

ASX Release: 28 January 2022 ASX: RXM | OTCQB: RXRLF



T 1300 822 161 (Australia) T +61 3 9068 3077 (International) P PO Box 3435 Rundle Mall South Australia 5000 E rex@rexminerals.com.au W www.rexminerals.com.au

# Quarterly Activities Report for the period ended 31 December 2021

### **Rex Minerals Highlights**

- AGM held on 16 November 2021 all resolutions pass with 98-99% support
- South Australian expertise added to the Board as our progress on development of Hillside gathers momentum
- New office leases entered into in Adelaide and Ardrossan (Yorke Peninsula)
- Key operational appointments continue in South Australia
- Also at Hillside:
  - EPCM Engineering Services tenders received and being evaluated
  - Mining tender issued
  - Highway geotech drilling and surveys completed for road diversion
  - 3D Seismic program commitment made
- And at Hog Ranch:
  - With seasonal drilling program interrupted by heavy snow, assay results from completed holes are expected in early February.

COVID-related disruption continued to be a major theme in Australia and Rex was impacted. However, the East Coast borders re-opening just prior to the end of the year has proven to be a major step forward and a significant positive leading into 2022.

As we establish our development and operational presence in South Australia, both in Adelaide and Ardrossan, Rex remains the only ASX company to have its registered office located on the Yorke Peninsula. This is a small but significant outcome that speaks to the very essence of what nation building development is all about.

The future is electrification, copper is THE electric metal and South Australia is gearing up to build its way to a brighter future.



### CORPORATE

### **Board Appointment**

Andrew Seaton has joined Rex's Board as a Non-Executive Director. Andrew is a passionate South Australian. He is the Managing Director and Chief Executive Officer of Australian Naval Infrastructure, and a Non-Executive Director of Strike Energy Ltd, Homestart Finance Ltd, Hydrocarbon Dynamics Ltd and Cavpower Pty Ltd.

Andrew brings over 35 years' experience in the finance, resources and infrastructure industries. His broad experience includes time as the CFO of Santos Limited, Australia's largest producer of domestic natural gas and a key supplier of LNG into Asia. Prior to this, he worked in investment banking with Merrill Lynch in Melbourne and New York across a broad range of advisory, M&A, equity and debt capital markets transactions, and with NAB in corporate and institutional banking.

Rex's Chairman, Ian Smith, said at the time of the announcement: "We welcome Andrew Seaton to the Rex Minerals Board. The strength and depth of our new Board, as well as an enhanced and experienced project team, reflect the Company's strong commitment to progressing development of the Hillside Copper Project. We look forward to providing further updates on progress with building the on-site Hillside Project team in the New Year."

### 2021 Annual General Meeting and Chairman's Address

The Annual General Meeting of shareholders of Rex was held on 16 November 2021. All five resolutions for consideration at the meeting were passed with strong shareholder support. To follow are a summary of extracts from the Chairman's Address to the AGM.

"We are committed to the development of Hillside. To that end, we are moving quickly to ensure the best team and skills are onboard . . .

"We have engaged a client team to assist with arranging bank finance and concentrate marketing options, and we have signed a number of banking groups, under Confidentiality Agreements. At Hillside, the environmental pre-development contractors and the road realignment project have commenced.

"Hog Ranch continues to deliver exploration success. It is early days at Hog Ranch, but our most recent drilling success, pointing to a new discovery near Airport, is extremely exciting.

"It is relevant to reflect on some of what has been achieved in just 12 months. We have:

- Doubled the ore reserves at Hillside to 1 million tonnes of copper
- Re-capitalised the Company to enable the pre-development ramp-up to continue
- Proven coarse particle flotation to be a viable opportunity to increment production at Hillside
- Attracted several significant institutions to join the share register
- Grown Hog Ranch to a 2.2Moz gold resource, and also
- Discovered a new deposit at Hog Ranch.

"The time is right for the commodities we intend to mine. Most commentators are suggesting that the macro environment is supportive of our endeavours."

For full detail, see Rex's ASX announcement of 16 November 2021.



