

HEAD OFFICE

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ASX Release: 22 July 2015

Quarterly Activities Report - for the period ended 30 June 2015

ASX Code: RXM

Cash on hand: A\$10.9M

Shares on Issue: 220.5M

Options on Issue: Nil

Market Capitalisation: A\$21.8M

Share price range in quarter: 8.3c to 13.0c

Website: www.rexminerals.com.au

*Hillside EFS results deliver 13+
year copper-gold project*

*Financial outcomes from the EFS
place Hillside as one of the more
favourable next generation of
copper projects globally*

Management update – see page 7

For further information, please contact:

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HIGHLIGHTS

- Rex Minerals (Rex) released the results of the Extended Feasibility Study (EFS) during the quarter.
- The EFS detailed a stand-alone copper-gold project (Hillside Project) with an estimated initial 13+ year mine life at a processing rate of 6 million tonnes per annum (Mtpa) with a head grade of 0.66% copper over the first 12 years of production.
- The EFS has identified the Hillside Project as one of the more attractive next generation of new copper projects. This will position the Company well for attracting capital and ultimately creating value from the development of the Hillside Project.

SUMMARY COMMENTS

After 10 months of work which included an extensive peer review and optimisation process, Rex has completed the EFS for its 100% owned Hillside Project.

The Hillside EFS sits within the development footprint of its existing Mining Lease to deliver 35,000tpa of copper and 24,000ozspa of gold for the first 12 years of operation. The size of the processing plant has been designed for 6 million tonnes of annual throughput.

Rex has also released an updated Mineral Resource and Ore Reserve during the quarter. The Hillside open pit Ore Reserve now stands at 82Mt @ 0.62% copper and 0.16g/t gold.

Employment during construction is estimated at up to 550 people, and during operations at approximately 500 people.

OUTLOOK

Rex will continue to engage with the Government regulator in preparation for the development phase of the Project. This work will take place in conjunction with negotiations with potential funding partners for the development of the Hillside Project.

HILLSIDE PROJECT

Extended Feasibility Study

The EFS detailed a stand-alone copper-gold project with an initial 13+ year mine life at a processing rate of 6 million tonnes per annum (Mtpa). The updated Hillside Ore Reserves captures approximately 25% of the total Mineral Resource, with scope within the existing design for expansion of both the open pit and processing plant to capture the large Mineral Resource that exists at Hillside.

Construction Period and Workforce

The development allows for a 20-month construction period, including a 12 month pre-strip. During construction, a workforce of up to 550 people is estimated to be required. Direct employment during operations is estimated at approximately 500 people.

Mining

The mining sequence has been simplified in comparison to the original Hillside feasibility study scope. After an initial pre-strip of 54Mt, the strip ratio for the operating life is approximately 6.7:1 (waste:ore).

Peak total rock haulage has been reduced from 150Mtpa in the previous plan to 60Mtpa. The plan focuses on selective mining of narrower ore zones to reduce dilution and improve ore recovery. Larger ore zones and waste will be mined using the double-benching method to reduce cost.

