process plant as defined in the Hillside Extended Feasibility Study (EFS)¹**

The Mineral Resource for Rex Minerals Ltd (Rex) Hillside Copper Project (Hillside) on the Yorke Peninsula, South Australia remains one of Australia's largest open pit copper Mineral Resources.

- At a copper cut-off of 0.2%, the total Mineral Resource at Hillside stands at 337Mt @ 0.6% copper and 0.14g/t gold, equating to approximately 2.0Mt (4.3 billion pounds) of copper, 1.4Moz of gold.
- Since the announcement of the previous Hillside Mineral Resource on 28 June 2013, minor amendments to the Mineral Resource have been on the back of additional drill hole data and interpretation improvements.
- Of the 2Mt of contained copper classified as a Mineral Resource, approximately 65% has been classified as Measured and Indicated Resources.
- The updated Mineral Resource – the seventh for the Hillside Project - includes information from 608 diamond holes and 245 RC holes for a total of 239,000m.

Hillside Ore Reserve update based on the mine design completed during the EFS¹ to deliver, nominally, 6Mtpa of ore to the processing plant to produce a copper-gold concentrate.

- The Hillside Ore Reserve now stands at 82Mt @ 0.62% copper and 0.16g/t gold, equating to approximately 0.51Mt (1.12 billion pounds) of copper and 0.43Moz of gold.
- A material increase was achieved in Ore Reserve grades when compared to the previous Ore Reserve announced on 28 June 2013 (from 0.52% copper to 0.62% copper and 0.13g/t gold to 0.16g/t gold). Grade increases have been achieved on the back of a smaller Selective Mining Unit (SMU), appropriate mining equipment selection for a 6Mtpa open pit operation and the selection of a smaller, higher grade pit shell.
- A material decrease in Ore Reserve tonnes (180Mt to 82Mt) from those announced on 28 June 2013 is a reflection of the decision to stage the project. The staging approach does not prevent any future conversion of Mineral Resources to Ore Reserves with favourable market conditions.
- The Proved Ore Reserve of 42Mt represents 51% of the total Ore Reserve with the remaining 49% in the Probable category.
- Iron has been removed from the Ore Reserve due to prevailing iron ore market conditions, not with-standing that Rex may reconsider an iron ore processing stream in the future.

¹ Released on 25th May 2015

HEAD OFFICE

A 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



Table 1: Hillside Measured, Indicated and Inferred Mineral Resource Summary Table – May 2015

Zone	Resource Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Oxide Copper	Measured	16	0.54	0.23	86,400	118,315
	Indicated	4	0.51	0.13	20,400	16,718
	Inferred	0.2	0.7	0.2	1,400	1,286
Secondary Sulphide	Measured	9	0.61	0.20	54,900	57,871
	Indicated	3	0.55	0.12	16,500	11,574
	Inferred	0.1	0.6	0.1	600	322
Primary Sulphide	Measured	47	0.54	0.16	253,800	241,774
	Indicated	144	0.59	0.13	849,600	601,862
	Inferred	114	0.6	0.1	684,000	366,519
Total		337	0.6	0.14	1,967,600	1,416,240

Copper Resources reported above 0.2% cut-off grade.

Measured and Indicated Resources are rounded to two significant figures and Inferred Resources are rounded to one significant figure.

Table 2: Hillside Ore Reserve – May 2015

Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (t)	Contained Gold (oz)
Proved	42	0.55	0.19	228,049	250,454
Probable	40	0.70	0.14	281,213	181,051
Total	82	0.62	0.16	509,262	431,504

For Comment and Further Details

For more information about Rex Minerals and its projects please visit our website www.rexminerals.com.au or contact:

Richard Laufmann (Managing Director)
Phone: +61 (0)8 8299 7100
Email: rex@rexminerals.com.au

Media and investor relations enquiries to:
Gavan Collery
Phone: +61 419 372 210
Email: gavan@resourcecomms.com

HEAD OFFICE

A 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



Hillside Ore Reserve Statement – May 2015

The Hillside Ore Reserve now stands at 82Mt @ 0.62% copper and 0.16g/t gold, equating to approximately 0.51Mt (1.12 billion pounds) of copper and 0.43Moz of gold. The Ore Reserve estimate was created from a detailed mine design. A pit shell was selected using discounted cash flow methodology from a Lerch Grossman open pit optimisation which was used as a starting basis for the mine design.

Metallurgical recoveries of 92% for copper and 78% for gold were based on extensive geometallurgical test work studies. Key input parameters including commodity prices and exchange rate for this estimate are shown in Table 3 below. All Ore Reserve tonnes exist within an open pit design that has been fully scheduled and costed in-line with work completed as part of the Hillside EFS². Detailed information with regards to JORC compliance for the Ore Reserve report is noted in Appendix 2.

Table 3: Commodity Price and Exchange Rate Assumptions for Hillside Ore Reserve Estimate – May 2015

Commodity and Exchange Rate	Assumptions
Copper (US\$ real)	US\$3.00/lb
Gold (US\$ real)	US\$1,250/oz
Exchange Rate (AUD:USD)*	0.70

* Quotes for the pre-production capital cost estimates in the EFS assumed an exchange rate of 0.75. A longer term exchange rate forecast of 0.70 was used for the life of the operation.

Future Conversion of Mineral Resources to Ore Reserves and Iron Ore

The Extended Feasibility Study (EFS)² referred to in this announcement is based on the Ore Reserve (derived from Indicated and Measured Resources). There exists a small proportion of oxide resource within the pit shell that has the potential to be converted to an Ore Reserve. The expectation is that a proportion of this oxide copper will be converted to an Ore Reserve once further metallurgical test work is complete.

Iron ore has been removed from the May 2015 Mineral Resource. Given current market conditions, which drove the reduction in scale of the initial mine plan and plant design, the removal of iron ore from the Mineral Resource and the Ore Reserve estimates is appropriate. Rex may look to reinstate iron ore as a Mineral Resource in the future should circumstances change.