### **Option Incentive Plan and Hog Ranch Consideration Rights**

On 29 October 2021, the Company announced that 500,000 Unquoted Options issued to employees had lapsed. On 26 November 2021, Rex announced that it had issued a total of 280,000 Unquoted Options under the terms and conditions of the Company's Option Incentive Plan (OIP) as approved at its Annual General Meeting on 16 November 2021. There has been no exercise of Unquoted Options during the quarter.

At the beginning of the quarter, the Company had on issue 15 million Hog Ranch Consideration Rights (HRCR) which convert to Rex shares on the outcome of the following remaining milestone:

a) 15 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 of the Board approving a decision to mine the Hog Ranch Property.

### HILLSIDE PROJECT – SOUTH AUSTRALIA

### **Early Works**

A number of key areas progressed during the quarter, including:

- EPCM Engineering Services tenders for development of process plant and infrastructure were received and are being evaluated following clarification sessions with vendors.
- A Contractor Mining tender is out to market, with a tender brief completed on 20 January 2022.
- Work on highway diversions continues, with surveys and geotech drilling completed during the quarter.
- Team building and commitments to early site preparations began during the quarter. Recruitment of key personal is continuing and new office leases were entered into in Adelaide and Ardrossan.
- Financing discussions continue to progress with leading banking institutions.

### **3D Seismic Survey**

Rex committed to a 3D seismic survey ahead of operations. A copy of the community fact sheet is attached below to give a flavour of the survey purpose contained within the information provided as part of our community engagement.



# Hillside Project Geophysical Survey 2022

Information Sheet

Rex Minerals will undertake a geophysical seismic survey in Q1 2022 to better define the sub-surface rock structures for the Hillside mine. Seismic surveys are a low impact, non-invasive way to gather information about geological structures.

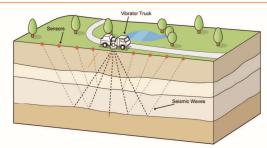
Project planning for the Hillside mine is progressing well as Rex continues preparations for the eventual production of copper, a mineral in high demand worldwide and critical to the development of renewable energy.

#### Location

The survey will be conducted on land owned by Rex, at 68 St Vincent Highway, Pine Point, outlined in blue.







### **Process & timing**

Small wireless geophones are pushed into the ground by hand at 15m intervals in a grid formation over the survey area. Two vibroseis trucks will drive along survey lines and typically stop at 5-15m intervals to send a signal by placing a heavy shaker plate (2m<sup>2</sup>) on the ground and vibrating the ground. This action may leave a small indentation in soft ground the size of the baseplate which would not typically be visible a few days after the survey. Seismic waves are recorded with wireless geophones (sensors), which are then downloaded in the command truck. When these recordings are analysed sub-surface images are created. Geophones are picked up at the end of the survey. The survey will take around five weeks and start in Q1 2022, two weeks for survey preparation and three weeks for data collection.

#### Local impact

During the survey period you may notice more people and activity on site (~15 people). If you are very close by you may hear some periodic noise or feel a slight vibration from activities during daylight hours when the survey is underway.

#### **Onsite preparation**

All people onsite during the survey will complete a site induction to familiarise contractors with safety and environmental requirements including vehicle inspections and washdown procedures to control weeds and pathogens. There will be no activity on days of total fireban.

#### **Contact us**

The company undertaking the survey is HiSeis <u>hiseis.com</u> an industry leader in hard rock geological imaging.

A HiSeis Project Manager will be on site for the duration of the project, including from commencement of surveying activities.

If you would like to find out more or have specific questions about the work program outlined in this flyer, please email community@rexminerals.com.au or phone us directly on 1300 822 161 or +61 3 9068 3077.

For further general information about Rex and the Hillside Project, visit www.rexminerals.com.au



### **Coarse Particle Flotation – Future upside**

Test work to evaluate the applicability of the Coarse Particle Flotation undertaken by Rex at the Hillside Copper Project in South Australia has delivered excellent results.

The outcome confirms that our ore is very amenable to this technology and offers us the opportunity to increase annual copper production, by increasing throughput of the mill in the process plant from 6Mtpa up to 7-8Mtpa, whilst maintaining similar copper recoveries.

Coarse Particle Flotation may translate into numerous benefits for the Hillside Project, including:

- Increased mill capacity/production rate
- Reduction in grind power and energy savings per tonne
- Significant improvement to the management of tailings via increased particle size
- Reduction in grind media.