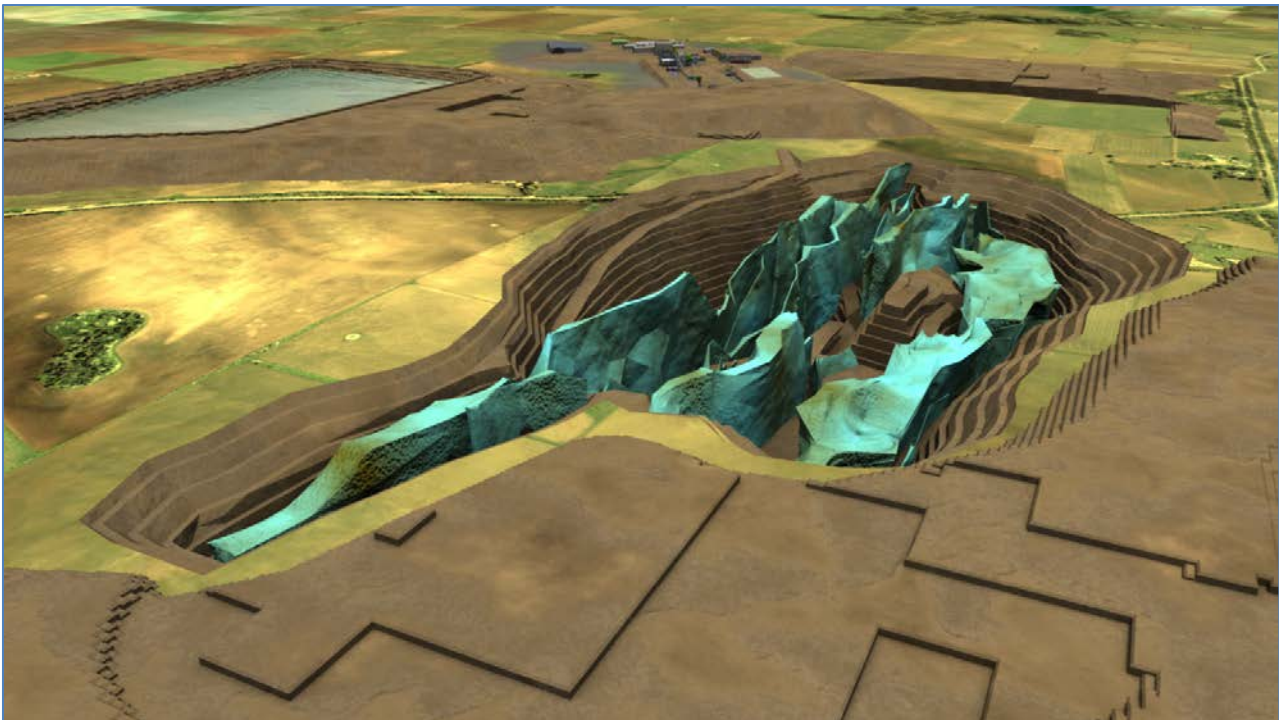


Figure 1: Schematic diagram of the proposed open pit and surrounding infrastructure at approximately year 6 of the operation.

Processing

The processing plant has a designed throughput capacity of 6Mtpa. A schematic diagram of the basic design and flowsheet for the processing plant is shown in Figure 2. The flowsheet includes an initial crushing and grinding before a first stage (rougher) flotation which is followed by a two-stage fine grinding and cleaner flotation circuit, before preparation for transport as a copper-gold concentrate. The average copper grade of the copper concentrate is expected to be over 27% and the average annual copper concentrate produced over the first 12 years of operations is expected to be approximately 129,000t. The layout for the the processing plant allows for natural expansion capacity to a nominal 12Mtpa and the inclusion of an iron ore recovery circuit.

