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Hillside Resource Grows 25% to 1.5Mt Copper and 1.4Mozs Gold

- Updated Inferred and Indicated Mineral Resource of 217Mt @ 0.7% copper & 0.2g/t gold
- Contained metal now stands at 1.5Mt of copper and 1.4Moz of gold
- Approx 80% of target area tested
- Hillside total target range updated to 1.6Mt - 2.1Mt copper¹

Overview

Rex Minerals Limited ("Rex") has completed an updated JORC-compliant Mineral Resource estimate for its 100% owned Hillside copper project on the Yorke Peninsula, South Australia.

The total Mineral Resource at Hillside has increased by more than 25% from the previous December 2010 estimate and now stands at 217Mt @ 0.7% copper, 0.2g/t gold and 12.4% iron, equating to a total of **1.5 million tonnes (3.3 billion pounds) of copper and 1.4 million ounces of gold.**

The updated Resource – the third in 12 months - includes all drilling results received up to 15 July 2011 inclusive of 244 diamond holes and 237 RC holes for a total of 146,000 metres and is more than double the maiden Resource estimate (100Mt @ 0.7% copper & 0.2g/t gold) in July 2010.

The updated Mineral Resource also includes the first estimate for a significant amount of iron ore (magnetite). Test work indicates that an iron ore concentrate is recoverable with a concentrate grade of over 65% iron using magnetic separation techniques.

Rex's Managing Director Mr Steven Olsen said today "This is an outstanding result. A lot has been achieved in the past 12 months and an inventory of this size provides significant development options for the Company."

"For the first time we have also provided an estimate of the iron ore component of the orebody, which can add significant value to the Hillside project. The ability to recover both the iron ore (magnetite) and gold is adding substantial value to the resource which now has a copper equivalent grade of 0.9% copper." he said.

Hillside Inferred and Indicated Mineral Resource, Grade and Recovery - July 2011

	Tonnes (Mt)	Grade	Recovery (%)	Copper Equivalent
Copper	217	0.7%	94%	0.66
Gold	217	0.2 g/t	77%	0.08
Iron	217	12.4%	52.9%	0.16 [#]
Total				0.9

[#] The iron resource estimate is recovered iron in an iron ore concentrate

Price Assumptions: Copper price = 3.20 US\$/lb, Gold price = 1200 US\$/ounce, Magnetite price = 120 US\$/tonne (see Table 4 in Rex Conceptual Study announcement, 27 July 2011 for more detail on price assumptions). Please refer to the competent person's report on the last page of this announcement.

Hillside Mineral Resource Statement (July 2011)

The updated Hillside Mineral Resource is estimated to be 217Mt @ 0.7% copper, 0.2g/t gold and 12.4% iron and is classified as both Inferred and Indicated. The Hillside Mineral Resource consists of 1.5 million tonnes of contained copper and 1.4 million ounces of contained gold.

Hillside Mineral Resource summary table

Zone	Resource Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	Iron (%)	Contained Copper (t)	Contained Gold (oz)
Supergene Oxide	Indicated	3	0.6	0.2	11**	18,000	19,290
	Inferred	15	0.6	0.2	12.1	90,000	96,452
Supergene Sulphide	Indicated	1	0.7	0.3	12.9**	7,000	9,645
	Inferred	7	0.7	0.2	13.7	49,000	45,011
Primary Sulphide	Indicated	31	0.6	0.2	13.2**	186,000	199,335
	Inferred	160	0.7	0.2	12.3	1,120,000	1,028,824
Total		217	0.7	0.2	12.4	1,500,000	1,400,000

*Copper Resources reported above 0.2% cut-off grade.

*Grade is rounded to one significant figure in accordance with the guidance of the JORC Code 2004.

** Iron component of the Indicated Resource is classified as an Inferred Resource

Please refer to the competent person's report on the last page of this announcement.

