

ASX Release: 28 July, 2011

## Quarterly Activities Report - for the period ended 30 June 2011

ASX Code: RXM

Shares on Issue: 153.6 million

Options on Issue: 2.5 million

Cash on hand as at 30 June: \$79.1m

Market Cap as at 26 July: \$412m

Share range in quarter: 218c to 298c

Website: www.rexminerals.com.au

*Resource increase to 1.5Mt of  
contained copper and 1.4Mozs  
of gold*

*Conceptual study reveals 12 year  
mine plan ramping up to  
70,000tpa copper*

*Regional exploration program  
underway starting at Equis  
prospect*

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### HIGHLIGHTS

#### Pine Point Copper Belt, Yorke Peninsula, South Australia:

##### Hillside Project

- 25% lift in Resource to 217Mt @0.7% copper, 0.2g/t gold and 12.4% iron.
- Conceptual study results released.
- Eight drill rigs on site and 27,911 metres drilled in quarter.
- Best results include:
  - 31m @ 1.1% copper and 0.4 g/t gold (from 220m below surface)
  - 35m @ 1.0% copper and 0.1 g/t gold (from 103m below surface)
  - 7m @ 1.7% copper and 0.3 g/t gold (from 56m below surface)
  - 33m @ 1.0% copper and 0.4 g/t gold (from 433m below surface)
  - 176 @ 0.6% copper (from 133m below surface)
  - 19m @ 1.1% copper and 0.7 g/t gold (from 43m below surface)
  - 78m @ 1.0% copper and 0.4 g/t gold (from 147m below surface)
  - 45m @ 1.1% copper and 0.4 g/t gold (from 56m below surface)
  - 65m @ 1.0% copper and 0.3 g/t gold (from 26m below surface)

*Note: Intersections are down hole lengths*

##### Regional Exploration Program

- Drill testing of Equis target commenced and regional soil sampling program underway.

##### Corporate:

- Purchase of freehold land for future infrastructure requirements.

### SUMMARY COMMENTS

The results from 18 months of drilling and 12 months of conceptual/scoping study work on the Hillside project were completed during the quarter and announced on 27<sup>th</sup> July, 2011. The results identify an increased Resource and a staged mine plan for a long-life open-pit copper-gold project with valuable iron ore credits.

### OUTLOOK

Drilling capacity of 7 diamond rigs focussed on:

- Remaining definition of Hillside Resource and infill drilling for pre-feasibility study.
- Commence pre-feasibility study with the potential to further optimise the current mine plan at Hillside.
- Expand regional drilling program to define next area of copper-gold potential to feed into the mine plan on the Yorke Peninsula.

## PROJECTS

### *Hillside Prospect – Updated Resource Estimate and Total Target Size*

Rex completed an updated Mineral Resource estimate based on data collected up to 15<sup>th</sup> 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 – July 2011**

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
<b>Total</b>		<b>217</b>	<b>0.7</b>	<b>0.2</b>	<b>12.4</b>	<b>1,500,000</b>	<b>1,400,000</b>

\*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.

The copper mineralisation at the Hillside project is closely associated with the mineral magnetite and the project area has been broadly defined by a magnetic anomaly, which is caused by the presence of magnetite. The updated July 2011 Mineral Resource occupies approximately 80% of the total target area (2.5km by 500m) that is defined by the magnetic anomaly down to a depth of approximately 550 metres (Figure 1).