² Released on 25th May 2015

HEAD OFFICE

A 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

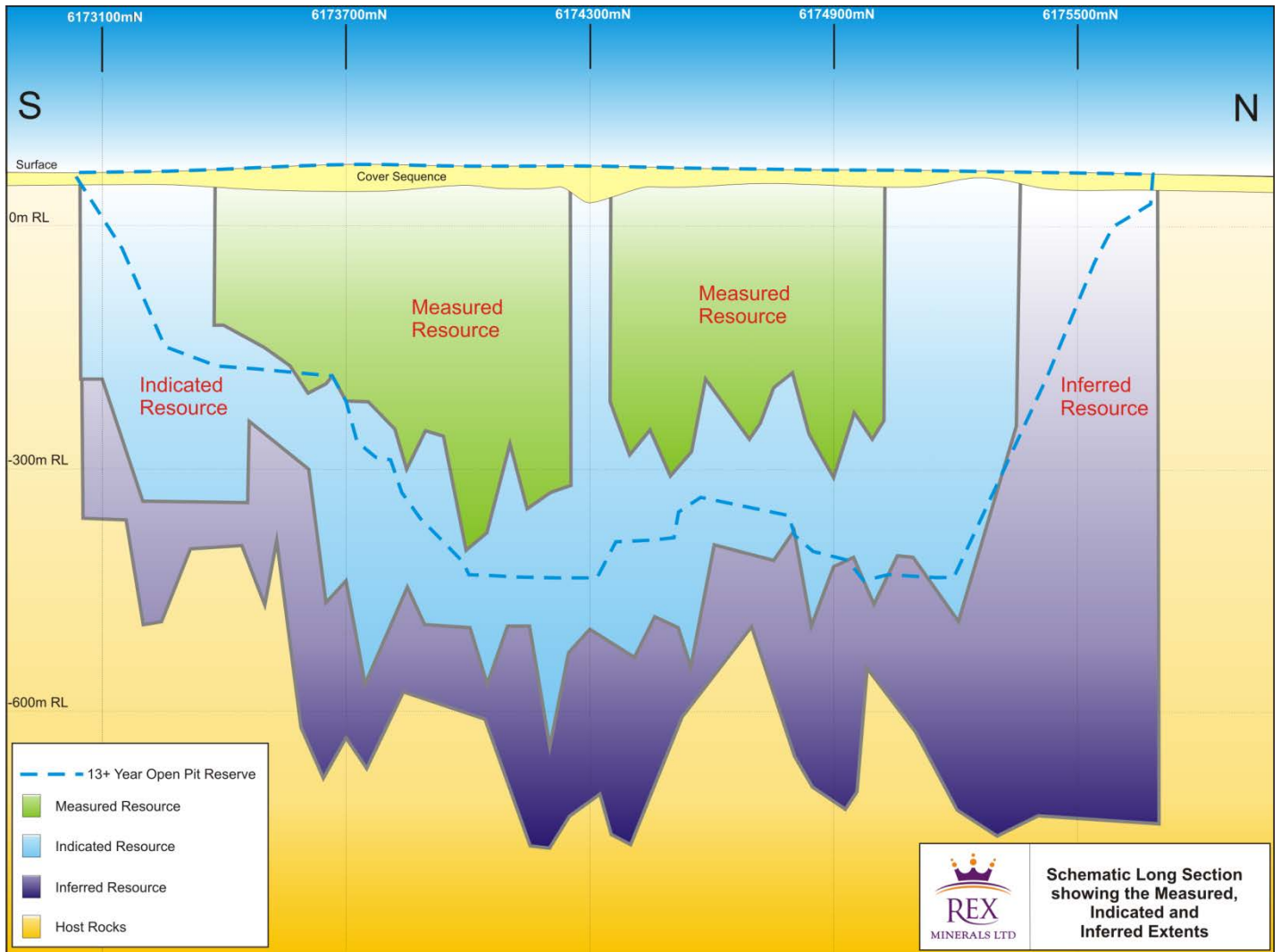


Figure 1: Schematic long section showing the location of the Measured, Indicated and Inferred Resources. View looking to the west.



HEAD OFFICE

A 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



Competent Persons' Report – Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled by Mr Charles McHugh who is a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Rex Minerals Ltd. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McHugh consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Persons' Report – Mineral Resources

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Patrick Say who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Rex Minerals Ltd. Mr Say has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Say consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement".

Appendix 1 - Assessment and Reporting Criteria Table Mineral Resource – JORC 2012

The following table provides a summary of important criteria related to the assessment and reporting of the Hillside Mineral Resource.

