

HEAD OFFICE

A 19/11 Waymouth Street
Adelaide South Australia 5000

T (08) 8299 7100
F (08) 8299 7199

P PO Box 3435 Rundle Mall
South Australia 5000

E rex@rexminerals.com.au
W www.rexminerals.com.au



ASX Release: 29 January, 2014

Quarterly Activities Report - for the period ended 31 December 2013

ASX Code: RXM

Shares on Issue: 188.9 million

Options on Issue: 4.6 million

Cash on hand: A\$20.9M

Market Capitalisation: \$90.7M

Share range in quarter: 36c to 56c

Website: www.rexminerals.com.au

*Progressing towards
completion of Bankable
Feasibility Study (BFS).*

*Korea-based Hyundai and AMEC
awarded ECI (Early Contractor
Involvement) in the Hillside
project.*

*Final approvals associated with
the Hillside Mining Lease are
anticipated in the first half of
2014.*

For further information, please contact:

Mark Parry (Managing Director)

or Amber Rivamonte (Company Secretary)

Phone: 08 8299 7100

E-mail: rex@rexminerals.com.au

Media enquiries to:

Simon Jemison

Collins Street Media

03 9224 5319

E-mail: simon@collinsstreetmedia.com.au

HIGHLIGHTS

Corporate

- Korea-based Hyundai and Australia-based AMEC have been awarded ECI (Early Contractor Involvement) in the Hillside project.
- Progressing Bankable Feasibility Study (BFS) to support debt funding negotiations.
- Appointment of Dr David Carland as Chairman.

Hillside Project

- Rex has continued to progress the BFS with further optimisation of the metallurgical process flow sheet and the mine plan adding significant improvements to the Hillside project.
- The South Australian Government's advertised public notice period inviting public comment on the Mining Lease proposal for the Hillside project was concluded. Rex has provided the South Australian Government with a series of detailed responses which has formed a critical component of the Mining Lease approval process.
- Rex anticipates South Australian Government will finalise a decision on the Hillside Mining Lease within the first half of 2014.
- Rex received a significant Research and Development (R&D) tax refund totalling \$6.1M.

SUMMARY COMMENTS

Rex continued working towards the completion of the Bankable Feasibility Study (BFS) and the financing options for our ~US\$850m Hillside project. This quarter, Korean-based Hyundai and Australian-based AMEC were awarded ECI (Early Contractor Involvement) in the Hillside project and further assists Rex in securing full funding for the Hillside. First copper production is scheduled to commence in 2016. Rex continued discussions with South Australian Government on the Hillside Mining Lease.

OUTLOOK

Final approvals associated with the Mining Lease are anticipated in H1 2014. Additional process plant design and metallurgical process flow sheet improvements and mine optimisation are currently underway and as a result it is expected that the completion of the BFS will be mid-2014. The BFS will be used as part of the process to secure equity and debt funding with a number of interested parties including potential offtake partners and export credit agencies. Finally, Rex will be advancing the formal terms for a full turnkey fixed lump sum EPC contract to engineer, procure and construct the processing facilities and associated infrastructure for the Hillside project.

PROJECTS

Hillside Project – Bankable Feasibility Study (BFS) Progress

Rex has continued to advance the Hillside BFS during the quarter. Work on the BFS to date has included:

- Further optimisation of the metallurgical process flow sheet. Results from this work have delivered concentrate specifications that are in line with (or better) than the pilot test work completed in 2013. Accordingly, Rex is now seeing a high quality and robust flow sheet.
- Further optimisation of the mine plan. The scope of this work has included optimisation of the existing truck and shovel mine plan to ensure that material movements throughout the life of the mine are consistent and achievable. Additionally, Rex has also looked at other potential improvements that we could add value to the long term mine plan, with the overarching goal of further reducing operating costs. Rex will continue to review these options over the coming quarter.

Owing to the additional improvements that Rex has added to the BFS, the estimated time for completion of the BFS is now mid-year. Although this is slightly longer than we initially anticipated, we feel that this timeframe gives Rex an appropriate amount of time to understand and document the improvements that have been made and believes that this approach will subsequently deliver more flexible and optimal financing options for the development of Hillside.

Hillside Project – Mining Lease Proposal

Last quarter, the South Australian Government's Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) advertised public notices inviting public comment on the Mining Lease proposal for the Hillside project.