Rex's Managing Director, Richard Laufmann, said at the time of announcement: "Basically, the 'coarse float' technology is a game changer. It's an evolution of technology, that (for some ore types) allows bubbles to stick to very small exposed surfaces, whilst maintaining very high recovery. So instead of grinding every tonne in Stage 1 to 150 microns (0.15mm), we can achieve the similar results and only have to grind to a much coarser size – more like medium beach sand.

"At Hillside, an increase of the overall mill capacity throughput to around 8Mtpa is pretty significant. This opens the door to a range of options to bring revenue forward, including the earlier treatment of low-grade ore, and/or acceleration of the mine rate. If implemented, this technology promises to enhance Hillside's sustainability benefits including a reduction of energy consumption per tonne, through to improved management of tailings and water."

For full details, see Rex's Hillside announcement of 28 October 2021.

### **Community Engagement**

One of our important engagement platforms is the ongoing community consultative group, "Hillside Mine Community Voice."

This independently chaired group has been instrumental in working with Rex to consult and navigate our approvals through to the development phase. After many years of cooperation, an independent review of the group was conducted by South Australian-based strategic advisory group, Consentium.

Following this review, in November, HMCV members voted to adopt the recommendations and establish an interim committee to oversee the formation of a new community consultative group, to work with Rex as it enters the construction and development stage of the Hillside Mine.

The HMCV chair, Mr Phil Tyler, expressed his appreciation to the members – all volunteers - who spent many hours representing their local community organisations. He said: "Yorke Peninsula should be very proud of its dynamic community, and I am privileged to have been involved in leading HMCV during this first stage."

We look forward to working with the interim committee and focusing on how we may best contribute to social and community benefit, whilst dovetailing the impact of the operation to community infrastructure.



### **HOG RANCH PROPERTY – NEVADA USA**

Rex commenced RC drilling at Hog Ranch during the quarter, in addition to completing a number of soil geochemistry programs. Both the drilling program and the soil sampling were undertaken at the Bells and Airport Project areas.

The drill program was interrupted after significant snow set in. We anticipate return to site in the next few months, weather dependant.



**Figure 1:** Hog Ranch Director Cherie Leeden hosting site visit during drilling. Then a week later, snowfall at her home in Nevada.

### **Bells**

Three additional drill holes were completed at Bells and samples were delivered to the laboratory during the quarter, with results anticipated in early February.

These holes were focused on an interpreted thick section of the gold mineralisation close to the centre of the current Mineral Resource. The existing drilling information in this area shows that the gold mineralisation is open at depth.

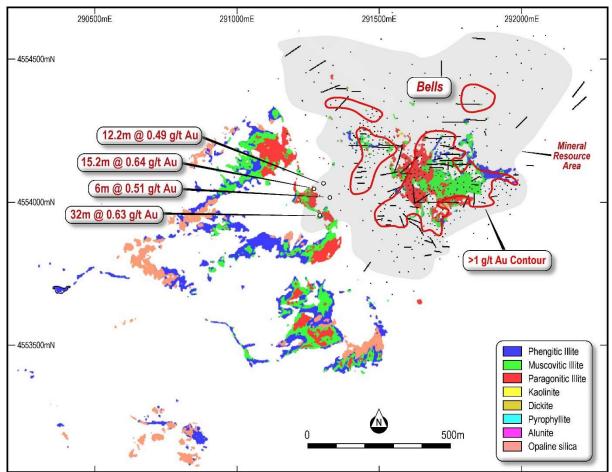
Soil sampling was also completed at the Bells Project. Based on our recent hyperspectral survey, which highlighted the potential for Bells to host further shallow gold mineralisation, this survey was designed to test a larger area than was historically considered.

The results from the soil sampling have shown that soil anomalism, based on XRF data of key path finder elements, corresponds well with the existing known gold mineralisation from drilling, with additional high anomalism and overlapping hyperspectral data all indicating that further gold mineralisation may exist to the south-west of the current Mineral Resource at Bells (*Figure 2*).

The gold assays for the Bells soils sampling are anticipated in early February.

Bells has a Mineral Resource of 560kozs gold (see Rex's ASX Release of 23 March 2021).