Section 1 – Sampling Techniques and Data

Criteria	Commentary
Sampling Techniques	<ul style="list-style-type: none"> • Diamond and RC drill holes were sampled and assayed on nominal 1m intervals. • Of the 180,156m of assayed diamond core, 98.8% were sampled at 1m intervals with 1.2% of sample metres at intervals other than 1m. Of the 31,533m of assayed RC drilling, 99.96% were sampled at 1m intervals. • The majority of assays for Hillside were conducted by Australian Laboratory Services (ALS) with the preparation laboratory in Adelaide and analytical laboratory in Perth. Some sample analysis from 2007 to early 2009 was conducted by Australian Mineral Development Laboratories (AMDEL), comprising only 2% of all assays. • Cu grades were determined by nitric/perchloric acid digest ICP Atomic Emission Spectrometry determination (ALS ME-ICP61 method). Au grades were determined by 30g fire assay at ALS Perth. Fe grades were determined by fused disk XRF (ME-XRF21n).
Drilling techniques	<ul style="list-style-type: none"> • Diamond (HQ3 and NQ2) standard and triple tube drilling and reverse circulation (RC) drilling was used for geological interpretation.
Drill sample recovery	<ul style="list-style-type: none"> • Diamond core recovery was good with an average of 96.9% recovered throughout the deposit. • To maximise diamond core sample recovery, 1.5m triple tube drilling was undertaken where possible. • Control diamond drilling was implemented on occasions where sample recovery had the potential to be compromised. • There is no observed correlation between diamond core recovery and copper, gold and iron assays at Hillside. Accordingly, there is no apparent bias in the assay grades for samples in drill run lengths less than 2m. • It was identified that the quality of some of the RC samples may have been compromised as a result of poor sampling techniques. • To overcome this potential bias, the inclusion of additional diamond holes were completed and drilled in areas of high RC coverage. This additional drilling was included in the June 2013 resource update to increase the ratio of diamond holes in areas of predominantly RC drilling and hence remove any potential bias created from poor RC sample quality. • There is no observed correlation between sample weights (recovery) and copper, gold and iron assays at Hillside.
Logging	<ul style="list-style-type: none"> • Prior to December 2011, core was logged into an Excel spreadsheet logging system with drop down list pick fields. • Post December 2011, core was logged into proprietary software developed by Rex with drop down list pick fields. • Logging of geology (lithology and alteration), mineralisation, veining, structure and geotechnical parameters was undertaken as routine data collection at Hillside. • Every metre (100%) of drilling at Hillside has been logged as per the logging criteria

HEAD OFFICE

A 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



Criteria	Commentary
	<p>above.</p> <ul style="list-style-type: none"> Core was photographed prior to being logged by the geologist. All core is stored at the Hillside core shed.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Diamond core is orientated along the bottom of hole and then half-core samples are taken using a diamond core saw. RC chips are sampled as 1/8th splits off the rotary cone splitter at the rig. Duplicate samples for both diamond and RC drilling are collected. Bulk density was measured using "Archimedes Principle".
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The sample is dried to a core temperature of approximately 100°C. The total sample is jaw crushed followed by method PUL-21 where the entire sample is pulverised to better than 85% of the sample passing 75 µm. Cu grades were determined by nitric/perchloric acid digest ICP Atomic Emission Spectrometry determination (ALS ME-ICP61 method). Au grades were determined by 30g Fire Assay (at ALS Perth). Fe grades were determined by fused disk XRF (ME-XRF21n). Assay data quality was determined through submission of client (Rex) and laboratory standards, blanks and duplicates which were inserted at a nominal rate of 1 each per 25 drill samples. Acceptable levels of accuracy (lack of bias) have been established with the following results from the Hillside QAQC program: <ul style="list-style-type: none"> Maximum % bias for Cu field standards of +3.7% to -3.7%. Only 1.2% of coarse blanks had elevated Cu (>250ppm). Select re-assays of ¼ core have demonstrated minimal variability suggesting acceptable laboratory procedures. Field and laboratory duplicates for Cu displayed acceptable levels of variability with absolute mean paired differences (AMPD) of between 80% and 95%. A detailed QAQC report is contained as an Appendix within Rex's internal Mineral Resource report. The QAQC report was based on assays up to hole HDD-564.
Verification of sampling and assaying	<ul style="list-style-type: none"> Umpire laboratory checks (of which a number contain significant intercepts) were completed during 2011, 2012 and 2013 and no issues were identified that would prevent the classification of the Cu and Au Mineral Resources. A total of 31 pairs of twinned holes were drilled at Hillside and their results are detailed in Rex's internal Mineral Resource Estimate report.
Location of Data points	<ul style="list-style-type: none"> All drill holes were surveyed and recorded in the Rex SQL database. All drill-holes have magnetic down-hole surveys taken at approximate 24m intervals using a single shot down-hole survey instrument. An azimuth adjustment of +8 degrees was applied for the conversion to MGA Zone 53 (GDA 94) for all magnetic surveys. In addition to the magnetic down-hole surveys, 516 diamond holes (84% of drilled metres) and 178 RC holes (74% of drilled metres) were surveyed using a Reflex gyro or North Seeking Gyro. Priorities are set within the database as to which survey is used in defining drill hole traces. Down hole surveys were checked mathematically and visually for excessive deviation or unlikely hole traces. No obvious problems were identified.

HEAD OFFICE

A 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



Criteria	Commentary
	<ul style="list-style-type: none"> 98% of drill hole collar coordinates were surveyed in MGA94_53 using a Differential Global Positioning System (DGPS). The remaining 2% were surveyed in MGA94_53 using hand held GPS. A surface digital terrain model created from a detailed gravity survey was used as an elevation reference for all drill holes and as verification for the elevation readings from the DGPS and GPS.
Data spacing and distribution	<ul style="list-style-type: none"> No exploration results were reported in this statement. Drilling has been completed on nominal east-west 50m – 100m sections, with some nominal east-west “infill” 25m spaced sections. A total of 600 diamond holes and 219 RC holes directly intersected the main mineralisation envelopes. A total of 608 diamond holes and 245 RC holes were used within and around the Mineral Resource estimate volume. Approximately 51% of the diamond drilling was angled at approximately 60° to 70° to the west, 36% of drilling was angled at approximately 60° to 70° to the east and 13% of drilling was angled at approximately 60° to 70° to the north or south or oblique to east west sections Approximately 70% of the RC drilling was angled at approximately 60° to 70° to the west, 25% of drilling was angled at approximately 60° to 70° to the east and 5% of drilling was angled at approximately 60° to 70° to the north or south or were vertical holes for water bore drilling. Drilling is predominantly concentrated between 6173100N and 6175700N and between 60RL and -650RL. 1m assay composites were used. A small number of composites were retained with a length of less than 1m.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> The majority of drilling has been completed on nominal east-west sections which intersect the strike of the orebody. A total of 60 holes have been drilled on north – south sections intersecting the strike of the Leprena domain and to check for bias in the geological interpretation and orebody continuity. There is no expected bias due to the orientation of drilling and the continuity of the orebody along strike. The drill hole intersection angle is between 60 and 75 degrees through the 5 main mineralised structures. (Dart, Zanoni, Parsee, Omero and Songvaar).
Sample Security	<ul style="list-style-type: none"> Monitoring of sample dispatch is undertaken for samples sent from site and to confirm that samples have arrived in their entirety and intact at their destination. A sample dispatch form (SDA) is created from the Rex SQL database for each drill hole dispatched. If the total number of samples in a dispatch is greater than 500, the lab will split the samples into two work orders. Dispatch sheets are clearly completed and supplied to the lab either with the physical samples or via e-mail prior to the samples arriving. Upon receiving receipts, the lab assigns a barcode to each sample and this ensures that each sample is tracked as it makes its way through sample prep and analytical. Upon receipt of results back to Rex, sample ID’s per SDA can be verified and checked against the lab results.
Audits or	<ul style="list-style-type: none"> Internal lab audits conducted by Rex have shown no material issues.

