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Positive Initial Metallurgical Tests - Hillside Project

- **Testing confirms conventional processing options**
- **Primary Copper recoveries estimated at 90% and Gold recoveries at 75%**
 - **Oxide Copper recoveries of between 70% and 80%**
 - **By-product potential with magnetite concentrate grades of 65%**

Rex Minerals Limited's ("Rex") 100% owned Hillside Copper Project on the Yorke Peninsula in South Australia has received positive metallurgical test results which show that approximately 90% of the copper in the host sulphide ores can be recovered using conventional flotation processing. In addition, gold recoveries were found to be around 75% which should provide a significant and valuable credit within the proposed copper concentrate.

The bulk of the copper mineralisation at Hillside (estimated to be over 85% of the deposit) is in the form of a primary sulphide deposit which also contains a significant amount of magnetite. Initial test work suggests that a magnetite concentrate (iron ore) of a saleable quality could be produced from reject material after producing a copper concentrate. Indications are that a magnetite concentrate is recoverable using magnetic separation techniques with the magnetite concentrate containing 65% iron. This potential is significantly aided by the presence of multiple port facilities which are located in close proximity to the Hillside project.

Rex's Managing Director Mr Steven Olsen said today "The confirmation that primary copper recoveries are around 90% is an outstanding result and compares favourably with an industry average of approximately 85%."

"Given that we know there is a distinct relationship between copper and magnetite at Hillside, the confirmation that magnetite is recoverable could provide Rex with a previously unidentified revenue stream in addition to the already sizeable in-ground copper and gold Resource," Mr Olsen said.

Preliminary test work has also been completed on the shallow oxide copper at Hillside, which is estimated to occupy approximately 10% of the deposit. The results indicate that between 70% and 80% of the oxide mineralisation is recoverable via leaching. These results are slightly higher than the industry average for oxide copper operations and are an important first step in determining the economic parameters for a potential heap leach operation at Hillside.

Further test work across various parts of Hillside will be completed in 2011 as part of the study process to confirm the results from the initial test work program and to advance the understanding of the metallurgical characteristics of the various mineralised zones.

For Comment and Further Details

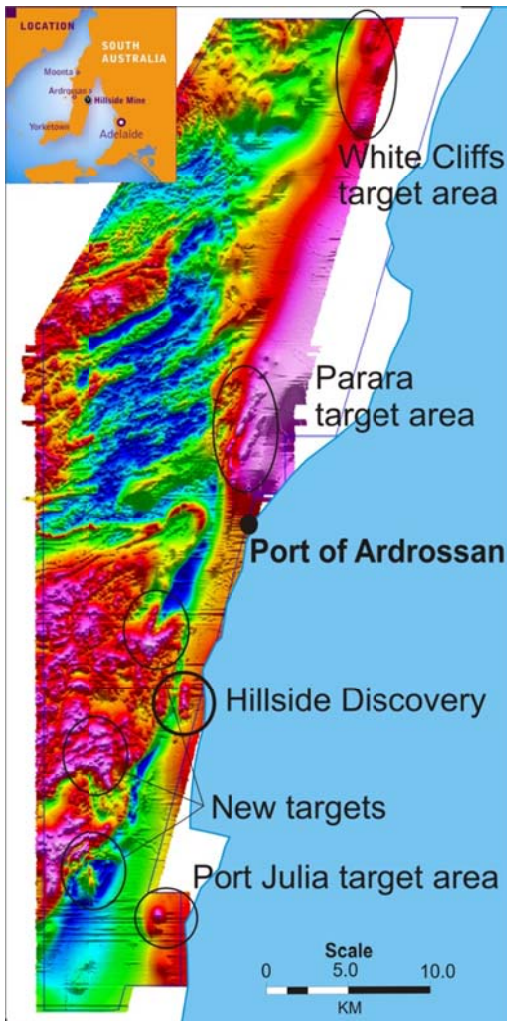
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About the Hillside Copper Project and the Pine Point Copper Belt

Rex is an Australian minerals exploration company focussed on the discovery of large scale copper in South Australia. Rex seeks to discover multiple copper deposits leading to the development of a large scale, low cost and long life 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 and were effectively “hidden” from earlier explorers.

Rex commenced exploring at Hillside in late 2007, soon after listing on the ASX. After a series of drilling programs leading to the discovery of large-scale copper mineralisation at Hillside, Rex commenced Resource definition drilling in January 2010. After six months of dedicated Resource drilling, Rex completed an updated Mineral Resource estimate at Hillside in December 2010 of 170Mt @ 0.7% copper and 0.2g/t gold.

The Hillside project and the other copper targets on the Yorke Peninsula have a number of key advantages compared to many other new copper development opportunities around the world. These include:

Infrastructure - A major highway connects the Hillside project to numerous major ports (closest within 12km).

People and Equipment - The Hillside project is connected by a major highway (within a 2 hour drive) to the city of Adelaide (population 1.2 million). The Hillside project has the potential to draw most of the required skilled labour and equipment from Adelaide.

Power - The area is connected to the State’s main power grid.

Port and Town - The Hillside project is 12kms from the Port and Town of Ardrossan. Ardrossan is a community familiar with mining given that an open cut dolomite mine is nearby and ships product through the Port.