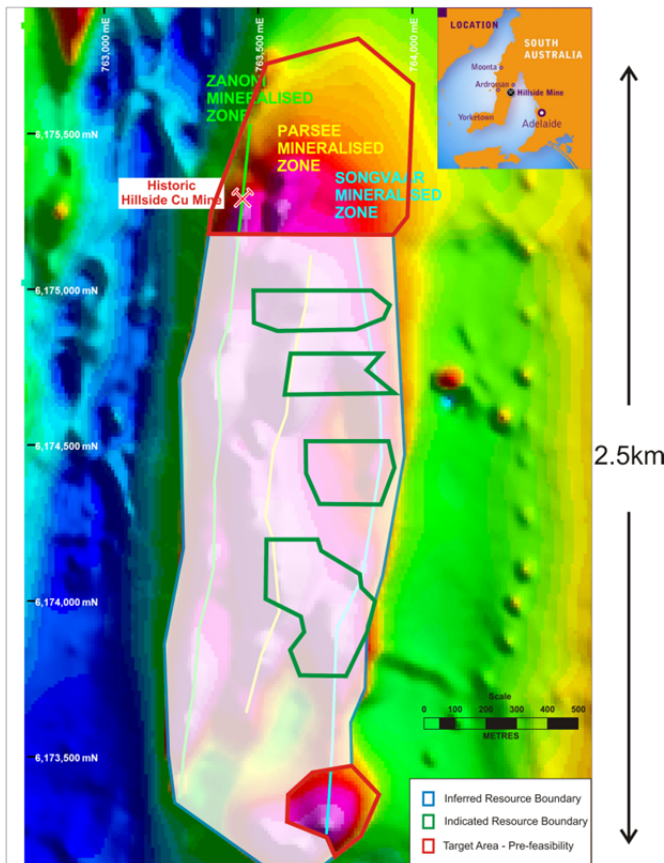


Figure 1: Magnetic map of the Hillside project, showing location of the Inferred and Indicated Resources and remaining area to be drill tested during pre-feasibility stage.

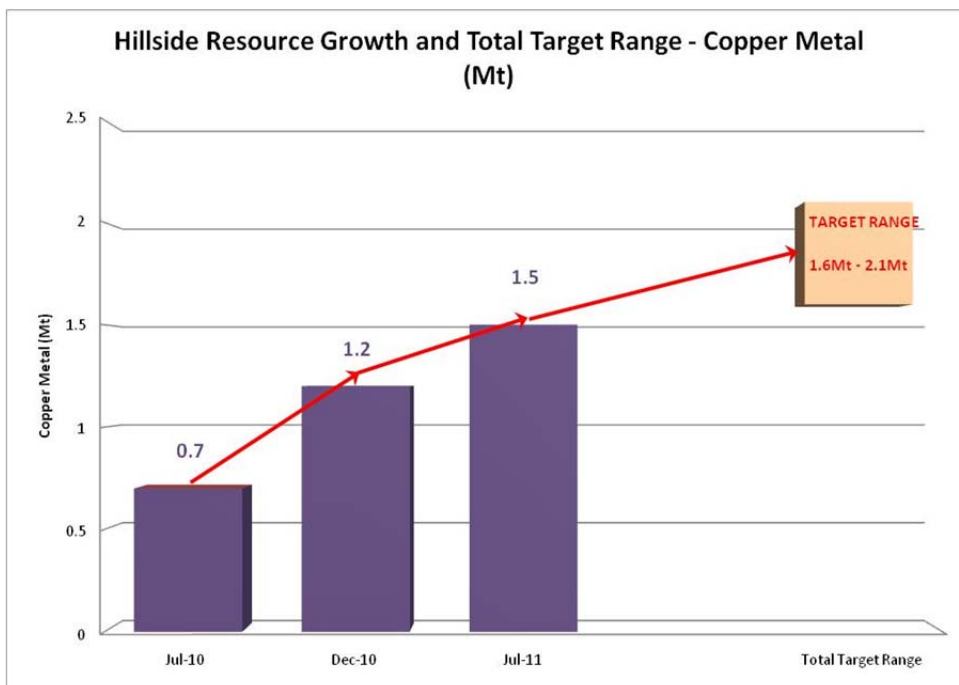
The copper mineralisation at Hillside is closely associated with the mineral magnetite and the project area has been broadly defined by a magnetic anomaly.