HEAD OFFICE

A 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



Criteria	Commentary
Reviews	<ul style="list-style-type: none"> Sampling and data protocols have been externally audited by AMC with no matters that were serious or were likely to impair the validity of the Mineral Resource estimate.

Section 2 – Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure	<ul style="list-style-type: none"> The Hillside project is 100% owned by Rex Minerals. The Hillside project is located with Exploration Licence, EL5055. (Previously EL3874.) A change in EL name (from EL3874 to EL5055) occurred in August 2012, and as such, the tenure of EL5055 was renewed for a further 3 years from 2nd August 2012. Rex has been granted a Mining Lease over the Hillside project. The Mining Lease number is ML6438.
Exploration done by other parties	<ul style="list-style-type: none"> Rex Minerals has held EL5055 since 2007. Prior to 2007, limited exploration was completed by other parties with only a small amount of geochemical sampling results obtained by the company. Importantly, this geochemical data was spread throughout EL3874 with no information directly associated with Hillside. No drilling of any kind was completed over the Hillside target prior to Rex's involvement. There is a historic copper mine at the northern end of the Hillside ore body. This was noted by previous explorers but never followed up in detail.
Drill hole Information	<ul style="list-style-type: none"> No new exploration results have been reported in this release, and thus, this section is not material to this report on Mineral Resources and Ore Reserves. Notes relating to the drill hole information relevant to the Mineral Resource estimate are noted in Section 1 - Sampling Techniques and Data. Notes relating to the geology and interpretation are noted in Section 3 - Estimating and Reporting of Mineral Resources.
Data aggregation methods	<ul style="list-style-type: none"> No weighting average techniques or grade truncations have been reported in this release, and thus, this section is not material to this report on Mineral Resources and Ore Reserves. In reporting the Mineral Resource, a copper cut-off of 0.2% was used. Copper equivalent values have not been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> No exploration results have been reported in this release, and thus, this section is not material to this report on Mineral Resources and Ore Reserves.
Diagrams	<ul style="list-style-type: none"> Diagrams that are relevant to this release have been included in the body of the release.
Balanced reporting	<ul style="list-style-type: none"> No exploration results have been reported in this release, and thus, this section is not material to this report on Mineral Resources and Ore Reserves.
Other substantive exploration data	<ul style="list-style-type: none"> No exploration results have been reported in this release, and thus, this section is not material to this report on Mineral Resources and Ore Reserves.

HEAD OFFICE

A 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



Criteria	Commentary
Further Work	<ul style="list-style-type: none"> No exploration results have been reported in this release, and thus, this section is not material to this report on Mineral Resources and Ore Reserves.

Section 3 - Estimating and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	<ul style="list-style-type: none"> The Hillside database is a SQL system. Prior to December 2011, core was logged into an Excel spreadsheet logging system with drop down list pick fields. Post December 2011, core was logged into proprietary software developed by Rex with drop down list pick fields. Different user profiles and security exists to minimise the possibility of data modification. Logging is completed on portable computers. Validation checks are written into the SQL database and these are activated via database and user triggers to ensure the data is correct with respect to fundamental quality issues.
Site Visits	<ul style="list-style-type: none"> The Competent Person has been intimately involved in the project from its early stages and has visited site on average every 1-2 weeks from 2009 to 2013 and on average once a month from 2014 to the present.
Geological interpretation	<ul style="list-style-type: none"> Confidence in the geological interpretation is high at a broad scale, whilst (as can be expected) confidence at a local scale (<10m) is lower owing to the inherent geological variability of the orebody at close spacing's. Grade continuity along strike and at depth is high with local variability shown to be + or – 10% or less from infill drilling. At deposit scale, the grade continuity is very high with variability isolated to changes in lithology. Confidence in the interpretation between northings 6173300N and 6175200N is higher than confidence in the interpretation outside of these zones. Confidence decreases with depth owing to the coarser spacing of drill holes. The influence of structure on the geological interpretation is well understood, with a structural model being incorporated within the interpretation process. The ore body remains open to the north, south and at depth. No outcrop exists to verify interpretation. The geological interpretation was based on diamond and to a lesser extent RC drill holes. The mineralisation at Hillside forms part of a large regional alteration system. Interpretation and geochronological analysis of drill samples from Hillside suggests a genesis related to the Gawler Range Volcanic / Hiltaba volcano-plutonic event (ca. 1570-1590Ma). The Hillside ore system is built on regional N-S trending mineralizing structural channels which carried copper and gold bearing hydrothermal fluids. Copper-gold mineralisation is hosted by a sequence of intensely altered metasediments and skarns. The geology at Hillside is categorised into the following lithologies and structural zones from west to east:

Criteria	Commentary
	<ul style="list-style-type: none"> ○ Hangingwall Package: a relatively unaltered package of metasediments and sediments. ○ Pine Point Fault (PPF): representing the western boundary of the Hillside copper and gold mineralisation, containing rubble to milled fault breccias in a north-south trending zone of 2-10 metres true thickness. It separates the hangingwall package from the skarn/metasedimentary package and is unmineralised. ○ Skarn/metasedimentary package: a sequence of intensely altered metasediments and skarns belonging to the Wallaroo Group (Moonta Subdomain), which are intruded by MesoProterozoic granitoids within the main mineralised area. The intrusions comprise variable width dykes of micro granite to micro diorite (plus occasional coarser phases). The sequence is also intruded by micro-gabbro which may represent late stage Carramulka Gabbro equivalents or early sills. ○ Footwall Package: a significant stock/pluton of granite which lies in the eastern sector of the deposit. <ul style="list-style-type: none"> ● Alternative interpretations were explored early in the life of the Project however the consistency of grade along strike and at depth has removed the plausible nature of any alternative broad-scale interpretation. ● Local scale interpretation (<10m) may vary slightly with closer spaced (grade control) drilling however this is not expected to materially affect the estimate. ● Primary copper-gold mineralisation occurs in vertical to sub-vertical magnetite and hematite rich lenses within the skarn/metasedimentary package. ● Secondary copper-gold mineralisation occurs within a shallow sequence of weathered basement rocks. Secondary mineralisation is found throughout the deposit at upper levels. ● The dominant host rocks of the higher grade copper-gold and iron-ore mineralisation are a number of variably altered skarns. These skarns are the wholesale altered products of folded and faulted carbonate rocks (impure limestones) which have become the favourable host rock in the area for hydrothermal fluids that have passed through and formed the deposit. ● The skarns exist throughout the deposit in various states of alteration, with some lesser altered and more poorly mineralised sections found throughout the deposit. ● Often in close proximity to the skarns, and close to faults or contacts with other rock units, are distinct areas of very high grade mineralisation which are interpreted to be sections of remobilised and concentrated copper-gold-iron mineralisation. The bulk of this type of mineralisation is located close to the western side of the deposit which is adjacent to the major regional fault (known as the Pine Point Fault). ● Some of these structures represent locations of brecciation and repeated mobilisation within a broad fault zone. ● Detailed petrographic (thin sections) work has identified the progression of the mineralisation and alteration associated with the Hillside deposit. Of particular note is that the gold is closely associated with the copper mineralisation, which is also reflected in the metallurgical test work which has found that 78% of the gold reports to the copper concentrate, which is predominantly a result of the gold being attached to the chalcopyrite grains.

HEAD OFFICE

A 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



Criteria	Commentary
	<ul style="list-style-type: none"> • Primary copper mineralisation is dominated by the mineral chalcopyrite, with lesser amounts of bornite and chalcocite. • Where present, bornite & chalcocite are observed as an early and syn-alteration phase. There is growing evidence of an outer shell of primary bornite + chalcocite enclosing the chalcopyrite-rich “core”. Increases in Cu:S ratios have been noted at the margins of the orebody. • Work is continuing in an effort to delineate bornite-rich or bornite (± chalcocite) only domains within and abutting the deposit.
Hillside Dimensions	<ul style="list-style-type: none"> • Primary mineralisation zones within the Hillside deposit are sub-parallel to the lithostratigraphic architecture. • Primary Hillside mineralisation strikes approximately north-south and has variable steep dips (70 to 80 degrees) to the west and occasionally east. Leprena mineralisation strikes approximately east-west and dips (60 – 70 degrees) to the north. • Secondary mineralisation strikes approximately north-south and tends to be steeply dipping immediately above primary mineralisation and in zones grading to flat lying to shallow dipping dispersion zones (on average 10 to 30 degrees). • Mineralisation has so far been observed from 6173130N to 6175500N, 763150E to 764000E and 60RL to -710RL. Approximately 90% - 95% of the total target size (at surface) has been tested and the deposit remains open towards the north and south and at depth.
Estimation and Modelling Techniques	<ul style="list-style-type: none"> • Polygons and hence triangulations are based on interpretations completed on 50m - 100m northing sections. • Triangulated interpretations have been domained into the following constrained bodies based on lithology, grade and structure: <ul style="list-style-type: none"> ○ 400 (Dart) ○ 500 (Zanoni) ○ 700 (Parsee) ○ 750 (Omero) ○ 800 (Songvaar) ○ 850 (Leprena) ○ 930 (Primary Gold only) ○ 940 (Secondary Gold only) ○ 950 (Supergene Cu) • In addition to these mineralised domains, lithological domains, (+/- Cu/Au mineralisation), have also been constructed. These include: <ul style="list-style-type: none"> ○ Hangingwall lithologies ○ Footwall lithologies ○ Pine Point Fault ○ Barren zones within mineralised domains ○ Base of Saprolite ○ Base of Oxidation ○ Base of Transition ○ Cover Sequence • A priority system of 22 domains was set up to account for overlapping mineralisation,