**Figure 2:** Surface plan view from the Bells area with the hyperspectral signatures (colour coded) which shows the location of important clay minerals which relate to hydrothermal activity relative to gold in drill hole data and the current Bells Mineral Resource area. Typical pathfinder elements for gold in epithermal deposits have been found to correspond closely to the location of the hydrothermal clay minerals identified in the hyperspectral survey.

### Airport

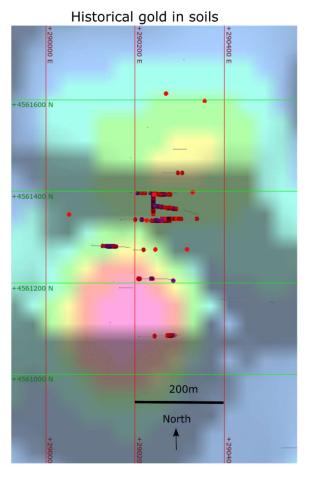
Two additional drill holes were completed around our new discovery, reported in the last quarter, from drill hole HR21-012 which intersected 56.4m @ 2.12g/t gold from 54.9m down hole. Samples from these drill holes have been submitted to the laboratory in Sparkes, Nevada, with results anticipated in February.

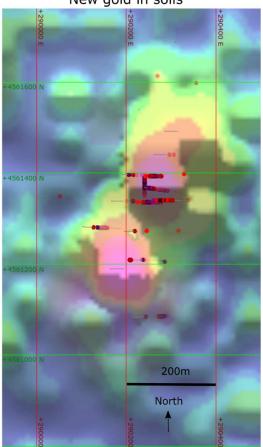
Results from drilling completed earlier in 2021 had previously prompted Rex to review the soil geochemistry data, with the belief that a regular grid using XRF data and gold assay results from surface soil sampling, could deliver meaningful results which would further assist with future drilling programs.

Soil sampling data sets had been completed at various stages historically over Hog Ranch. However, Rex has recognised that the irregular spacing and differing detection limits from multiple generations of small programs have created a generally poor and potentially misleading data set. A trial was therefore completed at Airport and compared against assay results from drill hole data over this area to test the effectiveness of the soil sampling.

Results from the Airport area highlighted a vast improvement in surface resolution and the ability to draw interpretations, based on a 50m x 50m grid of gold in soils, paired with pXRF multi-element data. There was a significant improvement interpreting a number of key pathfinder elements in soil data when compared against the gold intersections (>0.5g/t gold) in the drill hole data.

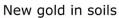
The results from the soil sampling for gold (*Figure 3*) and other indicator metals highlight locations where a number of interpreted structures host gold mineralisation.





**Figure 3:** Gold in soils at the Airport Project, with the irregularly spaced historical gold soil data (left) compared against the gold in soils from the recent 50m x 50m soil sampling grid (right). Drill hole data is filtered to show gold assay results higher than 0.5g/t gold (red and purple dots).

For further details, see Rex's ASX Hog Ranch announcement of 23 November 2021.





Hillside, SA						
Tenement	Location	Lease Status	Area Type	Current Area	Expiry Date	
EL5981*	Moonta South	Granted	km <sup>2</sup>	108	22/06/2021	
EL6100	Moonta South	Granted	km²	94	16/01/2023	
EL6136	Moonta South	Granted	km²	91	19/03/2022	
EL6143	Moonta South	Granted	km²	51	15/04/2022	
EL6189	Moonta South	Granted	km²	354	01/08/2022	
EL6245	Moonta South	Granted	km <sup>2</sup>	1,168	01/08/2022	
EL6455*	Moonta South	Granted	km <sup>2</sup>	74	04/11/2021	
EL6497	Moonta South	Granted	km <sup>2</sup>	509	27/07/2022	
EL6515	Moonta South	Granted	km²	257	20/09/2022	
EL6531	Moonta South	Granted	km²	21	09/06/2022	
ML6438	Hillside	Granted	На	2,998	15/09/2035	
EML6439	Hillside	Granted	На	225	15/09/2022	
MPL146	Hillside	Granted	На	94	15/09/2035	

### **TENEMENT SCHEDULES AT 31 DECEMBER 2021**

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

As at 31 December 2021, the Hog Ranch Property is made up of 1,035 unpatented mining claims located in Washoe County, Nevada. Hog Ranch Minerals Inc directly owns 788 Mining Claims (see table below) and controls the remaining 247 Mining Claims through a mining lease with purchase option with Nevada Select Royalty Inc.