The Mineral Resource occupies approximately 80% of the total target area that is defined by the magnetic anomaly down to a depth of just over 550m beneath the surface (Figure 1).

Total Target Range at Hillside

The graph below shows the growth of the Hillside Resource between July 2010 and July 2011, as well as the total target range for the Hillside project.

Average assay results have remained relatively consistent throughout the drilling campaign and the total target size at Hillside lies between 1.6Mt and 2.1Mt of copper (represented by a range of 260Mt to 300Mt at a grade range of 0.6% to 0.7% copper and similar gold grades)¹. The range identified as the total target for the Hillside Project is based on the sum of the existing Resource plus the exploration target range associated with the remaining magnetic anomaly that is yet to be drill tested¹.



Graph 1: Hillside Resource growth in copper metal (Mt) and total target range.

¹The total potential and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that currently announced, and while Rex has confidence in this target range statement, it is uncertain if further exploration will result in the determination of additional Mineral Resources.

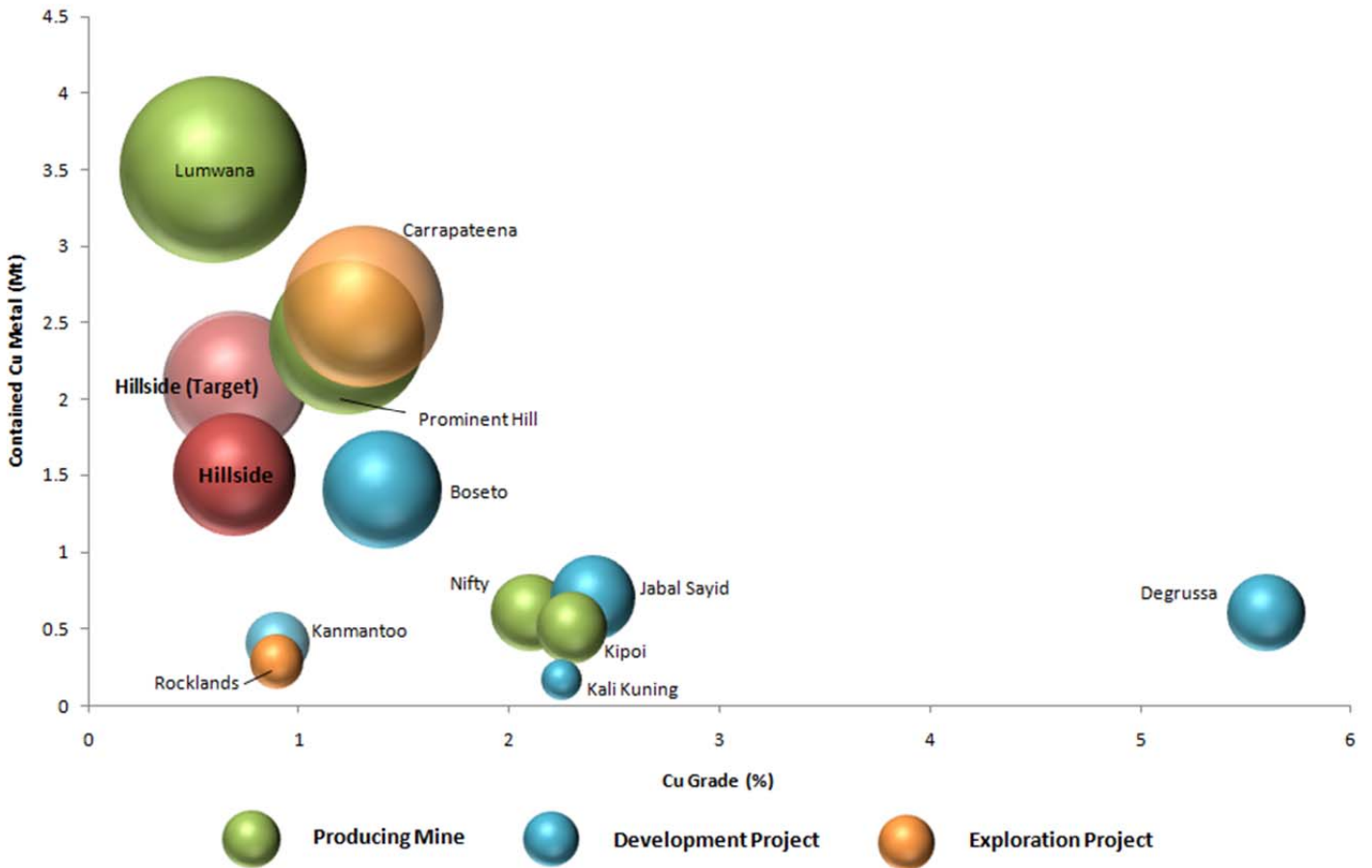
How Does Hillside Compare to other Copper Projects?