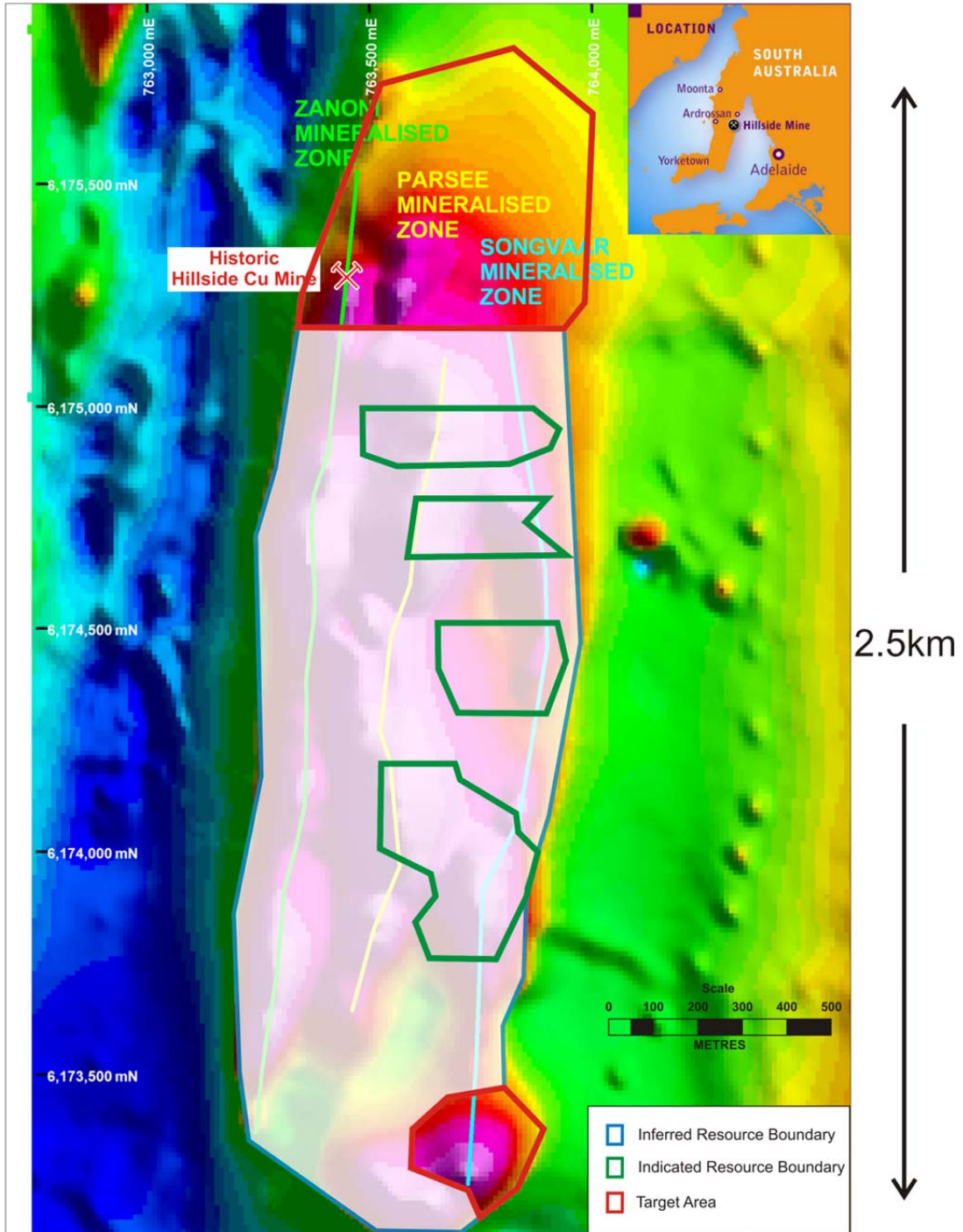
Iron ore has also been included in the Mineral Resource estimate for the first time. Metallurgical test work found that magnetite was recoverable by conventional separation techniques and could add significant value to the project. This is reflected in the copper equivalent grade of the project which now lies at 0.9% after allowing for recovery factors.

**Hillside Resource, Grade and Recovery - July 2011**

	Tonnes (Mt)	Grade	Recovery (%)	Recovered 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% <sup>#</sup>
<b>Total</b>				<b>0.9%</b>

<sup>#</sup> 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).