Nevada, USA						
Lode Mining Claims	Location	Lease Status	Area Type	Total Area <sup>1</sup>	Date Certified	
NHR 1 – 30	Washoe County	Claimed	Ft <sup>2</sup>	27,000,000	10/08/2019	
NHR 31 – 100	Washoe County	Claimed	Ft <sup>2</sup>	63,000,000	28/01/2020	
NHR 101 – 232	Washoe County	Claimed	Ft <sup>2</sup>	118,800,000	10/07/2020	
NHR 233 – 417	Washoe County	Claimed	Ft <sup>2</sup>	166,500,000	19/11/2020	
NHR 418 – 434	Washoe County	Claimed	Ft <sup>2</sup>	15,300,000	30/04/2021	
GL 1 – 104	Washoe County	Claimed	Ft <sup>2</sup>	93,600,000	10/07/2020	
GL 105 – 177	Washoe County	Claimed	Ft <sup>2</sup>	65,700,000	19/11/2020	
GL 178 – 354	Washoe Country	Claimed	Ft <sup>2</sup>	159,300,000	30/04/2021	

 $^{\rm 1}\,$  Total Area comprises the area of each Lode Mining Claim, ie. 1500' x 600'



### **COMMODITY MARKET INSIGHT**

The copper price started the December quarter at its lowest point – just under US\$4.20/lb. It peaked around \$4.75 in mid-October and ended the quarter slightly above \$4.45 before settling this week to around \$4.45. The gold price started the December quarter around US\$1,755/oz, peaked in mid-November at \$1,870 and ended the calendar year around \$1,795 before firming this week to around \$1,815.

### COPPER

UBS opens the batting on copper this quarter by saying that a material lift in new project approvals and capex into the copper sector is needed for supply to match robust demand growth over the next 10 years. It says the next copper upcycle will be driven by flat/declining mine supply in 2025-26 due (somewhat surprisingly) to Covid delays to new project approvals in 2020-22, rather than a lack of incentive to invest.

UBS adds that mine supply growth is expected to be healthy over the next 2-3 years, but excluding unapproved/possible projects, copper supply will peak in 2025 and enter a period of structural decline resulting in a growing deficit. UBS concludes by saying: **"in our view, the incentive to invest in a copper mine has never been greater."** 

Globally-respected BlackRock resources analyst, Evy Hambro, delivers a reality check when he declares that "commodities prices may stay high for decades as mining companies struggle to keep up with demand from the energy transition." He adds: "We've got decades worth of high rates of investment into infrastructure as the world seeks to decarbonise." In a shift towards a greener world that is creating fresh demand for copper, Evy Hambro reminds us: "that trend's unlikely to change anytime soon."

Mining industry discoverer and entrepreneur, Robert Friedland, delivered the keynote address at the inaugural Future Minerals Forum in mid-January in Riyahd, Saudi Arabia, before a packed house, eager to hear his considered views and predictions. He did not disappoint. Reported in Australia's popular Mining News, he says the world is entering "the electric everything era."

The Ivanhoe Mines Founder estimates the world needs a ten-fold increase in copper by 2030 – adding "vision 2030 is tomorrow morning" and concludes that the world is heading for a "massive deficit" of copper even without accounting for increased demand from electrification. Friedland adds that there would need to be \$240 billion of investment (the McKinsey group says \$250 to \$350 billion) in just the next five years to meet expected demand.

McKinsey goes on to say that "the mining sector will need to grow at an unprecedented pace in order to enable the required technological shifts." On this point, Friedland simply adds: "Those of us in the mining industry are scared. We just don't have the copper mines the world requires to talk about electrification."

In a recent report, Citi declares that it is bullish on long-term copper prices, adding that "we see (the copper price) as entering a multi-year decarbonisation-driven bull market." It reminds us that "copper is a critical contributor to decarbonisation efforts," concluding that "Citi is calling for a copper super-cycle based on our expectation of strong producer margins over the next five years, relative to historical standards." It says that after a period of solid mine supply growth in the nearer term, "we project a major slowing in supply growth in the second half of the decade."