The Hillside project is one of the largest copper discoveries to have been made within Australia in the past decade. The project has a large resource base that is anticipated to grow substantially over the coming years.

It has early access opportunities to a significant amount of shallow supergene copper and in comparison to other large scale or recent discoveries, Hillside sits in an enviable position with a significant amount of contained copper in a logistically friendly location within a two hour drive from a major capital city (Adelaide).

The upside potential at Hillside remains significant as the updated Mineral Resource estimate only covers approximately 80% of a magnetic anomaly which has been used as the main targeting tool for the definition of copper at Hillside (Figure 1).

Contained Cu (Mt) vs Cu Grade (%) and relative deposit size (Mt)



Graph 2: Hillside Total Resource & Total Target Size in comparison to other major copper deposits.

Hillside Project Location

The Hillside Mineral Resource is situated 12km south of the township of Ardrossan on the Yorke Peninsula, South Australia (Figure 2). The copper mineralisation is a hidden discovery with the host rocks associated with the copper mineralisation covered by a sequence of younger rocks.



Figure 2: Location diagram of the Hillside Project Area, South Australia.

The Hillside project is one of many large-scale copper-gold projects on the Yorke Peninsula that exist within Rex's 100% owned exploration licences on the Yorke Peninsula. The copper-gold targets in the area are typically defined using detailed gravity and magnetic surveys (Figure 3).