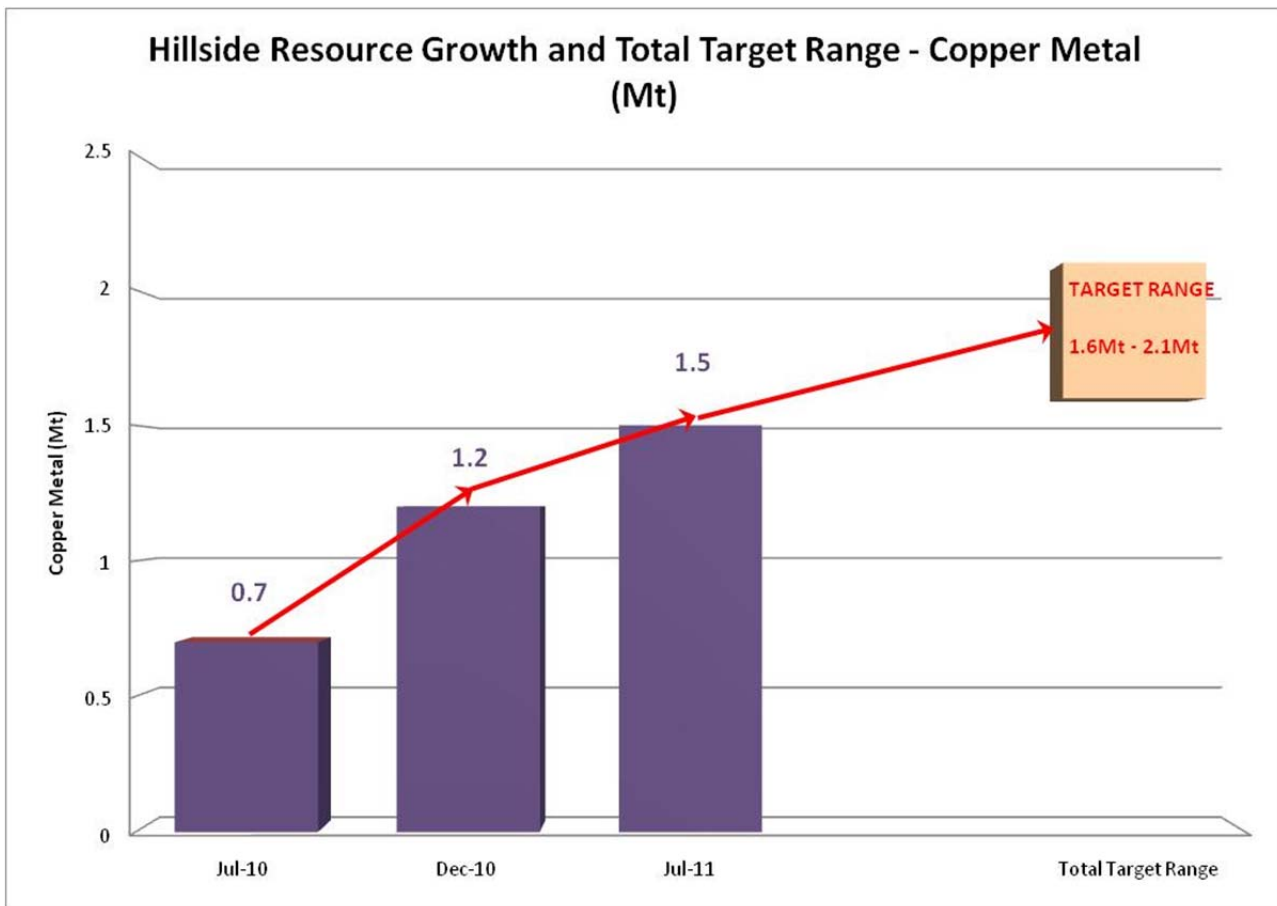


**Figure 1:** Magnetic map of the Hillside project, showing location of the Inferred and Indicated Resources and remaining exploration target area.

### Hillside Prospect – Target Size Potential

Based on the updated Mineral Resource estimate and remaining area to be drill tested at Hillside, Rex has updated its total target size for the Hillside project based on the current Resource and the remaining area to be drill tested at Hillside. The graph below shows the growth of the Hillside Resource between July 2010 and July 2011 as well as the total target size for the Hillside project.

Average assay results have remained relatively consistent throughout the drilling campaign and the total target size at Hillside ranges 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)<sup>1</sup>.



**Graph 1:** Hillside Total Resource Growth in copper metal (Mt) and remaining total target.

<sup>1</sup>The 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 statement, it is uncertain if further exploration will result in the determination of additional Mineral Resources.

### **Hillside Prospect – Conceptual study results**

Over the past 12 months Rex has been working on a conceptual study to identify the mining and processing options available, based on the Hillside Mineral Resource. The results were announced on 27 July, 2011. The conceptual study confirms attractive economics for a staged large-scale, long-life project with production increasing to over 70,000t of copper per annum (pa) with additional valuable iron ore concentrate (magnetite) and gold sales credits.

The conceptual study contemplates a minimum mine life of 12 years with annualised production ramping up in stage 2 to more than 70,000t per annum copper, 50,000ozs gold and 1.3M tonnes of iron ore concentrate(magnetite fines).

A summary of the conceptual study and basic operating costs are shown in tables 1 and 2 below.

**Table 1:** Summary results of the conceptual study completed on the Hillside Project<sup>1</sup> (see page 12).

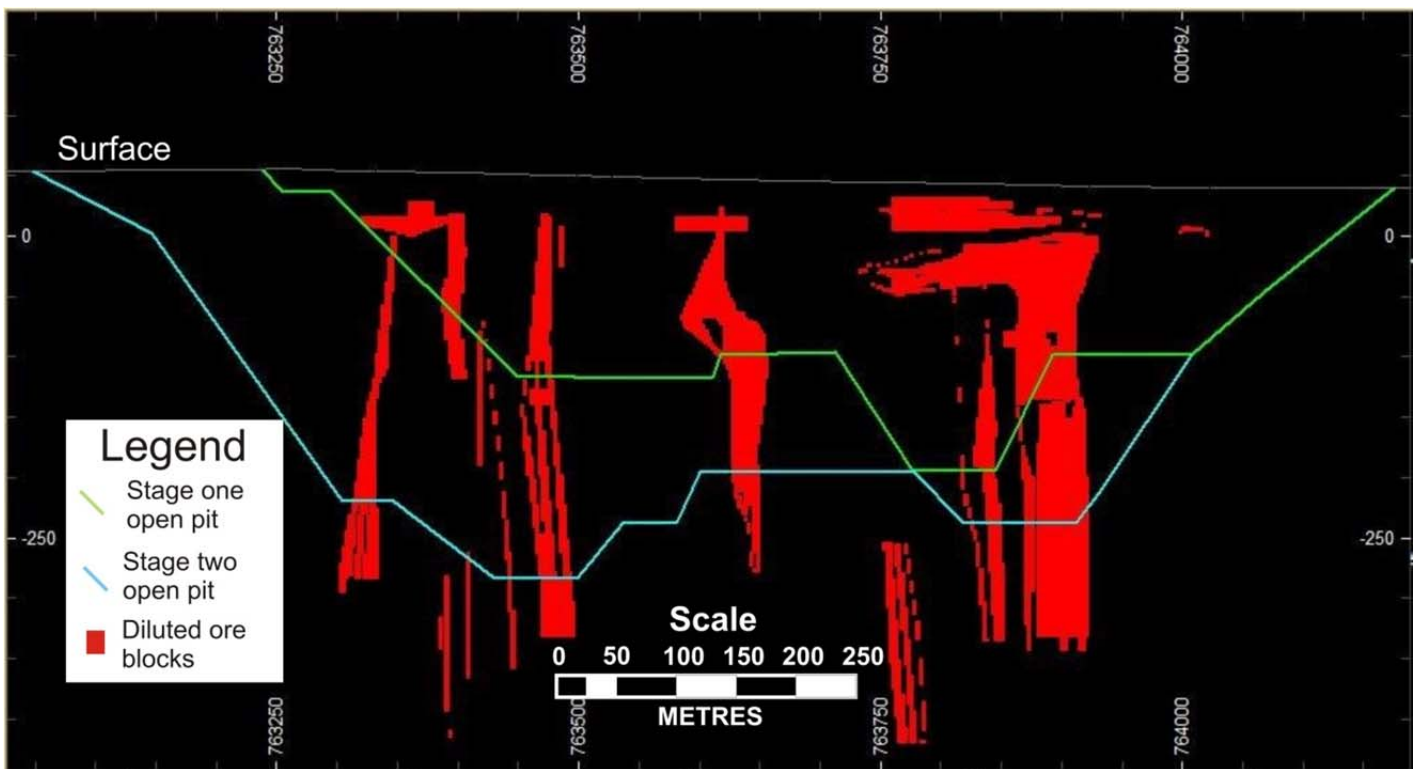
	STAGE ONE	STAGE TWO
<b>Mine Plan</b>	6 years	6+ years
<b>Copper Production (pa)</b>	40,000 to 45,000 tonnes	70,000 to 80,000 tonnes
<b>Gold Production (pa)</b>	35,000 to 45,000 ounces	50,000 to 70,000 ounces
<b>Iron Ore Concentrate (pa)</b>	700,000 to 900,000 tonnes	1.3 to 1.6 million tonnes
<b>Processing Plant Capacity (pa)</b>	7.5 to 9 million tonnes	15 to 18 million tonnes
<b>Pre-Strip</b>	44 million tonnes	69 million tonnes
<b>Strip Ratio</b>	3.9:1 to 4.2:1	4.2:1 to 4.8:1
<b>Cash Costs</b>	US\$0.7 to US\$0.8/lb*	US\$1.0 to US\$1.2/lb*
<b>Start up capital costs</b>	AUD\$650 to \$800 million	Funded from stage one cash flow