Criteria	Commentary
	<p>intrusive rock shapes and cover sequence lithologies.</p> <ul style="list-style-type: none"> • The block model was constructed with parent blocks of 25mE by 25mN by 12mRL. • Ordinary kriging (OK) to the parent block size was used to estimate Cu, Au, Ag, U, Fe, S, Co and Cl grades and bulk density separately. • Geostatistical analysis was performed using Snowden Supervisor. • Estimates were constrained within the interpreted domains. • For Cu, it was determined that these domains provided a suitable basis for estimation of grade. Additionally, the Cu domains also provided a reasonable basis for estimation of Au, Ag, U, Fe, S, Co and Cl grades and bulk density. • Up to three estimation passes with increasing search neighbourhood size were run for all domains. The range of estimation passes used for the estimation of mineralised domains varied. <ul style="list-style-type: none"> ○ 2/3rd of the variogram sill was used as a guide for Pass 1 ○ 100% of the variogram sill was used as a guide for Pass 2 ○ Twice the sill was used as a guide for Pass 3 • A minimum of 4 and maximum of 32 composites were used per estimate for Pass 1 and Pass 2 with a minimum of 2 and maximum of 32 composites used for Pass 3. • An Octant based search limited composites to a maximum of 4 composites per octant. • 1m assay composites were used. A small number of composites were retained with a length of less than 1m. • Estimation applied composite length weighting. • An Inverse Distance (ID) block model was run as a comparison check to the Ordinary Kriged (OK) July 12 block model. This comparison was satisfactory. • The current assumption is that revenue will be obtained from Cu and Au. The EFS has shown that the economic recovery of Cu and Au from Hillside is achievable. • Estimation of potential acid forming (PAF), non-acid forming (NAF) and acid consuming (ACM) rock has been completed and coded into the blockmodel. This estimation is based on test work completed as part of the EFS. • Block size used is 25x25x12 meters. The average drill hole spacing is 50m. Search distances and orientations are based on the variogram models for each element. • No assumptions have been made with regards to SMU for the resource modelling as the block dimensions are considered reasonable for the data spacing to date. • A strong correlation exists between Cu and Au, whilst to a lesser extent, a correlation exists between Cu and Fe. • Lithological, structural and grade interpretation was used as a guide in building mineralised domains. • No high grade top-cuts were applied within the estimate. This was based on the disintegration approach of log probability plots whereby the high grade tail remains relatively continuous. • Validation of the estimate was completed by visual inspection in 3D. Checks included that; all blocks were populated, block grades matched composite grades and there was no leakage of grade into adjacent areas. • Swath plots were generated per domain along all eastings, northings and RL's and block grade compared favourably with composite grade.

HEAD OFFICE

A 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



Criteria	Commentary
Moisture	<ul style="list-style-type: none"> Tonnes have been estimated on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> Copper Mineral Resources have been reported above a 0.2% Cu block grade cut-off. Within the Mineral Resource there is a sufficient volume of material above a 0.2% Cu cut-off to support an open pit mine.
Mining factors or assumptions	<ul style="list-style-type: none"> The EFS has shown that the Hillside deposit will likely be mined by open pit mining methods. Rex's EFS (announced 25th of May, 2015) detailed a minimum 13 year mine plan. Open pit mining dimensions (minimum SMU) are 3m x3m x5m. Mining dilution was added by creating a SMU and then adding 0.25m edge dilution. This overall gives approximately 9% dilution to the resource. Open Pit Mining Options <ul style="list-style-type: none"> Given the size and extent of the Mineral Resource at Hillside, there are many options that are available to Rex in terms of how the operation is staged. Most of these options vary depending on the commodity price assumptions. The results from the EFS open pit work identified an open pit mine with a total strip ratio of approximately 7.4:1 (including pre-strip) and a strip ratio of approximately 6.7:1 (excluding 54Mt of pre-strip in pre-production year) and an average mining cost per tonne of approximately A\$2.24. The EFS referred to in this announcement is based on the Ore Reserve (derived from Indicated and Measured Resources). There exists a small proportion of oxide resource within the pit shell that has the potential to be converted to an Ore Reserve. The expectation is that this oxide copper will be converted to an Ore Reserve once further metallurgical test work is complete. The EFS contains a very small proportion of Inferred Resources (200kt or 0.2% of the total ore tonnes) in the mine plan.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The essential elements of the process plant design utilise conventional flotation technology to produce a copper-gold concentrate. The head grades going into the process plant for the Life of Mine (LOM) are estimated to average 0.62% copper. Copper recoveries are estimated to be 92%, gold recoveries are estimated to be approximately 78%.
Environmental factors or assumptions	<ul style="list-style-type: none"> As part of the Rex EFS, waste dumps and tailings storage facilities have been designed and planned to minimise the environmental impact. Encasement of any potential acid forming material has been factored into the dumping sequence. A comprehensive program of surface and groundwater monitoring has been undertaken as is detailed in Rex's Mining Lease proposal to the South Australian government. A comprehensive flora and fauna study was also undertaken as is detailed in Rex's Mining Lease proposal to the South Australian government. A community consultation program has been in place for the life of the Hillside project. The Mining Lease Application (MLA) was approved in September 2014 by the relevant government department.
Bulk density	<ul style="list-style-type: none"> Approximately 75% of all sampled diamond core has been measured for density. The method used the entire air-dried core sample weighed in air and water, which was used to estimate the density.