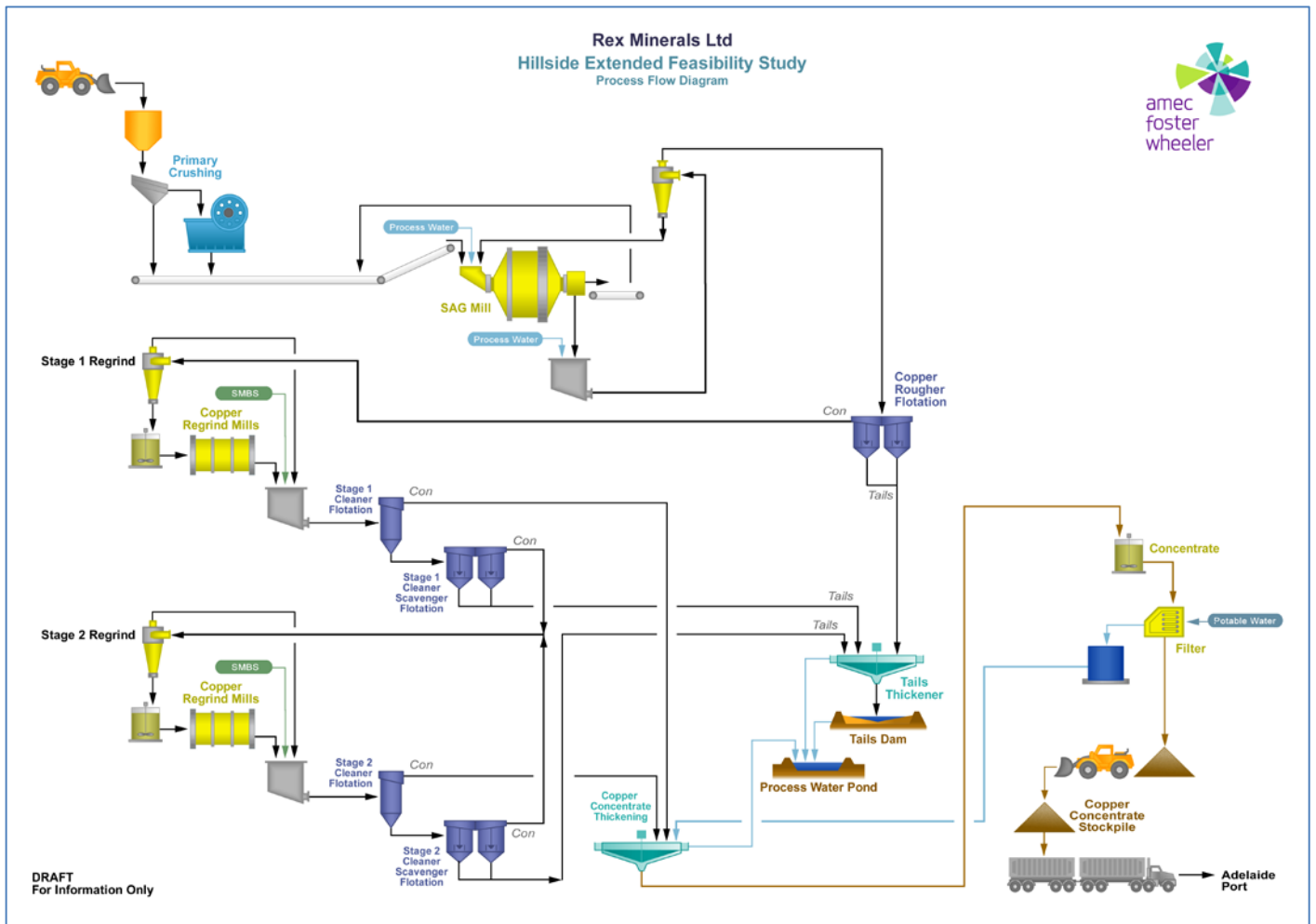


Figure 2: Schematic diagram of the proposed process plant flowsheet.

COPPER MARKET AND EFS FINANCIALS

Market analysis has identified that future copper supply will become more reliant on the development of a new generation of copper mines. The average incentive copper price required for the bulk of these new copper mines is reported by some analysts to be in excess of US\$3.00 per pound and broad market consensus implies that the underinvestment in copper in the immediate future is likely to lead to a shortage in supply from 2017 onwards.