\*See Rex's announcement on the Hillside conceptual study results released on 27 July 2011 for more detail about cash costs relative to commodity prices and exchange rates.

**Table 2:** Summary of operating cost estimates (all in AUD\$) used in the Hillside conceptual study<sup>1</sup> (see page 12).

Cost Input	Stage 1	Stage 2
<b>Mining Dilution</b>	13% to 15%	13% to 15%
<b>Mining cost</b>	\$2.6/t	\$2.8/t
<b>Processing Cost</b>	\$11.6/t	\$9.9/t
<b>Administration</b>	\$2.7/t	\$1.5/t

The conceptual study outlines a staged open pit with matching staged processing facilities starting at between 7.5 and 9 million tonnes per annum (Mtpa) then increasing to 15 and 18Mtpa. Whittle open pit optimisation was completed on the diluted block model to assess the optimal open pit design. The mining sequence was also reviewed to ensure the capability of delivering ore to the processing plant. Figure 2 is an example of the stage one and stage two open pits in the conceptual mine design based on the Whittle optimisation work.



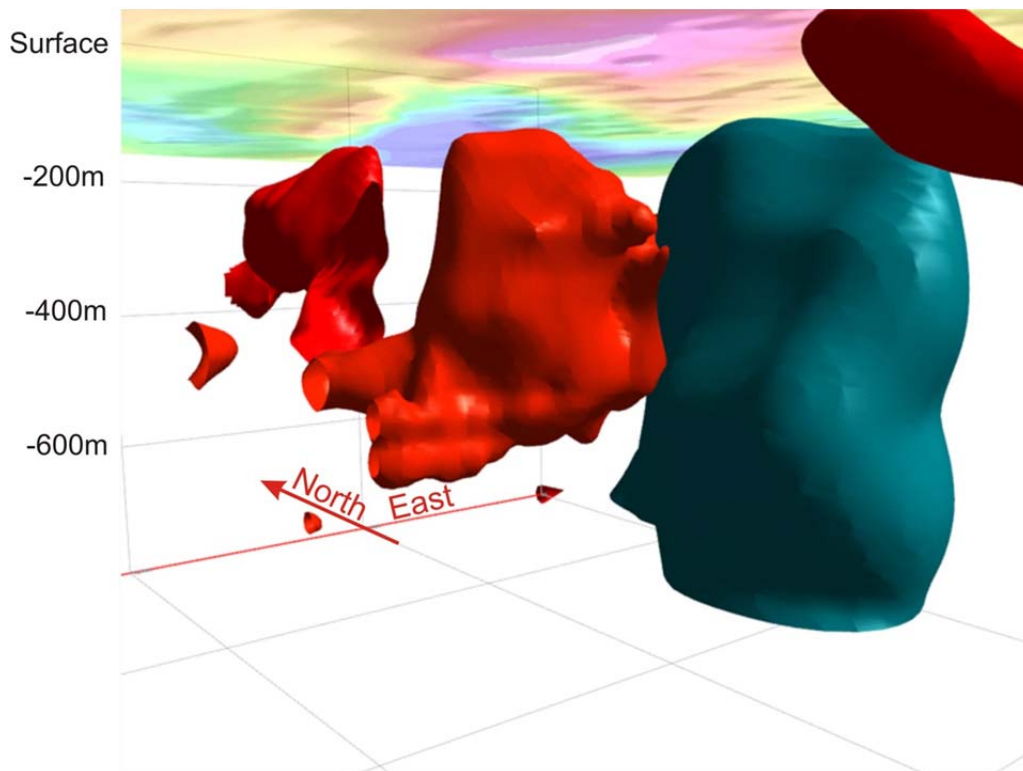
**Figure 2:** Cross section 4700N at Hillside showing diluted mining blocks in stage one and stage two open pit.