HEAD OFFICE

A 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



Criteria	Commentary
	<ul style="list-style-type: none"> • Regular daily check bulk density measurements were completed as part of the data collection protocols. • Ordinary kriging (OK) to the parent block size was used to estimate bulk density. Where blocks were not estimated for bulk density, the average density for the domain was assigned.
Classification	<ul style="list-style-type: none"> • Mineral Resources have been classified on the basis of geological and grade continuity confidence and reflect the Competent Person’s view on the deposit. • Inferred Mineral Resources have an average drill hole spacing of up to 150mN by 150mRL. • Indicated Mineral Resources have an average spacing of up to 50mN by 50mRL. (Some areas demonstrating strong grade continuity outside of a 50 x 50m drill hole spacing have also been considered (by the Competent Person) as appropriate to be classified as Indicated.) • Measured Resources were deemed appropriate based on data acquired from an infill drilling study within the Dart and Songvaar domains. This study showed that; <ul style="list-style-type: none"> ○ The maximum variability for Cu grade within the Dart and Songvaar infill drilling areas was -9.2% and -5.3% respectively; ○ The maximum variability for tonnes within the Dart and Songvaar infill drilling areas was +0.3% and -1.8% respectively; • Rex considers this variability to be relatively minor, and as such, feels that classifying these areas as Measured within the Mineral Resource Estimate for the EFS is appropriate. Additionally, given Rex has demonstrated the robustness of the Mineral Resource estimates in these areas, Rex feels that in areas of similar geological complexity (low complexity with consistent strike and vertical continuity of grade), there is no need for further infill drilling before a “Measured” classification can be applied. As such, Rex has extended the Measured classification to a limited number of these areas that possess coarser (50m x 50m) spaced drill holes, and similar geological complexity.
Audits or Reviews	<ul style="list-style-type: none"> • An audit and review of sampling techniques, data collection, modelling parameters, geostatistical evaluation, block grade creation and grade estimation for Hillside was undertaken by AMC Consultants Pty Ltd in May 2013, building on previous progressive audits. No matters were noted that would impair the validity of the June 2013 Mineral Resource estimate. The Mineral Resource estimate is unchanged other than the inclusion of assay results from 19 infill diamond holes and a subsequent minor re-interpretation of the ore and waste domains.
Discussion or relative accuracy/confidence	<ul style="list-style-type: none"> • In 2013, Rex commissioned an assessment of the robustness of the June 2013 Resource estimate. Although this study was completed on the June 2013 Mineral Resource estimate, it is the competent persons view that no material changes have occurred between the June 2013 estimate and the estimate used in the EFS, and hence, the study is still valid and worth noting. The study was completed by CS-2 Pty Ltd and MGen Pty Ltd and revealed: <ul style="list-style-type: none"> ○ The additional infill-drilling data did not materially change the Cu estimates, specifically the: <ul style="list-style-type: none"> ▪ Interpretations have changed locally as would be expected, but there has been no significant change to the underlying interpretation; and



HEAD OFFICE

A 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



Criteria	Commentary
	<ul style="list-style-type: none">▪ Grade-tonnage relationships and mean grades above the likely operating cut-off grades are stable.○ A recoverable resources approach suggests that the current Rex model in the infill drilled areas for:<ul style="list-style-type: none">▪ Dart is a good representation of the grade-tonnage that will be realised at the proposed SMU; and▪ Songvaar is likely to slightly underestimate the mean grade, but slightly overestimate the tonnage, that will be realised at the proposed SMU.○ The observed differences in the various estimates undertaken are commensurate with a classification as Measured resources (JORC 2012) subject to there being no issues with:<ul style="list-style-type: none">▪ Data quality; and the▪ Reasonable prospects test;○ The infill-drilled areas are reasonably representative of the remainder of the domains;• As such the level of confidence that many of the resources not informed by the infill-drilling could meet Measured status is present. Once again subject to satisfying data quality and reasonable prospects issues.

Appendix 2 - Assessment and Reporting Criteria Table Ore Reserves – JORC 2012

The following table provides a summary of important criteria related to the assessment and reporting of the Hillside Ore Reserve.

Section 4 – Estimation and Reporting of Ore Reserves

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"> The Mineral Resource estimate used as a basis for the conversion to an Ore Reserve is detailed in Appendix 1. The Mineral Resources are reported inclusive of the Ore Reserves.
Site Visits	<ul style="list-style-type: none"> Site visits have been completed by the Ore Reserve Competent Person in order to ensure the data used for the study matches the field observations.
Study Status	<ul style="list-style-type: none"> Rex has advanced the Extended Feasibility Study (EFS) for the Hillside project to the final stage. As part of the EFS, a mine plan was developed that was technically achievable and economically viable. This mine plan considered Modifying Factors such as mining, processing, metallurgy, infrastructure, economic, marketing, legal, environmental, social and governmental.
Cut-off parameters	<ul style="list-style-type: none"> The cut-off grade was determined by applying a positive value Net Smelter Return (copper and gold). This is approximately the equivalent of 0.19% Cu only cut-off.
Mining factors or assumptions	<ul style="list-style-type: none"> The mining method was based on open pit mining, utilising hydraulic excavators and trucks for primary haulage, with drill and blast practices for rock breakage and wall control. Ramps were designed for exiting and entering the pit carrying two-way traffic, to achieve production requirements. The Ore Reserve estimate was created from a detailed mine design. A pit shell was selected using discounted cash flow methodology from a Lerch Grossman open pit optimisation as a starting basis for the mine design. The geotechnical slope design parameters used were based on work completed by external consultants. There are various slope configurations based on the geotechnical rock domains and location in the mine schedule. A minimum mining width of 35 metres was applied. Grade control was assumed to be via reverse circulation methods. 24/7 mining operations assumed. Conventional dump truck and hydraulic backhoe excavators using a double benching method were assumed. Mining recovery of the Ore Reserve when compared to equivalent Mineral Resource: <ul style="list-style-type: none"> 99.0% Cu metal recovered. 99.8% Au metal recovered. 108.1% of ore tonnes. Mining dilution calculated to be approximately 9%. Copper price used = 3.0 US\$/lb. Gold price used = 1250 US\$/ounce. The exchange rate used in the study was A\$1.00 : US\$0.70.