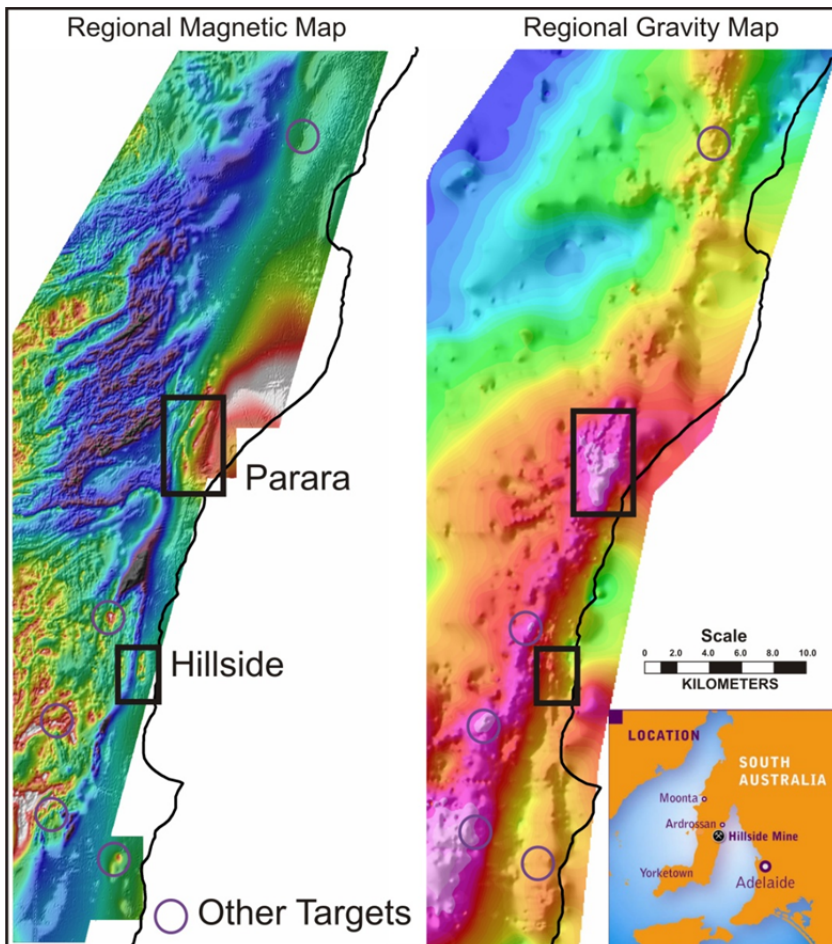


Figure 3: Magnetic and gravity maps of the Pine Point Copper Belt showing the location of the Hillside project plus additional targets on Rex's exploration licence on the Yorke Peninsula, South Australia.

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Competent Persons Report

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 2004 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.

Assessment and Reporting Criteria Table

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

Criteria	Status
Hillside - Sampling Techniques and Data	
Drilling techniques	<ul style="list-style-type: none"> Diamond (HQ3 and NQ2) standard tube drilling and reverse circulation (RC) was used for geological interpretation.
Drill sample recovery	<ul style="list-style-type: none"> Core recovery was good with an average of 99% recovered throughout the deposit.
Logging	<ul style="list-style-type: none"> Core was logged into an Excel spreadsheet logging system with drop down list pick fields. 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"> Core is orientated along the bottom of hole and then half-core samples are taken using a diamond core saw. Bulk density was measured using "Archimedes Principle". Samples were dried, crushed and pulverised to a nominal 85% passing 75 microns.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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). Assay data quality was determined through submission of field and laboratory standards, blanks and duplicates which were inserted at a nominal rate of 1 each per 25 drill samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> Umpire laboratory checks were completed during 2011 and no issues were identified that would prevent the classification of the Cu and Au Mineral Resources. Five 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, 123 diamond holes and 74 RC holes were surveyed using a Reflex Gyro, and prior to December 2010, 29 drill holes were surveyed using a North Seeking Gyro (NSG).
Data spacing and distribution	<ul style="list-style-type: none"> Drilling has been completed on nominal east-west 50m – 100m sections. A total of 226 diamond holes and 195 RC holes directly intersected the main mineralisation envelopes. A total of 240 diamond holes and 237 RC holes were used within and around the Mineral Resource Estimate volume. Approx 65% of drilling was angled at approximately 60-70 degrees to the west, approx 32% of drilling was angled at approximately 60-70 degrees to the east and approx 3% of drilling was angled at approximately 60-70 degrees to the north or south. Drilling is predominantly concentrated between 6173100N and 6175150N and between 60RL and -650RL.

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. • There are 16 holes drilled in a north – south direction to check for bias in the geological interpretation and orebody continuity. • There is no expected bias due to the continuity of the orebody along strike. • The drill hole intersection angle is between 60 and 75 degrees through the 3 main mineralised structures. (Zanoni, Parsee and Songvaar).
Estimating and Reporting of Hillside Mineral Resources	
Database integrity	<ul style="list-style-type: none"> • The Hillside database is a SQL system. • Data is logged directly into an Excel spreadsheet logging system with drop down list pick fields. • Data is then transferred to the master computer on site and then uploaded to the Hillside SQL database. • 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.
Geological interpretation	<ul style="list-style-type: none"> • The mineralization 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 mineralization is hosted by a sequence of intensely altered metasediments and skarns. • The geology at Hillside is categorized into the following lithologies and structural zones from west to east: <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. • Primary copper-gold mineralization 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.
Hillside Dimensions	<ul style="list-style-type: none"> • Primary mineralisation zones within the Hillside deposit are sub-parallel to the lithostratigraphic architecture.