### **Hillside Prospect – Feasibility studies**

The conceptual study forms the basis for a pre-feasibility study to be completed in 2012. This will be followed by a bankable (or definitive) feasibility study due in 2013, which is expected to include a further optimised plan for Hillside and other regional opportunities adjacent to Hillside on the Pine Point Copper Belt. Subject to further evaluation and approvals first production could commence in 2015.

### ***Pine Point Copper Belt (Yorke Peninsula, South Australia) – Regional Targets***

Rex has commenced drilling at the Equis target, which is one of the higher priority regional targets. Effective testing of this target involves drilling the defined magnetic and gravity features at various depths to resolve the potential for either feature to be directly related to copper-gold mineralisation. Drilling at Equis will continue into the September 2011 quarter.



**Figure 3:** *Modelled gravity and magnetic targets at the Equis project.*

Based on a positive, post-discovery soil sampling research program at Hillside, a regional soil sampling program has commenced to help distinguish between the magnetic and gravity features that are more likely to be related to copper-gold mineralisation.

Follow-up regional drilling after the Equis program will be dependent on the results of the soil sampling program.

### **CORPORATE**

Rex has added to its existing landholding over Hillside and completed the purchase of adjacent land for a combination of cash and shares. This is an important step towards securing access to land for future infrastructure requirements.

**Table 1:** Tabulated assay results from drill holes completed at the Hillside Project during the June 2011 quarter.

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Au (g/t)	Structure
<b>HDD-163</b>	<b>400</b>	<b>410</b>	<b>10</b>	<b>0.6</b>	<b>0.1</b>	<b>Zanoni (p)</b>
	<b>449</b>	<b>468</b>	<b>19</b>	<b>0.8</b>	<b>0.2</b>	<b>Zanoni (p)</b>
<i>including</i>	449	460	11	1.1	0.2	Zanoni (p)
	<b>477</b>	<b>492</b>	<b>15</b>	<b>1</b>	<b>0.2</b>	<b>Zanoni (p)</b>
	<b>512</b>	<b>521</b>	<b>9</b>	<b>0.6</b>	<b>0.2</b>	<b>Zanoni (p)</b>
	<b>536</b>	<b>548</b>	<b>12</b>	<b>0.7</b>	<b>0.3</b>	<b>Zanoni (p)</b>
<i>including</i>	546	548	2	1.6	0.4	Zanoni (p)
<b>HDD-165</b>	<b>94</b>	<b>105</b>	<b>11</b>	<b>2</b>	<b>0.9</b>	<b>Parsee (p)</b>
	<b>134</b>	<b>144</b>	<b>10</b>	<b>0.5</b>	<b>0.1</b>	<b>Parsee (p)</b>
<b>HDD-170</b>	<b>266</b>	<b>278</b>	<b>12</b>	<b>1.1</b>	<b>0.6</b>	<b>Parsee (p)</b>
<i>including</i>	274	277	3	3	1.9	Parsee (p)
	<b>283</b>	<b>290</b>	<b>7</b>	<b>0.5</b>	<b>0.1</b>	<b>Parsee (p)</b>
<b>HDD-176</b>	<b>277</b>	<b>290</b>	<b>13</b>	<b>0.6</b>	<b>0.1</b>	<b>Zanoni (p)</b>
	<b>329</b>	<b>341</b>	<b>12</b>	<b>0.7</b>	<b>0.4</b>	<b>Zanoni (p)</b>
<i>including</i>	337	340	3	1.5	0.4	Zanoni (p)
	<b>415</b>	<b>418</b>	<b>3</b>	<b>1</b>	<b>0.4</b>	<b>Zanoni (p)</b>
	<b>446</b>	<b>450</b>	<b>4</b>	<b>0.9</b>	<b>0.1</b>	<b>Zanoni (p)</b>
	<b>468</b>	<b>474</b>	<b>6</b>	<b>0.6</b>	<b>0.1</b>	<b>Zanoni (p)</b>
<b>HDD-178</b>	<b>154</b>	<b>210</b>	<b>57</b>	<b>0.6</b>	<b>0.1</b>	<b>Songvaar (s)</b>
<i>including</i>	171	181	10	1	0.2	Songvaar (s)
	<b>236</b>	<b>275</b>	<b>39</b>	<b>0.8</b>	<b>0.1</b>	<b>Songvaar (p)</b>
<i>including</i>	239	250	11	1.1	0.1	Songvaar (p)
	267	274	7	1.3	0.1	Songvaar (p)
<b>HDD-179</b>	<b>100</b>	<b>105</b>	<b>5</b>	<b>0.5</b>	<b>-</b>	<b>Parsee (p)</b>
	<b>260</b>	<b>291</b>	<b>31</b>	<b>1.1</b>	<b>0.4</b>	<b>Parsee (p)</b>
<i>including</i>	264	271	7	2.8	0.9	Parsee (p)
	<b>300</b>	<b>308</b>	<b>8</b>	<b>0.5</b>	<b>0.2</b>	<b>Parsee (p)</b>
	<b>314</b>	<b>323</b>	<b>9</b>	<b>0.5</b>	<b>0.2</b>	<b>Parsee (p)</b>