HEAD OFFICE

A 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



Criteria	Commentary
	<ul style="list-style-type: none"> • Mining cost of A\$2.24 per LOM rock tonne moved. • Processing cost (excluding G&A) of A\$9.15 per tonne of ore. • G&A cost of A\$1.92 per tonne of ore. • Assumed average of 6 Million tonnes of ore processing per annum. • Recovery as per metallurgical results as provided to the Competent Person. • There is no Inferred material used in the Ore Reserve estimation. • Infrastructure requirements for open pit mining include; maintenance workshop for all mobile equipment, offices, crib rooms and amenities, explosive storage, fuel farm, water dams, geotechnical monitoring and de-watering systems.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • As part of the Hillside EFS, Rex commissioned Amec Foster Wheeler (Amec FW) to complete the mineral processing test-work including estimates for the capital required for construction of the processing plant. • Extensive mineral recovery work has been carried out by Amec FW based on all ore types defined within the Mineral Resource at Hillside and across various grade ranges. This provides a comprehensive view of the average copper and gold recoveries that can be realistically achieved at Hillside. • The essential elements of the process plant design utilise conventional flotation technology to produce a copper-gold concentrate. • Rex also commissioned a pilot plant study to optimise the flotation process and samples were selected from representative components of the orebody that were anticipated to be fed within the first 5 years of the mine schedule. • The head grades going into the process plant for the LOM are estimated to average 0.62% copper. • Rex has shown through metallurgical test work that deleterious elements are unlikely to exist in any significance way. • Rex has shown through metallurgical test work that no deleterious elements exist in concentrate. • Copper recoveries are estimated to be 92%, gold recoveries are estimated to be approximately 78%.
Environmental	<ul style="list-style-type: none"> • Waste Rock Dump designs take into consideration any Potential Acid Forming Material (PAF) and are design to meet the license requirements. Designs take into consideration stability and erosion measures and will be rehabilitated as per the license requirements. The Mining Lease Application (MLA) was approved in September 2014 by the relevant government department and all design parameters are in accordance with the submitted application. • Hydrology studies completed for both surface and ground water flows, with no significant impact on the proposed mining operations.
Infrastructure	<ul style="list-style-type: none"> • The Hillside project is approximately 150kms from Adelaide with a workforce within reach without the need to have an onsite accommodation facility. The site has access to mains power through the network grid and sea water will be used for processing and mining operations as per the license conditions. Potable water will be purchased from the SA Water for the filter of concentrate and other activities that need potable water. The transport of final product will be via trucks to Port Adelaide.
Costs	<ul style="list-style-type: none"> • Capital costs are noted in Rex's EFS announcement, 25th May 2015. Mining capital costs

HEAD OFFICE

A 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



Criteria	Commentary
	<p>are based on quotations from major suppliers of mining and ancillary equipment.</p> <ul style="list-style-type: none"> Processing plant EPCM cost estimate has been determined by Amec FW. Vulcan and other mining software were used to create a mining design and schedule. Original Equipment Manufacturer (OEM) specifications for the mining fleet were used to derive cycle times to create fleet numbers. Fuel usage and maintenance costs were estimated for the mining schedule based on; site visits to operations using the same equipment and in consultation with OEMs. The organisational structure is comparable to similar size operations in Australia. Labour rates for mining were based on surveys of similar earth moving operations on the Yorke Peninsula in South Australia. Processing operating costs were supplied by Amec FW to REX Minerals and were applied to the economic input for mine design parameters and cost models. Mining operating costs were determined by Rex Minerals staff and mining consultants. No allowances were made for deleterious elements as Rex has shown in metallurgical test work that they are unlikely to exist in any significance way. Exchange rate used in the study was A\$1.00 : US\$0.70. A Cu ocean freight charge of US\$35/tonne was used – estimate based on consensus rates in current market. TC/RC charges based on historic summary and forecast from AME. State government royalty has been applied in accordance with prevailing legislation.
Revenue Factors	<ul style="list-style-type: none"> Assumptions are in line with those disclosed in the EFS ASX release. Smelter payables and TC's are as per above. The derivation of assumptions made on commodity prices was conservatively based on consensus forecasts.
Market Assessment	<ul style="list-style-type: none"> Rex has engaged and been provided with documentation on the supply demand metrics for copper and gold by AME. The forecast commodity prices took into consideration the projected supply/demand for each commodity in conjunction with broker consensus analysis. Price forecasts for the key commodities are detailed in the "Mining factors or assumptions" section above.
Economic	<ul style="list-style-type: none"> The EFS estimate inputs provided by Amec FW and other consultants (capital and operating costs) are at +/-15% as is standard for this study phase. A discount rate of 8% real has been applied. Net Present Value (NPV) is positive and detailed in the EFS ASX Release. Highest level sensitivities are AUD:USD exchange rate, USD copper price and copper grade & recovery. Rex has run sensitivities on a broad range of key inputs including opex, capex, exchange rate and commodity prices in the cost model.
Social	<ul style="list-style-type: none"> Rex has in place a community consultative group and all aspects of social interaction between the project and the community are addressed through the community consultative group.
Classification	<ul style="list-style-type: none"> Based on the geological information provided and no increased risk to the modifying factors identified, all Measured Mineral resources if deemed economic by the DCF analysis have been classified as a Proved Ore Reserve.



HEAD OFFICE

A 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



Criteria	Commentary
	<ul style="list-style-type: none">Based on the geological information provided and no increased risk to the modifying factors identified, all Indicated Mineral resources if deemed economic by the DCF analysis have been classified as a Probable Ore Reserve.The Ore Reserve estimate provided appropriately reflects the Competent Person's view of the deposit based on the modifying factors used derived from the EFS recently completed and the updated Mineral Resource model received and referred to in Appendix 1.
Audits or Reviews	<ul style="list-style-type: none">The appropriateness of the Ore Reserve calculation was reviewed by AMC Consultants.
Discussion or relative accuracy/confidence	<ul style="list-style-type: none">As part of the EFS for Hillside, Rex commissioned an assessment of the robustness of the June 2013 resource estimate. Although this study was completed on the June 2013 Mineral Resource estimate, it is the competent persons view that no material changes have occurred between the June 2013 estimate and the estimate used in the EFS. The results from this study are detailed in Appendix 1.All mining estimates are based on Australian costs.There are no unforeseen modifying factors at the time of this statement that will have any material impact on the Ore Reserve estimate.Where practical and possible, current industry practices have been used to quantify estimations made.As part of ongoing works, it is recommended that further work is completed in mine scheduling and operability testing to ensure any modifying factors are accurate and there is a high level of confidence as the project undergoes further technical evaluation.