This quarter, the end of this public consultation period was reached and Rex received some excellent and constructive feedback from the public. Rex took on-board this feedback and continues to run an open and inclusive engagement process with the aim of integrating the development of the Hillside project with the current land use and future vision of the local community. Rex considers the approach taken during planning and prior to the Mining Lease proposal as a critical part of the process towards the approval for mining at Hillside. The Yorke Peninsula community continue to play a valuable role in optimising the ability for Rex to become an integral member of the local community on the Yorke Peninsula.

Following this public consultation period, Rex has had a number of meetings with DMITRE on our Mining Lease application. Rex's response to the public consultation has formed a critical component of the Mining Lease approval process, and Rex anticipates that DMITRE will finalise a decision on the Hillside Mining Lease in H1 2014.

Hillside Project – Hyundai – AMEC ECI

On the 9th January 2014, Rex announced that Korean-based Hyundai and AMEC have been awarded ECI (Early Contractor Involvement) in the Hillside project. Hyundai and AMEC will now produce a project execution strategy, a project schedule and a final price for the main Engineering, Procurement and Construction (EPC) contract. This now adds competitive tension to the work that China-based NFC have completed on advancing the fixed price EPC contract, and now provide Rex with dual options for EPC contract.

HEAD OFFICE

A 19/11 Waymouth Street
Adelaide South Australia 5000

T (08) 8299 7100
F (08) 8299 7199

P PO Box 3435 Rundle Mall
South Australia 5000

E rex@rexminerals.com.au
W www.rexminerals.com.au



Regional Exploration Status – Pine Point Copper Belt

A significant desktop research program was completed covering a number of high priority prospects on the Yorke Peninsula. These prospects represent the next key target areas for Rex to explore, and could assist Rex in achieving its goal of a 20 plus year life on the Yorke Peninsula in South Australia. The results from these prospect reviews have identified notable areas of anomalous copper and gold and have presented Rex with a solid regional exploration strategy.

Tenement Schedule for the quarter ending 31 December 2013

| Tenement | Location | Lease Status | Area Type | Current Area | Date |
|----------|--------------|--------------|-----------------|--------------|------------|
| EL5056 | Moonta South | Granted | km ² | 416 | 2/08/2012 |
| EL5055 | Moonta South | Granted | km ² | 1262 | 2/08/2012 |
| EL4514 | Moonta South | Granted | km ² | 24 | 10/06/2010 |
| EL5133 | Wandearah | Granted | km ² | 127 | 1/08/2012 |
| EL4779 | Wandearah | Granted | km ² | 81 | 13/10/2011 |
| EL5070 | Cowell | Granted | km ² | 85 | 24/10/2012 |
| MC4346 | Moonta South | Registered | km ² | 30.3 | 16/04/2013 |
| MC4354 | Moonta South | Registered | km ² | 2.5 | 17/07/2013 |

CORPORATE

The cash balance as at 31 December 2013 was \$20.9m. Last quarter, Rex received a significant Research and Development (R&D) tax refund which totalled \$6.1M. Given the focus for Rex during the last quarter was on the BFS and Mining Lease Application, Rex completed no new drilling on the Hillside project or any substantial regional exploration within the last quarter. As a result, Rex continues to defer large expenditure (such as expenditure incurred by drilling) until the BFS is complete and funding for the Hillside project has been secured.

Going forward, Rex will now look to bring all the project elements together to finalise the BFS and secure State Government regulatory approvals. Accordingly, this will feed into a range of ongoing discussions to secure debt and equity funding, including potential offtake partners and export credit agencies.

Rex announced that Mr Paul Chapman resigned as Chairman of Rex, effective 31 December 2013. Mr Chapman was the founding Chairman of Rex since its establishment in 2007 and has acted in that role through its initial public offering and its progression as it moved into development and towards production. Mr Chapman was part of a core group who helped acquire, explore and prove up the Hillside copper/gold/iron project and take it from a few early drill holes to become Australia's largest undeveloped open pit copper project. Mr Chapman has and remains a very strong supporter of the Rex team and Hillside.