<b>HDD-180</b>	<b>109</b>	<b>144</b>	<b>35</b>	<b>1</b>	<b>0.1</b>	<b>Dart (p)</b>
<i>including</i>	109	113	4	1.8	0.3	<i>Dart (p)</i>
<i>including</i>	127	130	3	4.6	0.3	<i>Dart (p)</i>
<i>including</i>	141	144	3	2.9	0.5	<i>Dart (p)</i>
	<b>154</b>	<b>164</b>	<b>10</b>	<b>0.5</b>	<b>-</b>	<b>Dart (p)</b>
	<b>331</b>	<b>337</b>	<b>6</b>	<b>0.9</b>	<b>0.4</b>	<b>Dart (p)</b>
<b>HDD-181</b>	<b>75</b>	<b>86</b>	<b>11</b>	<b>0.7</b>	<b>0.4</b>	<b>Parsee (s)</b>
	<b>97</b>	<b>116</b>	<b>19</b>	<b>1</b>	<b>0.4</b>	<b>Parsee (p)</b>
<b>HDD-182</b>	<b>243</b>	<b>259</b>	<b>16</b>	<b>0.5</b>	<b>0.1</b>	<b>Songvaar (p)</b>
	<b>268</b>	<b>324</b>	<b>56</b>	<b>0.8</b>	<b>0.2</b>	<b>Songvaar (p)</b>
<i>including</i>	288	294	6	2.6	0.6	<i>Songvaar (p)</i>
<b>HDD-183</b>	<b>115</b>	<b>122</b>	<b>7</b>	<b>1.7</b>	<b>0.1</b>	<b>Zanoni (p)</b>
	<b>391</b>	<b>421</b>	<b>30</b>	<b>0.6</b>	<b>0.1</b>	<b>Dart (p)</b>
<i>including</i>	407	416	9	1.1	0.1	<i>Dart (p)</i>
<b>HDD-184</b>	<b>62</b>	<b>69</b>	<b>7</b>	<b>1.7</b>	<b>0.3</b>	<b>Parsee (s)</b>
	<b>358</b>	<b>400</b>	<b>42</b>	<b>0.6</b>	<b>0.2</b>	<b>Parsee (s)</b>
<i>including</i>	371	381	10	1.1	0.4	<i>Parsee (s)</i>
<b>HDD-186</b>	<b>433</b>	<b>466</b>	<b>33</b>	<b>1</b>	<b>0.4</b>	<b>Zanoni (p)</b>
<i>including</i>	445	453	8	2.7	1.1	<i>Zanoni (p)</i>
<b>HDD-187</b>	<b>50</b>	<b>69</b>	<b>19</b>	<b>0.6</b>	<b>0.1</b>	<b>Dart (p)</b>
	<b>136</b>	<b>312</b>	<b>176</b>	<b>0.6</b>	<b>-</b>	<b>Dart (p)</b>
<i>including</i>	285	305	20	1.3	0.2	<i>Dart (p)</i>
	<b>477</b>	<b>508</b>	<b>31</b>	<b>0.5</b>	<b>-</b>	<b>Dart (p)</b>
<b>HDD-188</b>	<b>135</b>	<b>147</b>	<b>12</b>	<b>0.6</b>	<b>0.2</b>	<b>Dart (p)</b>
<b>HDD-191</b>	<b>179</b>	<b>204</b>	<b>25</b>	<b>0.5</b>	<b>0.2</b>	<b>Parsee (p)</b>
	<b>239</b>	<b>257</b>	<b>18</b>	<b>1.1</b>	<b>0.4</b>	<b>Parsee (p)</b>
<b>HDD-192</b>	<b>48</b>	<b>67</b>	<b>19</b>	<b>1.1</b>	<b>0.7</b>	<b>Parsee (s)</b>
<b>HDD-200</b>	<b>122</b>	<b>126</b>	<b>4</b>	<b>1.5</b>	<b>-</b>	<b>Unknown (p)</b>