Goldman Sachs hones in on decarbonisation and China when it says in a mid-December report that "on top of the broader push toward common prosperity, China's increasingly strategic decarbonisation policy is enhancing the green demand profile for copper onshore, despite slowing emissions reductions. Combined with EV's rapidly accelerating penetration into China's market, we estimate green demand will grow 41% next year," adding that "green demand is set to impact the copper market much faster . . . with green demand now accounting for 40% of additional copper demand globally between 2021-25E."

Canaccord Genuity reminds us that as most commodities enter 2022 with supply challenges, the copper inventory on the exchanges represents just three days of demand, adding that "longer term, decarbonisation initiatives and infrastructure upgrades remain on the agenda, which bodes well for metal demand even as rising resource nationalism, higher wage demands, higher energy prices and more stringent ESG criteria serve to elevate supply risks."

Accordingly, Canaccord Genuity has upgraded its base metal commodity forecasts for 2022 by 13% on average, adding that copper prices continue to benefit from a strong physical supply-demand narrative, with ongoing supply threats in Latin America, a strong and structural longer-term demand trajectory and very low inventory levels that belie concerns around the Chinese economy." On the "supply threats" front, Wood Mackenzie reminds us that Chile and Peru make up 40% of the global "possible" copper project pipeline over the next decade. In related news, Citi reports a government proposal in Peru to raise taxes on the copper sector, with the local mining chamber saying it would put more than \$50 billion of future investment at risk.

### GOLD

In its mid-January Global Equities Strategy report, Sprott Asset Management's executive, John Hathaway, sets a scene for gold inside an environment of shrinking mine supply, robust physical demand, miniscule interest rates and the advent of problematic inflation. He tells us to expect a possible gold reset in 2022, and says: "what stymied interest in precious metals over the past 12 months was the lure of strong equity market returns, the prospect of tighter monetary conditions and an infatuation with all things crypto. We expect things to be different in 2022."

Hathaway goes on to say that "the bullish set up of supply and demand for the physical metal will start to attract notice. We expect mine supply to continue its inexorable decline. Investment capital to build new production remains too scarce and economically viable projects are too few to significantly change the likely path of world (gold) production."

Respected market observer and boss of the US Global Investors, Frank Holmes, has turned his early 2022 attention to India's "love trade" with gold, reporting that the world's second largest consumer of the yellow metal (after China) spent US\$55.7 billion on gold imports in 2021 – more than double the 2020 amount. The previous record was \$53.9 billion in 2011. He concludes: "that gold imports (in India) were so high in 2021 is a good sign for global demand."

In a 184-page end-of-year commodities outlook, Citi remains relatively cautious on what others describe as a range-bound gold price. It is of the view that US inflation market pricing could be putting a lid on bullish gold market sentiment at this time. Citi adds: "we are sympathetic to the gold bulls' inflation narrative, concerns about persistent government and private debt loads, and bloated fiscal balance sheets. Ultimately, we think this lifts the long-term price floor for gold as opposed to buttressing an ongoing bull cycle rally in the current macro environment." It expects gold retail/jewellery demand and central bank bullion buying to keep rebounding in 2022.



As is often usual in these insights, the final word on gold goes to the World Gold Council when it says in its mid-January Gold Hub bulletin that while rate hikes can create headwinds for gold, history shows their effect may be limited. The WGC adds that at the same time, elevated inflation and market pull-backs will likely sustain demand for gold as a hedge.

"As we enter 2022, the US Federal Reserve is signalling a more hawkish stance. Its projections indicate that the Fed expects to hike approximately three times this year, and at a quicker pace. An analysis of previous tightening cycles shows that the Fed has tended not to tighten monetary policy as aggressively as members of the committee had initially expected.

"Consequently, gold has historically under-performed in the months leading up to a Fed tightening cycle, only to significantly out-perform in the months following the first rate hike."

Inside this scenario, the WGC offers a timely reminder that while there is a lot of emphasis on the relationship with US interest rates, gold is a global market.

