

ASX Release: 31 October 2018



ABN 12 124 960 523

Quarterly Activities Report for the period ended 30 September 2018

T +61 (0)8 8299 7100
P PO Box 3435 Rundle Mall
South Australia 5000
E rex@rexminerals.com.au
W www.rexminerals.com.au

HIGHLIGHTS

- The Hillside Extended Feasibility Study update and Chinese Feasibility Study are nearing completion and will be finalised in the coming quarter. These updated results will allow us to enter into discussions to advance the financing of the Hillside Project.
- Rex has received the formal Department for Energy and Mining coordinated feedback on the PEPR along with additional detailed comments. Rex is continuing to work through the feedback provided.
- Rex has entered into a full assignment of the Adelaide corporate office lease and will temporarily relocate its registered office and principal place of business.
- Rex's AGM will be held on 22 November 2018. Shareholders are urged to attend and VOTE IN FAVOUR of the three resolutions for AGM consideration.

Annual Report and Annual General Meeting

On 13 September 2018, Rex Minerals (Rex or the Company) issued its 2018 Annual Report to Shareholders. This report, along with the Company's Corporate Governance Statement, is available on the Rex website.

On 15 October 2018, the Company lodged a Notice of Meeting for its 2018 Annual General Meeting (AGM) to be held in Melbourne on Thursday, 22 November 2018.

A total of three resolutions are listed for shareholder consideration at the AGM. Your Directors recommend that shareholders VOTE IN FAVOUR of all three resolutions.

Capital raising completion and exercise of options

Following shareholder approval at the General Meeting on 20 July 2018, the Company announced on 25 July 2018 the issue of ordinary shares for both Tranche 2 to the Capital Raising and the Share Purchase Plan (SPP). The Company issued 21.4 million ordinary shares and received \$2.361M before costs for Tranche 2 and issued a further 9.3 million ordinary shares for an additional \$1.011M for the SPP, before costs.

The Company also issued 1,975,983 ordinary shares as a result of the exercise of options on 22 August 2018.

Change of registered office

Rex wishes to advise that with effect from 1 November 2018, its registered office and principal place of business will temporarily relocate to Level 6, 1 Collins Street, Melbourne. Rex has entered into a full assignment of the office lease for Level 19, 11 Waymouth Street, Adelaide to a new tenant at a one-off net cost of \$0.25M. This represents a saving on the Company's remaining five-year commitment totalling approximately \$2.5M.

HILLSIDE PROJECT

Studies and Regional Exploration update

Work is progressing on the programs outlined in the recent capital raising presentation, a copy of which is available on the Rex website.

The Extended Feasibility Study (2015 EFS) update to 2018 dollars is nearing completion and is being refined in several scope areas. In addition, we are reviewing the power supply options and pricing assumptions.

The Chinese Feasibility Study (CFS) has progressed well. The Rex team met in China in late October to review in detail several design and supply proposals that were put forward. This has resulted in some follow-up which is well under way.

The updated results for both studies are expected to be finalised in the coming quarter and will allow us to enter into discussions to advance the financing of the Hillside Project.

Rex has further refined the regional exploration targets on the Yorke Peninsula. We are engaged in discussions with the South Australian Government and the relevant department in respect of new mining legislation and the timing of implementation. Once this and land access discussions are clear, we will be in a position to consider our 'next steps.'

Program for Environment Protection and Rehabilitation (PEPR)

Rex has continued to receive feedback on its PEPR submission from the South Australian Government's Department for Energy and Mining (DEM) and other government departments during the quarter. In early September, Rex received the formal DEM-coordinated feedback on the PEPR which collated all feedback provided to date, along with additional detailed comments. Rex is continuing to work through the feedback provided.

Community Engagement

During the September quarter, Rex continued to meet and engage with community members in the Hillside Project region, both through the Hillside Mine Community Voice (HMCV) group and directly with local landowners, townspeople, and regional local and government groups. This included presentations to, and engagement with, a local school regarding the mine and its potential impacts and benefits to the region.

Rex is keen to learn from, and share with, others as to how best to be an integral part of the local community as a good neighbour now and into the future at its Hillside Project, and to ensure the benefits from our operations and community-wide activities extend to the community's benefit while ensuring sound management of the surrounding environment and in minimising any adverse impacts.

COMMODITY MARKET INSIGHT

Earlier this month, global commodities traders met in London as part of LME Week – the London Metals Exchange. A key feature of the week is Macquarie Wealth Management's 'base metals outlook summit.'

In a quarter where the copper price dipped in mid-August to a low of US\$2.59/lb and has now firmed to around US\$2.72/lb, the headline of Macquarie's LME annual poll of participants was simply: "lots of love for copper, not so much for zinc."