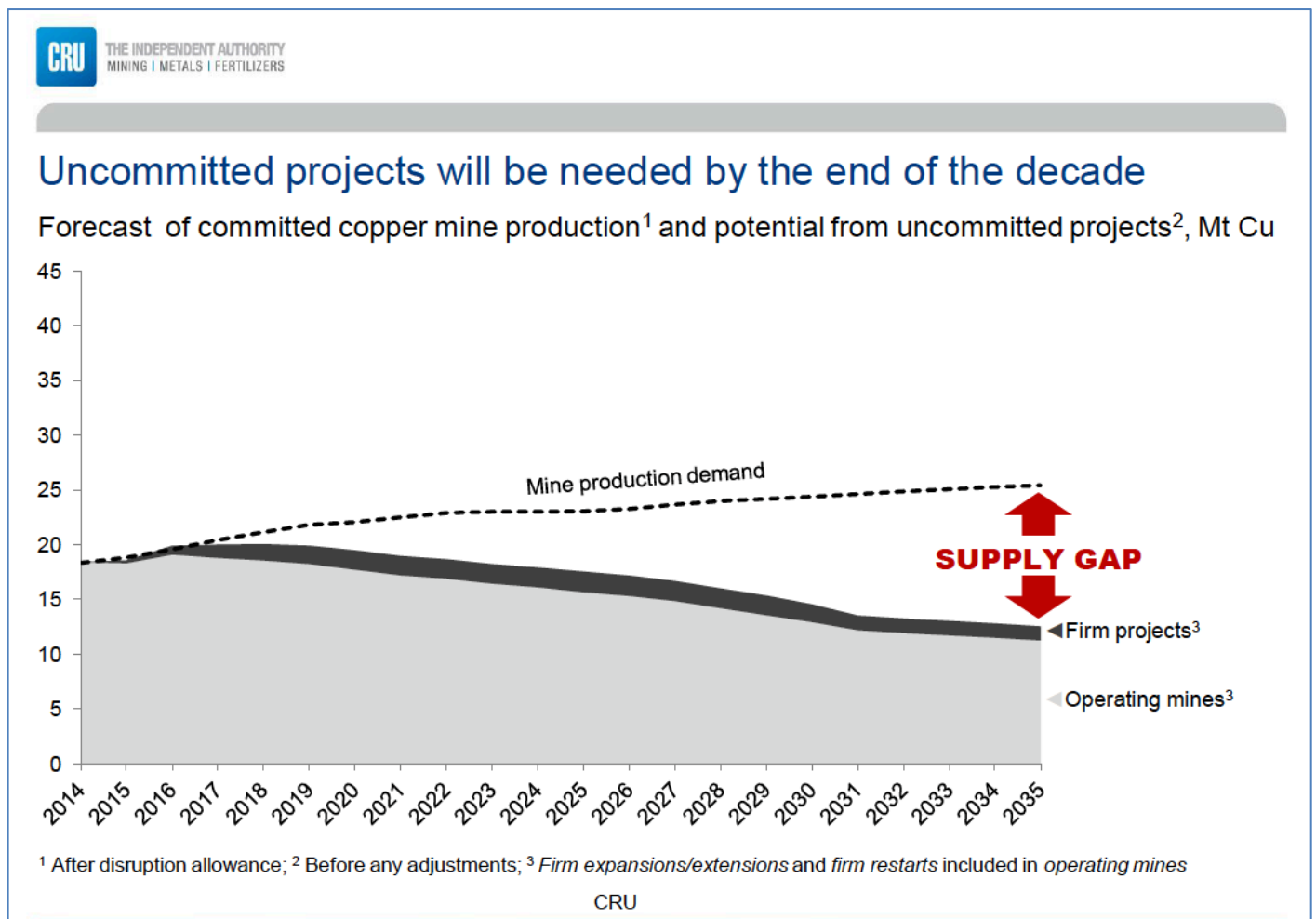


Figure 3: Graph of the projected copper supply gap for worldwide copper market. Information courtesy of CRU International.

Rex considers that these fundamentals will lead to a new period of improved copper prices and that the Hillside EFS results have positioned the Company to take advantage of this impending period. The results from the Hillside EFS have positioned the Project as one of the more attractive new development projects globally.

Rex has completed the Hillside EFS at a time when commodity prices in general are depressed. In this environment, the Hillside EFS estimates that the Project can deliver strong cash flows. However, the real value of the Project lies in its potential to start producing at a time when copper prices could exceed US\$3.50/lb. It is therefore worth highlighting the results of the financial results from the EFS at both a US\$3.00/lb price and also at US\$3.50/lb price (Table 1).

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Table 1: Life of Mine outcomes from the Hillside EFS

Life of Mine (LOM) Key Metrics	US\$3.00/lb	US\$3.50/lb
Project Revenue	A\$4,264 million	A\$4,975 million
Operating Costs	A\$2,672 million	A\$2,700 million
Pre-tax project operating cash flows	A\$1,593 million	A\$2,275 million
Pre-production capital	A\$480 million (US\$360 million)	A\$480 million (US\$360 million)
C1 cash costs	US\$1.61/lb	US\$1.61/lb
Estimated average workforce numbers	~500	~500
Pre-tax NPV (8%)	A\$309 million	A\$650 million
Post-tax NPV (8%)	A\$188 million	A\$430 million
Internal Rate of Return (IRR)	14%	21%

UPDATED ORE RESERVES AND MINERAL RESOURCES

The Mineral Resource for the Hillside Project on the Yorke Peninsula, South Australia, remains one of Australia's largest open pit copper Mineral Resources. At a copper cut-off grade 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 and 1.4Moz of gold.