The WGC ends its latest report by suggesting that pull-backs are likely to continue in the face of Covid variants as well as simmering geo-political tensions and overall buoyant equity valuations "fuelled by a long-lasting ultra-low-rate environment. In this context, gold can be a valuable risk management tool in an investor's arsenal."



### SUPPLEMENTARY INFORMATION

### **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, gold 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.

### **Competent Persons' Statement - Hog Ranch**

The information in this report that relates to Exploration Results or Mineral Resources is based on, and fairly reflects, information compiled by Mr Steven Olsen who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. Mr Olsen 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 Olsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Competent Persons' Report – Hillside**

The information in this report that relates to Ore Reserves is based on information compiled by Mr Charles McHugh who is a Fellow of the Australasian Institute of Mining and Metallurgy and is an employee of 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.

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The information in this report that relates to metallurgy is based on, and fairly reflects, information compiled by Mr John Burgess who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Rex Minerals Ltd. Mr Burgess 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 Burgess consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



### **CORPORATE INFORMATION**

ASX: RXM | OTCQB: RXRLF

### Issued Share Capital as at 31 December 2021

Ordinary Shares	589,320,920
Options on Issue (Unquoted)	16,580,001
Hog Ranch Consideration Rights (Unquoted)	15,000,000

### Share Price Activity for the 31 December 2021 Quarter

Low	21.5c
High	29.0c
Last (27 January 2022)	20.0c

### Share Registry

Computershare Investor Services Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067 T: +61 3 9415 4000 (investors)

1300 850 505 (investors within Australia)

### **Registered Office**

68 St Vincent Highway Pine Point, South Australia 5571

- T: 1300 822 161 (Australia) +61 3 9068 3077 (International)
- E: rex@rexminerals.com.au
- W: www.rexminerals.com.au

### For further information, please contact:

Kay Donehue, Company Secretary

- T: 1300 822 161 (Australia) +61 3 9068 3077 (International)
- E: rex@rexminerals.com.au

### For media/investor relations, please contact:

Gavan Collery

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

### Mailing Address

PO Box 3435, Rundle Mall Adelaide, South Australia 5000

## Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Rex Minerals Ltd	
ABN	Quarter ended ("current quarter")
12 124 960 523	December 2021

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(656)	(2,317)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(569)	(1,139)
	(e) administration and corporate costs	(408)	(779)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,625)	(4,223)

2.	Cash flows from investing activities	
2.1	Payments to acquire or for:	
	(a) entities	-
	(b) tenements	-
	(c) property, plant and equipment	-
	(d) exploration & evaluation	-
	(e) investments	-
	(f) other non-current assets	-

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	•	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	50,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	28
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(117)	(2,927)
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	(117)	47,101

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	54,424	9,682
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,625)	(4,223)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(117)	47,101

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(20)	104
4.6	Cash and cash equivalents at end of period	52,662	52,662

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	52,662	54,424
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	52,662	54,424

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000		
6.1	Aggregate amount of payments to related parties and their associates included in item 1	220		
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-		
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.				

Payments at Item 6.1 relate to remuneration payments for Directors for the quarter.

7.	<b>Financing facilities</b> Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000	
7.1	Loan facilities		-	
7.2	Credit standby arrangements			
7.3	Other (please specify)			
7.4	Total financing facilities	-	-	
7.5	Unused financing facilities available at quarter end			
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.			

8.	Estim	ated cash available for future operating activities	\$A'000		
8.1	Net ca	sh from / (used in) operating activities (item 1.9)	(1,625)		
8.2		ents for exploration & evaluation classified as investing es) (item 2.1(d))	-		
8.3	Total r	elevant outgoings (item 8.1 + item 8.2)	(1,625)		
8.4	Cash a	and cash equivalents at quarter end (item 4.6)	52,662		
8.5	Unused finance facilities available at quarter end (item 7.5)				
8.6	Total a	52,662			
8.7	Estima item 8	ated quarters of funding available (item 8.6 divided by .3)	32		
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.				
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:				
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?				
	Answer:				
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?				
	Answer:				
	8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?				
	Answer:				
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.				

### **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.

Date:

28 January 2022

Authorised by: Kay Donehue, Company Secretary (Name of body or officer authorising release – see note 4)

#### Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2. If this quarterly cash flow 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 cash flow 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.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.