Rex announced the appointment of Dr David Carland to the Rex Board from 12 December 2013 and his appointment as Chairman of Rex, effective 1 January 2014. Dr Carland (PhD (Econometrics); MEd; BEc (Hons); MAICD) has over 30 years of investment banking and commercial experience in both the private sector and government. He is the co-founder and part owner of BurnVair Corporate Finance Limited "BurnVair", an independent specialist investment banking firm focusing on the energy, resource and infrastructure sectors. Prior to establishing BurnVair, Dr Carland was executive vice president and head of energy and power at

HEAD OFFICE

A 19/11 Waymouth Street
Adelaide South Australia 5000

T (08) 8299 7100
F (08) 8299 7199

P PO Box 3435 Rundle Mall
South Australia 5000

E rex@rexminerals.com.au
W www.rexminerals.com.au



Bankers Trust, and before that he was deputy managing general director and head of corporate finance at UBS Australia.

Dr Carland has also held senior executive roles with the CRA Group (now Rio Tinto), including management of the commercial arrangements for the purchase of the Gladstone Power Station. His roles have seen him based in the US and London. He is now based in Sydney. Dr Carland is also a non-executive director of Indophil Resources NL.

As announced on 17 January 2014, the Rex Head office has now moved to Level 19, 11 Waymouth Street, Adelaide, South Australia.

ACTIVITIES PLANNED FOR NEXT QUARTER AND KEY MILESTONES FOR 2014

Bankable Feasibility Study and Debt Funding: Owing to the additional improvements that Rex has added to the BFS, it is expected that the BFS will be completed mid-2014. The BFS will be used as part of the process to secure debt and equity funding with a number of interested parties.

Mining Lease Approvals: Approvals associated with the Miscellaneous Purposes Licence and Mining Lease have been received and reviewed by the South Australian State Government. Rex is in the final stages of this process and anticipates final approvals in H1 2014.

EPC Contract: Rex will further progress the fixed price estimate and contract details for the EPC contract to engineer, procure and construct the processing facilities and associated infrastructure.

Funding Progress: Rex will review and progress discussions and negotiations with a range of funding and offtake partners with the aim of being able to secure sufficient funds, in association with the debt funding, to commence the construction and development stage of the Project.

Indicative Mining Costs: Responses to Rex's initial request for quotes for the open pit operation from interested contract mining companies has been strong. Assessment is currently being completed, with shortlisting and further progression expected in H1 2014.

Pine Point Copper Belt: The focus for 2014 will continue to be on land access negotiations, including a number of key target areas important to the overall exploration strategy on the Yorke Peninsula.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

REX MINERALS LTD

ABN

12 124 960 523

Quarter ended ("current quarter")

31 DECEMBER 2013

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (6 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 | (2,231) | (8,636) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 99 | 279 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other (R&D Rebate received) | 6,111 | 9,192 |
| | 1,211 | (3,742) |
| Net Operating Cash Flows | | |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets | (92) | (93) |
| 1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets | 4 | 4 |
| 1.10 Loans to other entities | | |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) | | |
| | (88) | (89) |
| Net investing cash flows | | |
| 1.13 Total operating and investing cash flows (carried forward) | 1,123 | (3,831) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | |
|------|--|--------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | 1,123 | (3,831) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 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) | | |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | 1,123 | (3,831) |
| 1.20 | Cash at beginning of quarter/year to date | 19,862 | 24,816 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 20,985 | 20,985 |

Payments to directors of the entity, associates of the directors, 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 | 591 |
| 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

+ See chapter 19 for defined terms.

- 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.

| | 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 | 2,927 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 1,411 |
| Total | 4,338 |

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 | 15,485 | 19,862 |
| 5.2 Deposits at call | | |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | 5,500 | |
| Total: cash at end of quarter (item 1.22) | 20,985 | 19,862 |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

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

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 | Preference securities (description) | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | |
| 7.3 | +Ordinary securities | 188,907,284 | 188,907,284 | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | - | - | - |
| 7.5 | +Convertible debt securities (description) | | | |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | | | |
|------|---|---------------------------------|-------------|--|--|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description and conversion factor) | 640,000 960,000 3,000,000 | - - - | Exercise price \$3.00 \$1.20 \$0.91 | Expiry date 30/4/2014 30/4/2015 31/8/2017 |
| 7.8 | Issued during quarter | - | - | - | |
| 7.9 | Exercised during quarter | - | - | - | |
| 7.10 | Expired during quarter | 200,000 240,000 | - - | \$3.00 \$1.20 | 30/4/2014 30/4/2015 |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (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: 29 January 2014
(Director/Company secretary)

Print name: Amber Rivamonte

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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.

== == == == ==