



ABN 12 124 960 523

ASX Release: 28 July 2017

## Quarterly Activities Report for the period ended 30 June 2017

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### HIGHLIGHTS

- As Rex Minerals (Rex or the Company) continues with community meetings in areas surrounding the Hillside Copper-Gold Project.
- Rex makes steady progress in preparing to deliver to government the Program for Environment Protection and Rehabilitation (PEPR) and the Social Management Plan (SMP).
- During the quarter, Rex's cash-at-hand improved significantly as a result of a \$3.3M refund for Research and Development (R&D) expenditure.

### CORPORATE

Cash at the end of the quarter was \$5.4M. During the quarter, Rex received a refundable cash incentive of approximately \$3.3M from the Australian Taxation Office in relation to R&D expenditure.

### HILLSIDE PROJECT

#### Program for Environment Protection and Rehabilitation (PEPR)

Rex holds an approved Mining Lease<sup>1</sup> (ML) for the Hillside Copper-Gold Project near Ardrossan, Yorke Peninsula, South Australia.

In early 2017, the SA Government's Department of Premier and Cabinet – Mining regulatory branch (DPC) provided an updated assessment report on the revised Hillside Project, confirming that it believed the Project can be operated in compliance with the existing ML, EML and MPL<sup>2</sup> conditions, and noting areas where some additional information will be required in the submission of the PEPR.

The PEPR is a series of substantial documents covering areas such as environmental outcomes and strategies, description of operations and consultation, as well as related management plans.

Rex continues to prepare detailed PEPR documentation for the Hillside Project, with a target to submit this documentation during September 2017. The PEPR is a significant document and is being prepared based on the original ML conditions, and also on the above-mentioned updated assessment report.

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<sup>1</sup> The Mining Lease comprises the ML, EML and MPL

<sup>2</sup> ML – Mineral Lease 6438; EML – Extractive Minerals Lease 6439; MPL – Miscellaneous Purposes Licence 146

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PEPR documents are now in draft form, with the Company's technical team and specialist consultants providing additional input, review and update. In particular, a series of draft Management Plans have been, and are being, prepared, covering key areas where the future operations will interact with the environment and the surrounding community and region.

These draft Plans are being circulated for feedback to the community through the representative community group known as the Hillside Mine Community Voice (HMCV) as well as to the DPC, other key regulatory government departments and regional interest groups.

Rex continues to meet regularly with the DPC to review progress and secure feedback on the PEPR documentation and Plans.

### Community Engagement

Rex continued to meet and engage with community members in the Hillside Project region, both through the HMCV and directly with local landowners, townspeople and regional local and government groups.

The HMCV is co-ordinating reviews of Rex's draft PEPR Management Plans through meetings of various working groups and through public meetings.

The first of these public sessions was held during June, covering key Plans for air quality, noise and blasting. At this meeting, Rex's technical specialists presented an overview of Plans as well as answered questions and received valuable feedback on the Plans, in particular related to proposed monitoring.

Work also continued on the SMP which is required to be submitted at the same time as the PEPR. The SMP outlines Rex Minerals' commitment to local community and other stakeholders, and provides a description of measures to be implemented by the Company to manage social impact and enhance social benefit, including:

- A Regional Business Development Plan;
- A Local and Regional Employment Plan;
- A Community Relations Plan (community sponsorship); and
- Communications (eg: Complaints Management).

Two meetings were held in early July with government and regional organisations to introduce and discuss the SMP. Further meetings are planned in August and a first full draft of the SMP is being completed.

Further working group and public meetings are planned, as well as direct engagement with landowners, regional groups and local government.

## COMMODITY MARKET INSIGHT

A recent White Paper on the copper market prepared by respected global magazine, the Metal Bulletin, reports that Asia and the Middle East are materially driving copper demand, with growth in consumption no longer so heavily dependent on Chinese prospects.

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The White Paper notes that Chinese wire rod production growth has been driven by the aggressive commissioning of new plants. The majority of these mills require cathode feedstock (ie: newly-mined production) rather than direct-use scrap.

In its most recent quarterly report, the Office of the Chief Economist of the Australian Government supports this theme, stating that emerging economies are expected to drive much of the growth in copper consumption over the next two years, with copper consumption forecast to increase by 3.4% next year and by a further 2.7% in 2019 and (in that year) outweigh any projected increase in refined production.

A recent copper report from UBS remains bullish on copper, expecting it to average US\$3.00/lb this year before rising to \$3.25/lb next year. The current New York spot copper price is around \$2.85/lb, a more than two-year high.

UBS goes on to forecast demand growth from China and other parts of Asia and the Middle East, and that flattening global supply in 2017 will drive a market deficit, lifting supply anxiety and prices.

Finally, Macquarie Wealth Management says in its recent commodities report that global industrial recovery has held up well, especially outside China. Macquarie makes the observation that the copper cathode market has strengthened while scrap imports are falling, and concludes that “the red metal remains one of our top picks on a 4-5 year basis, driven by inadequate mine project development.”

### Tenement Schedule for the quarter ending 30 June 2017

Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5056	Moonta South	Granted	km <sup>2</sup>	416	02/08/2012
EL5055	Moonta South	Granted	km <sup>2</sup>	1,262	02/08/2012
EL5683	Moonta South	Granted	km <sup>2</sup>	21	10/06/2015
EL5508	Moonta South	Granted	km <sup>2</sup>	74	05/11/2014
EL5981	Moonta South	Granted	Km <sup>2</sup>	122	23/06/2017
EL5133	Wandearah	Granted	km <sup>2</sup>	72	01/08/2012
EL5883	Wandearah	Granted	km <sup>2</sup>	29	13/10/2016
EL5070	Cowell	Granted	km <sup>2</sup>	42	24/10/2012
ML6438	Hillside	Granted	Ha	2,998	16/09/2014
EML6439	Hillside	Granted	Ha	225	16/09/2014
MPL146	Hillside	Granted	Ha	94	16/09/2014

## NEXT QUARTER

During the next quarter, Rex will continue to progress the PEPR process. The Company will also maintain its important community and government consultation process, with an emphasis on the Yorke Peninsula community.

### CORPORATE INFORMATION

**ASX Code: RXM**

**Issued Share Capital 30 June 2017**

Ordinary Shares	220,519,784
Options on Issue (Unquoted)	16,800,000

**Share Price Activity for the June Quarter**

High	7.4c
Low	5.1c
Last (27 July 2017)	5.9c

**Share Registry**

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Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

Rex Minerals Ltd

**ABN**

12 124 960 523

**Quarter ended ("current quarter")**

June 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(304)	(904)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(455)	(1,961)
	(e) administration and corporate costs	(391)	(1,432)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	148	222
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	3,313	3,313
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>2,311</b>	<b>(762)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(3)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	-	<b>(3)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,129	6,205
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,311	(762)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>5,440</b>	<b>5,440</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,440	3,129
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (<i>current quarter</i> should equal item 4.6 above)</b>	<b>5,440</b>	<b>3,129</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
129
-

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(479)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(451)
9.5	Administration and corporate costs	(360)
9.6	Other (provide details if material)	-
9.7	<b>Total estimated cash outflows</b>	<b>(1,290)</b>




## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EL5981	Ownership	nil	122km <sup>2</sup>

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
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 Company Secretary

Date: 28 July 2017

Print name: KAY DONEHUE

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.