	<b>334</b>	<b>367</b>	<b>33</b>	<b>0.9</b>	<b>0.4</b>	<b>Zanoni (p)</b>
<i>including</i>	336	343	7	1	0.1	Zanoni (p)
	356	362	6	1.9	0.5	Zanoni (p)
<b>HRC-149</b>	<b>35</b>	<b>61</b>	<b>26</b>	<b>0.7</b>	<b>0.1</b>	<b>Songvaar (s)</b>
<i>including</i>	36	41	5	1.7	-	Songvaar (s)
<b>HRC-180</b>	<b>36</b>	<b>45</b>	<b>9</b>	<b>0.8</b>	<b>-</b>	<b>Songvaar (s)</b>
<i>including</i>	36	38	2	1.8	-	Songvaar (s)
<b>HRC-181</b>	<b>52</b>	<b>107</b>	<b>55</b>	<b>0.4</b>	<b>0.1</b>	<b>Songvaar (s)</b>
	<b>141</b>	<b>158</b>	<b>17</b>	<b>0.7</b>	<b>0.2</b>	<b>Songvaar (s)</b>
<i>including</i>	150	153	3	1.5	0.1	Songvaar (s)
<b>HRC-182</b>	<b>29</b>	<b>93</b>	<b>64</b>	<b>0.6</b>	<b>0.1</b>	<b>Songvaar (s)</b>
<i>Including</i>	32	40	8	1.6	0.1	Songvaar (s)
<b>HRC-183</b>	<b>107</b>	<b>113</b>	<b>6</b>	<b>1.9</b>	<b>-</b>	<b>Songvaar (s)</b>
	<b>142</b>	<b>147</b>	<b>5</b>	<b>0.8</b>	<b>0.1</b>	<b>Songvaar (s)</b>
<b>HRC-188</b>	<b>205</b>	<b>237</b>	<b>32</b>	<b>0.6</b>	<b>0.2</b>	<b>Leprena (p)</b>
<i>including</i>	208	215	7	1.1	0.4	Leprena (p)
<b>HRC-191</b>	<b>22</b>	<b>43</b>	<b>21</b>	<b>1</b>	<b>0.1</b>	<b>Leprena (s)</b>
<b>HRC-192</b>	<b>31</b>	<b>40</b>	<b>9</b>	<b>0.7</b>	<b>0.3</b>	<b>Leprena (s)</b>
	<b>69</b>	<b>97</b>	<b>28</b>	<b>0.6</b>	<b>0.3</b>	<b>Leprena (p)</b>
<i>including</i>	78	83	5	1.1	0.7	Leprena (p)
<b>HRC-193</b>	<b>18</b>	<b>54</b>	<b>36</b>	<b>0.4</b>	<b>-</b>	<b>Leprena (s)</b>
	<b>61</b>	<b>72</b>	<b>11</b>	<b>1</b>	<b>0.3</b>	<b>Leprena (s)</b>
	<b>156</b>	<b>234</b>	<b>78</b>	<b>1</b>	<b>0.4</b>	<b>Leprena (p)</b>
<i>including</i>	184	193	9	2	0.7	Leprena (p)
	217	222	5	4.1	2.2	Leprena (p)
<b>HRC-196</b>	<b>65</b>	<b>110</b>	<b>45</b>	<b>1.1</b>	<b>0.4</b>	<b>Songvaar (s)</b>
<b>HRC-200</b>	<b>81</b>	<b>92</b>	<b>11</b>	<b>-</b>	<b>1.1</b>	<b>Songvaar (s)</b>

<b>HRC-201</b>	<b>33</b>	<b>79</b>	<b>46</b>	<b>0.9</b>	<b>0.6</b>	<b>Songvaar (s)</b>
<i>including</i>	42	51	9	1.5	0.2	<i>Songvaar (s)</i>
	61	65	4	2.2	0.5	<i>Songvaar (s)</i>
	73	78	5	1.2	0.2	<i>Songvaar (s)</i>
<b>HRC-203</b>	<b>27</b>	<b>60</b>	<b>33</b>	<b>0.9</b>	<b>0.2</b>	<b>Songvaar (s)</b>
<i>including</i>	46	54	8	2.2	0.4	<i>Songvaar (s)</i>
<b>HRC-207</b>	<b>71</b>	<b>150</b>	<b>79</b>	<b>0.9</b>	<b>0.4</b>	<b>Songvaar (s+p)</b>
<i>including</i>	71	86	15	2.1	0.4	<i>Songvaar (s+p)</i>
<b>HRC-214</b>	<b>112</b>	<b>118</b>	<b>6</b>	<b>0.5</b>	<b>-</b>	<b>Songvaar (s)</b>
	140	174	34	0.6	0.1	<b>Songvaar (s)</b>
<b>HRC-215</b>	<b>17</b>	<b>23</b>	<b>6</b>	<b>0.7</b>	<b>-</b>	<b>Songvaar (s)</b>
<b>HRC-216</b>	<b>29</b>	<b>95</b>	<b>65</b>	<b>1</b>	<b>0.3</b>	<b>Songvaar (s)</b>
<i>including</i>	29	51	22	2.1	0.3	<i>Songvaar (s)</i>
	105	111	6	0.6	0.2	<b>Songvaar (s)</b>

(p) = Primary Mineralisation (s) = Supergene Mineralisation  
\* All intercepts reported are down hole unless otherwise specified

## ACTIVITIES PLANNED FOR NEXT QUARTER

Hillside: Rex has six diamond drill rigs currently located at the Hillside project. Rex's focus over the September 2011 quarter at Hillside will be to continue to extend the Inferred Resource and to also start to focus on infill drilling for greater Resource definition within the stage one and stage two open pits. The current drilling capacity will also be used for capturing further detailed samples for metallurgical test results and geotechnical work.

Pine Point Copper Belt: A diamond drill rig is currently operating at the Equis target. On average, a single drill rig will be used to test a number of regional targets, with capacity to increase the regional drilling programs in the event of a significant discovery, or towards the end of the year after the harvest has been completed. Regional soil sampling programs will continue throughout the quarter to aid the focus of the drill rig for the remainder of the year.

<sup>1</sup> *The results contained within this announcement from the Hillside conceptual study contain "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".*