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 drill holes and 245 RC holes for a total of 239,000m of drilling.

The Hillside Ore Reserve update is based on the mine design completed during the EFS 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, given favourable market conditions.

The Proved Ore Reserve of 42Mt represents 51% of the total Ore Reserve, with the remaining 49% in the Probable category.

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Table 2: 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 3: 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

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Table 4: Tenement Schedule for the quarter ending 30 June 2015

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	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	Hillside	Granted	Ha	2998	16/09/2014
EML6439	Hillside	Granted	Ha	225	16/09/2014
MPL146	Hillside	Granted	Ha	94	16/09/2014

CORPORATE

Cash at the end of the quarter was \$10.9 million. During the quarter Rex also announced the dissolution of the Advisory Board, with the completion of its core objectives and the associated results from the Extended Feasibility Study.

MANAGEMENT UPDATE

Richard Laufmann

As reported in the March quarterly report and formally announced to the ASX on 23 April 2015, Richard Laufmann has been appointed as Managing Director and CEO of Rex.

Richard Laufmann is not new to the Rex team. He is a founding Director of Rex, dating back to his appointment to the Board four months before Rex was listed on the ASX in September 2007. He has been integral to the direction of Rex and to the process of identifying and securing ground for exploration on the Yorke Peninsula, and this led to the discovery of the Hillside deposit which is now the centrepiece of Rex's asset base.

Richard is a mining engineer. He has an enviable track record in mining company management, in mine development and in mine production. Prior to taking up the role of CEO at Rex, he was the CEO of Indophil Resources and prior to that was the CEO of gold producer Ballarat Goldfields. Before that, Richard held senior mine production positions in gold and nickel with WMC Resources.

As stated by Rex's Chairman David Carland at the time of Richard Laufmann's appointment: "Richard brings to management the right mix of experience and skills to take the Company forward, beyond the completion of the study process and into the next phase of the Company's growth."

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Steven Olsen

Rex advised the ASX on 30 June 2015 that long-term Director and founding Managing Director, Steven Olsen, was stepping down from the Board of Rex so that he can devote more time to the on-the-ground practicable development of the Hillside Project as well as take advantage of other opportunities.

Steven Olsen, the 'face' of Rex for much of the past eight years, will remain with the Company in a consulting role to ensure operational continuity. Steven is not lost to the Rex team.

As stated by Rex's Chairman David Carland in the ASX announcement of 30 June, both the discovery of the Hillside deposit and the results of the recent study programs were completed under Steven's leadership. The outcomes from this work have given the Company a valuable asset from which the Company can grow into its next phase as a mining company.

ACTIVITIES PLANNED FOR NEXT QUARTER

Work activities during the next quarter will turn towards positioning the Company for the development phase of the Hillside Project. This includes ongoing work with the community and the Government in regards to presenting the EFS and the associated development plan. In addition, a greater emphasis will be placed on the funding options for the development of the Hillside Project, which had been waiting on the results of the EFS.

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Table 5: Commodity Price and Exchange Rate Assumptions for Hillside EFS and 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 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 in the Ore Reserve estimates and the Hillside EFS.

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 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")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 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	(1,182)	(7,410)
1.3 Dividends received	(770)	(4,365)
1.4 Interest and other items of a similar nature received	134	566
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (ATO Refund)	-	528
	(1,818)	(10,681)
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)	(1,818)	(10,660)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,818)	(10,660)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,818)	(10,660)
1.20	Cash at beginning of quarter/year to date	12,748	21,590
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10,930	10,930

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	315
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)	800
4.2 Development	
4.3 Production	
4.4 Administration	780
Total	1,580

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	7,930	3,248
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (term deposits)	3,000	9,500
Total: cash at end of quarter (item 1.22)	10,930	12,748

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

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

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <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)	-	-	<i>Exercise price</i> -	<i>Expiry date</i> -
7.8	Issued during quarter	-	-	-	
7.9	Exercised during quarter	-	-	-	
7.10	Expired during quarter	640,000	-	\$1.20	30/4/2015
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:

Company Secretary

Date: 22 July 2015

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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