

HEAD OFFICE

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ASX Release: 24 April 2014

Quarterly Activities Report - for the period ended 31 March 2014

ASX Code: RXM

Cash on hand: A\$27.6M*

Shares on Issue: 216.9M*

Options on Issue: 4.6M

* Excludes tranche 2 of placement

Market Capitalisation: A\$74.9M

Share range in quarter: 37c to 56c

Website: www.rexminerals.com.au

*Secured water supply for
Hillside.*

*Approval for Section 49
Development Application.*

*Completed Placement to raise an
additional \$12.6m.*

*Progressing ML/MPL approvals,
EPC fixed price contract and
completion of BFS.*

For further information, please contact:

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HIGHLIGHTS

Corporate

- Rex Minerals Ltd (Rex) raised approximately \$12.6M additional capital by way of a two tranche placement of 31,612,500 ordinary fully paid shares at \$0.40 per share to institutional and sophisticated investors in Australia and overseas.
- Korea-based Hyundai and Australian based AMEC continue their progress against milestones agreed within the ECI agreement.
- Continued to progress key terms and conditions related to the competing China-based NFC bid.

Hillside Project

Rex has continued to make steady progress towards work associated with approvals and funding for the Hillside Project. These include:

- Completion and lodgement of Rex's final response document on 21 February to the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE), the South Australian Government Regulator.
- Formal agreement and approvals with SA Water to provide a pipeline and water supply for the Hillside Project.
- Approval for Section 49 Development Applications covering the required Government approvals for road alignments and upgrades to the Ardrossan Jetty and Ship Loader associated with the Hillside Project.

SUMMARY COMMENTS

Work associated with finalising the Bankable Feasibility Study (BFS) continued. The BFS will provide a detailed assessment and analysis of the Hillside Project over the initial planned mine life of 12 years and will contain extensive independent assessments and supporting documentation.

OUTLOOK

Frequent meetings continue with the Regulator and government representatives to ensure that they can continue to progress their assessment and final recommendations associated with the Mining Licence (ML). A final decision is expected within the next quarter.

Hyundai and AMEC will continue to progress the ECI leading to a final fixed price EPC bid. The ECI is scheduled for completion late May.

HILLSIDE PROJECT

Bankable Feasibility Study Progress

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

- On time progress of the ECI by Hyundai and AMEC aimed at providing a fixed price EPC contract.
- Further metallurgical test work to validate the iron ore recoveries and assess opportunities related to capturing and recovering hematite that exists within the iron ore processing stream.
- Further optimisation of the mine plan. The scope of this work has included mine plan and schedule optimisation, material movement optimisation, optimum fleet size and configuration, validation of key operating assumptions and parameters and general stress testing. Golder Associates has been engaged by Rex to assist with finalisation of the BFS mining section.

Mining Lease Proposal

Rex submitted and released to the public, its response document to DMITRE to address submissions made during the period of public review of the ML application. Rex received formal approval for Section 49 Development applications. These are the required Government approvals for road alignments and upgrades to the Ardrossan Jetty and Ship Loader.

During the quarter, Rex continued to maintain an open and transparent approach with community members and key stakeholders. Some examples of this approach included:

- Rex continued its involvement with the active Community Consultative Group (CCG) which includes a cross section of key stakeholders across the Yorke Peninsula where the Hillside Project is situated. It has an independent Chairman and meets regularly to raise and address key community concerns. Rex recognises that the CCG plays an important part in ensuring the broader Yorke Peninsula remains informed on the status of the Hillside Project and as such, Rex will continue to engage with the local community and the CCG post regulatory approval and development.
- During the period of public consultation related to the ML and associated approvals process a number of submissions were made by both members of the public and the Regulator which Rex has made public. Rex has also made public all of its responses to those submissions at the time of providing them to the Regulator.
- Rex seeks to address individual concerns and questions directly with the people who have raised them. This is not always possible but we do make every effort to communicate directly.
- Rex has provided a number of specific information sheets related to aspects of the Hillside Project development to the Yorke Peninsula community. These have been made available via the local paper and seek to provide more information and detail about some of the environmental and operational aspects of the Project.

Water Supply

Rex reached an agreement with SA Water to secure water supply for the Hillside Project. As part of this agreement Rex will now finalise a contract with SA Water to construct and fund the extension of a water pipeline from Port Wakefield to Ardrossan and Pine Point.

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Tenement Schedule for the quarter ending 31 March 2014

| 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 March 2014 was \$27.6M. On March 12, Rex announced the successful completion of Tranche 1 of its March 5 Placement. In so doing, it issued 28 million fully paid shares at an issue price of \$0.40 each to raise \$11.2M before costs. These funds will be used for the completion of the BFS, make payments to Hyundai and AMEC associated with the completion of the ECI and progress early design and engineering associated with infrastructure requirements at Hillside.

Rex continued to engage with a range of banks and potential offtake/funding partners to keep them informed on progress related to the finalisation of the BFS and ECI. There remains very strong interest in the Project from all of these groups. Detailed discussions will be progressed once the BFS is finalised.

ACTIVITIES PLANNED FOR NEXT QUARTER AND KEY MILESTONES FOR 2014

Bankable Feasibility Study and Debt Funding: Rex aims to finalise and release the BFS mid-year and we will be looking to balance the need for a timely delivery with the imperative of delivering a quality document to ensure that we can be well prepared for the commencement of debt funding discussions and further engagement with other potential funding partners.

Mine Lease Approvals: Rex will continue to engage with DMITRE and the South Australian Government in order to gain approvals associated with the Miscellaneous Purposes Licence (MPL) and Mining Lease (ML). A final decision is expected within the next quarter.

Finalisation of the ECI: Hyundai/AMEC remain on track to complete the ECI during the next quarter, leading into discussions regarding a fixed price EPC contract.

Placement – Tranche 2: on 14 April 2014, Rex received formal shareholder approval to proceed with Tranche 2 of the placement. This comprises 3.6 million fully paid shares, raising approximately \$1.4m before costs.

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 March 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 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 | (2,804) | (11,441) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 118 | 396 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other (R&D Rebate received) | - | 9,192 |
| | (3,498) | (7,241) |
| 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 | (462) | (554) |
| 1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets | - | 5 |
| 1.10 Loans to other entities | | |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) | | |
| | (461) | (549) |
| Net investing cash flows | | |
| 1.13 Total operating and investing cash flows (carried forward) | (3,959) | (7,790) |

+ 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) | (3,959) | (7,790) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 11,200 | 11,200 |
| 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) | (640) | (640) |
| | Net financing cash flows | 10,560 | 10,560 |
| | Net increase (decrease) in cash held | 6,601 | 2,770 |
| 1.20 | Cash at beginning of quarter/year to date | 20,985 | 24,816 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 27,586 | 27,586 |

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 | 491 |
| 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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

| |
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| |
|--|

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 (including feasibility studies) | 6,236 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 1,420 |
| Total | 7,655 |

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 | 11,586 | 15,485 |
| 5.2 Deposits at call | | |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | 16,000 | 5,500 |
| Total: cash at end of quarter (item 1.22) | 27,586 | 20,985 |

+ 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 | 216,907,284 | 216,907,284 | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 28,000,000 | 28,000,000 | \$0.40 |
| 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 | - - | - - | - - | - - |
| 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: 24 April 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.

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