Interestingly, of those 400 LME participants who made up the Macquarie poll, 85% said that copper's sell-off to US\$6,000/t (US\$2.72/lb) was more (wholly or partly) speculative rather than reflective of the fundamentals. A total of 55% chose a 'long' copper price range of US\$6,550 (US\$2.97/lb) to US\$7,300/t (US\$3.31/lb).

The independent research group, Global Mining Research (GMR), supports this view when it says: "Copper is very much oversold – more to do with trade wars than supply-demand fundamentals. GMR adds: "Collectively, the big copper mines are going nowhere, with money spent on standing still, not on real growth."

Global news agency group, Bloomberg, reports the Chairman of Chilean state-owned copper producer Codelco, Juan Benavides, as saying: "Demand is strong, inventories are low, supply is not growing as much as demand."

We leave the last word to global 'think big' miner BHP which says in its latest online 'prospects' blog that the current fundamentals support an approximate copper price trading range of US\$6,500 to US\$7,000/t (US\$2.95 – US\$3.18/lb). "Chinese end-use demand has been solid, but on a narrower base than in calendar year 2017." Further: "Demand from the rest of the world has been generally healthy overall, albeit mixed on a sectoral and regional basis."

BHP adds: "The global copper market is expected to remain roughly balanced for the next few years. Solid demand growth is expected to be matched with a combination of committed green and brownfield supply, restarts and rising scrap availability. Even so, the market looks to be finely, rather than comfortably, balanced over this period."

It concludes by saying that subject to caveats on precise timing, "a structural deficit is expected to open in the early 2020s, at which point we see some sustained upside for (copper) prices."

Quarterly Activities Report

Tenement Schedule for the quarter ending 30 September 2018

Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5508	Moonta South	Granted	km ²	74	04/11/2018
EL5683	Moonta South	Granted	km ²	21	09/06/2020
EL5981	Moonta South	Granted	km ²	122	22/06/2019
EL6100	Moonta South	Granted	km ²	94	16/01/2020
EL6136	Moonta South	Granted	km ²	185	19/03/2020
EL6143	Moonta South	Granted	km ²	104	15/04/2020
EL6189	Moonta South	Granted	Km ²	354	01/08/2019
EL6245	Moonta South	Granted	Km ²	1,168	01/08/2019
ML6438	Hillside	Granted	Ha	2,998	15/09/2035
EML6439*	Hillside	Granted	Ha	225	15/09/2018
MPL146	Hillside	Granted	Ha	94	15/09/2035

* Renewal documentation submitted to the SA Government and currently being processed

CORPORATE INFORMATION

ASX Code: RXM

Issued Share Capital 30 September 2018

Ordinary Shares	286,234,215
Options on Issue (Unquoted)	14,824,017

Share Price Activity for the September 2018 Quarter

Low	8.4c
High	11c
Last (30 October 2018)	8.3c

Share Registry

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

T: +61 3 9415 4000 (investors)
T: 1300 850 505 (investors within Australia)

Registered Office (from 1 November 2018)

Level 6, 1 Collins Street
Melbourne, Victoria 3000

T: +61 8 8299 7100
E: rex@rexminerals.com.au
W: www.rexminerals.com.au

Mailing Address

PO Box 3435, Rundle Mall
Adelaide, South Australia 5000

For further information, please contact:

Richard Laufmann, Chief Executive Officer

T: +61 8 8299 7100
E: rex@rexminerals.com.au

For media/investor relations, please contact:

Gavan Collery

T: +61 419 372 210
E: gcollery@rexminerals.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Rex Minerals Ltd

ABN

12 124 960 523

Quarter ended ("current quarter")

September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(717)	(717)
(b) development	-	-
(c) production	-	-
(d) staff costs	(416)	(416)
(e) administration and corporate costs	(532)	(532)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,642)	(1,642)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,373	3,373
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	124	124
3.4 Transaction costs related to issues of shares, convertible notes or options	(215)	(215)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	3,282	3,282

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,984	3,984
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,642)	(1,642)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,282	3,282
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,624	5,624

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,624	3,984
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (current quarter should equal item 4.6 above)	5,624	3,984

6. Payments to directors of the entity and their associates

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

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

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

Current quarter \$A'000
129
-

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

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


9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(675)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(452)
9.5 Administration and corporate costs	(620)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1,747)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL6189 (prev EL5056)	100% direct interest	673km ²	354km ²
		EL6245 (prev EL5055)	100% direct interest	1,262km ²	1,168km ²
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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

Sign here:


.....
Company Secretary

Date: . 31 October 2018

Print name: KAY DONEHUE

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.