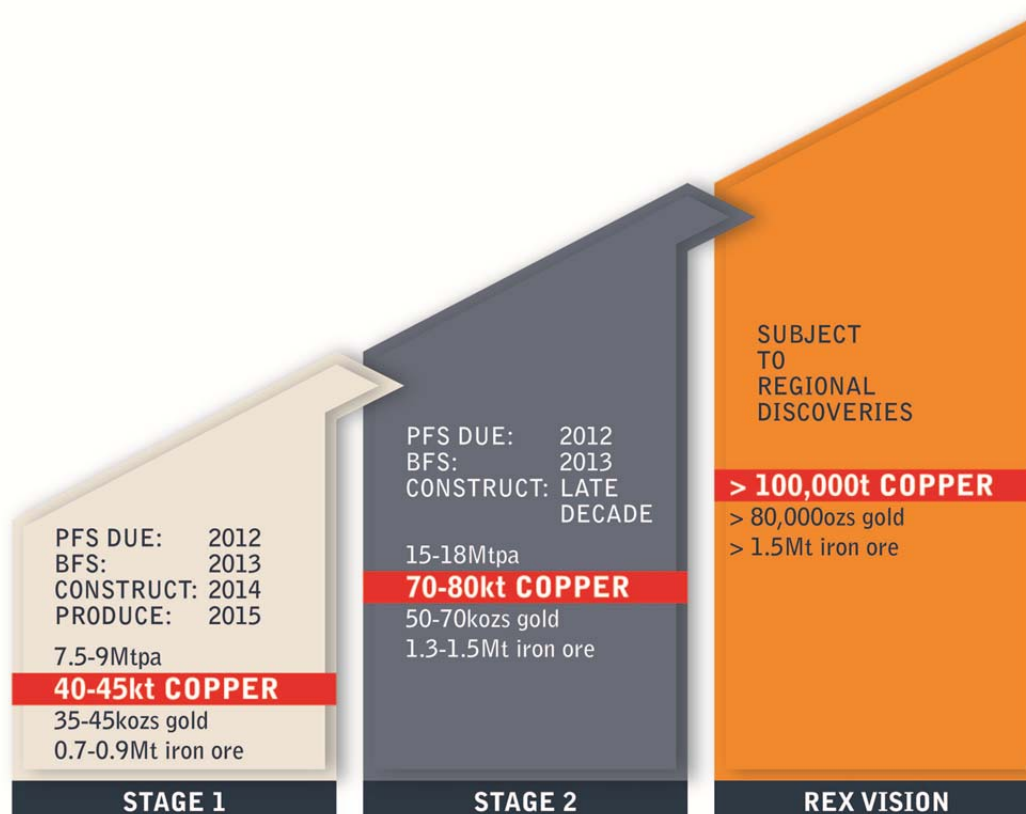
## About Rex

Rex is an Australian minerals exploration company focussed on the discovery and development of a large-scale, low-cost and long-life copper-gold mining operation on the Yorke Peninsula in South Australia.

The presence of copper on the Yorke Peninsula was first highlighted by a number of small and high grade historical copper mines that exist within a large regional fault known as the Pine Point Fault Zone. Rex considers that most of the copper was not discovered by early prospectors as it lies underneath 10 to 50 metres of cover sediments which were effectively "hidden" from earlier explorers.

Rex commenced exploring at Hillside in late 2007, soon after listing on the ASX, ultimately leading to the discovery of large-scale copper mineralisation. Rex commenced Resource definition drilling at Hillside in January 2010 and recently completed an updated Mineral Resource estimate in July 2011 of 217Mt @ 0.7% copper, 0.2g/t gold and 12.4% Iron for a total of 1.5Mt copper and 1.4Mozs gold.

Rex has also completed a conceptual mining study at Hillside that defines a 12 year mine plan for the project ramping up to over 70,000t of copper production with significant gold and magnetite by-product credits. Beyond the existing mine plan the vision at Rex is to have a staged development process leading to a mining operation that can produce over 100,000t copper per annum for many decades.



## 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.

# Appendix 5B

## Mining 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

Name of entity

REX MINERALS LTD

ABN

12 124 960 523

Quarter ended ("current quarter")

30 JUNE 2011

### 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	(10,636)	(27,610)
1.3 Dividends received	(718)	(2,944)
1.4 Interest and other items of a similar nature received	786	3,390
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(10,568)</b>	<b>(27,164)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(4,777)	(8,552)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(4,777)</b>	<b>(8,552)</b>
1.13 Total operating and investing cash flows (carried forward)	(15,345)	(35,716)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(15,345)	(35,716)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	331	88,236
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)	-	(4,911)
	<b>Net financing cash flows</b>	331	83,325
	<b>Net increase (decrease) in cash held</b>	(15,014)	47,609
1.20	Cash at beginning of quarter/year to date	94,098	31,475
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	79,084	79,084

**Payments to directors of the entity and associates of the directors**  
**Payments to 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	164
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**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

196,640 shares have been issued as part consideration for acquisition of property on the Yorke Peninsula, South Australia.

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

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

	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	11,100
4.2 Development	
4.3 Production	
4.4 Administration including Pre Feasibility studies	1,717
<b>Total</b>	<b>12,817</b>

**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	79,084	94,098
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>79,084</b>	<b>94,098</b>

**Changes in interests in mining tenements**

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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	153,635,519	153,635,519		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,750,000 1,000,000 196,640	1,750,000 1,000,000 196,640	\$0.102 \$0.152 \$2.50	\$0.102 \$0.152 \$2.50
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	561,000 240,000 60,000 1,600,000	- - - - -	<i>Exercise price</i> \$1.222 \$2.052 \$0.552 \$3.00	<i>Expiry date</i> 24/5/2013 31/10/2012 31/5/2012 30/4/2014
7.8 Issued during quarter	1,600,000		\$3.00	30/4/2014
7.9 Exercised during quarter	1,750,000 1,000,000		\$0.102 \$0.152	\$0.102 \$0.152


+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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:  Date: 28 JULY 2011  
(Company secretary)

Print name: Amber Rivamonte

## 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 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 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, 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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+ See chapter 19 for defined terms.