	<ul style="list-style-type: none"> • Primary Hillside mineralisation strikes approximately north-south and has variable steep dips (70 to 80 degrees) to the west and occasionally east. • Secondary mineralisation strikes approximately north-south and tends to be steeply dipping immediately above primary mineralisation and grading to flat lying to shallow dipping dispersion zones (on average 10 to 30 degrees). • Mineralisation has so far been observed from 6173150N to 6175250N, 763150E to 764000E and 60RL to -800RL. Approximately 80% of the total target size has been tested and the deposit remains open in all directions and at depth.
<p>Estimation and Modelling Techniques</p>	<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: <ul style="list-style-type: none"> ○ 400 (Dart) ○ 500 (Zanoni) ○ 700 (Parsee) ○ 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 Oxidation ○ Cover Sequence • A priority system of 20 domains was set up to account for overlapping mineralisation, intrusive rock shapes and cover sequence lithologies. • The block model was constructed with parent blocks of 20mE by 20mN by 12mRL. • Ordinary kriging (OK) to the parent block size was used to estimate Cu, Au, Ag, U, Fe, S and Co grades separately. • 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 was: <ul style="list-style-type: none"> ○ Pass 1 – (50m to 140m) by (30m to 90m) by (10m to 20m) ○ Pass 2 – (100m to 280m) by (60m to 180m) by (20m to 40m) ○ Pass 3 – (200m to 560m) by (120m to 400m) by (30m to 60m) • A minimum of 4 and maximum of 32 composites were used per estimate for Pass 1 and Pass 2 with a minimum of 1 and maximum of 32 composites used for Pass 3. • An Octant based search limited composites to a maximum of 4 composites per octant. • 4m assay composites were used. A small number of composites were retained with a length of less than 4m. • Estimation applied composite length weighting.
<p>Quantitative</p>	<ul style="list-style-type: none"> • A quantitative kriging neighbourhood analysis was undertaken to assess the most

Kriging Neighbourhood Analysis (QKNA)	appropriate combination of variables and parameters for each Hillside domain.
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.
Mining factors or assumptions	<ul style="list-style-type: none"> Conceptual open pit mining studies have been undertaken on the Hillside Mineral Resources and results are detailed in Rex's Conceptual Study announcement, 27 July 2011. Commodity price assumptions are detailed below: <ul style="list-style-type: none"> Copper price used = 3.2 US\$/lb Gold price used = 1200 US\$/ounce Magnetite price used = 120 US\$/tonne
Metallurgical factors or assumptions	<ul style="list-style-type: none"> Testing has confirmed conventional processing options Sulphide copper recoveries estimated at 94% Oxide copper recoveries estimated at 50% Gold recoveries estimated at 77% Iron recoveries estimated at 52.9% (from metallurgical testwork) Iron in concentrate greater than 65%, and up to 69.8% (from metallurgical testwork) Magnetite recoveries estimated at 100%
Bulk density	<ul style="list-style-type: none"> Approximately 53% of all sampled 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. Regression analysis of iron assays and density was applied to estimate the density of blocks given the ordinary kriged iron value. Where blocks were not estimated for iron, the average density for the domain was assigned. Several domains with too few iron analyses were assigned the average domain density.
Classification	<ul style="list-style-type: none"> Mineral Resources have been classified on the basis of geological and grade continuity confidence. Inferred Mineral Resources have an average spacing of up to 100mN by 100mRL whilst Indicated Mineral Resources have an approximate average spacing of up to 50mN by 50mRL. Indicated resources have been classified in areas with diamond drilling only. Inferred resources have been classified in areas with both diamond and RC drilling. Iron ore resources are classified as Inferred only.
Block Model Verification	<ul style="list-style-type: none"> An Inverse Distance (ID) block model was run as a comparison check to the Ordinary Kriged (OK) July 11 block model. This comparison was satisfactory. Swath plots were generated per domain along all east – west sections and block grade compared favourably with composite grade. Swath plots were also generated along north – south sections and in plan view as verification tools.
Audits or Reviews	<ul style="list-style-type: none"> An audit and review of sampling techniques, data collection and modelling parameters for Hillside was undertaken by AMC Consultants Pty Ltd in July last year. Data collection and modelling techniques for the July 11 Mineral Resource estimate do not differ substantially from the July 10 Mineral Resource estimate.