

ASX Release: 31 January 2018

Quarterly Activities Report for the period ended 31 December 2017

T +61 (0)8 8299 7100

P PO Box 3435 Rundle Mall
South Australia 5000

E rex@rexminerals.com.au

W www.rexminerals.com.au

HIGHLIGHTS

- Rex Minerals (Rex or the Company) is near to finalisation of the Program for Environment Protection and Rehabilitation (PEPR).
- Rex will submit the PEPR for approval from the South Australian Government in early February, in advance of the 26 February 2018 submission date.
- Once submitted, there will be a period of Government consideration and an approval process.
- Also, once submitted, Rex will turn its attention to:
 - updating the Extended Feasibility Study;
 - financing the Initial Project, aimed at commencing construction of the Hillside Copper-Gold Project within 12 months of formal approval of the PEPR; and
 - the next stage in ongoing review of our exploration tenements, with an overlay targeting program.

CORPORATE

Chairman's Address to the AGM (extract)

The Annual General Meeting of Rex Minerals was held during the quarter, on 24 November 2017. A complete copy of the Chairman's Address to the AGM is available on the Rex website, as is detail of voting on the two resolutions, both of which were approved with strong shareholder support. An extract of the Chairman's Address follows, and it is included in this report to reinforce guidance as to where Rex is positioned and what are the 'next steps' for the Company.

"Rex is committed to both the regulatory licence and the social licence which we consider to be the informal social compact within the community where we intend to operate, warranting this is essential to the long-term licence to operate.

"The community and the Company have engaged well, and are required to consider a wide range of technical aspects and proposed monitoring plans within a process that allows for robust feedback to ensure the integrity of the PEPR and of community support for the Hillside Project.

"We are well on the way to deliver the PEPR on or before the 26 February 2018 deadline. We are also confident that the submission, including the community engagement, will qualify as the most substantial documentation of its type ever undertaken in the State of South Australia.

“The approval of the PEPR is a fundamental requirement to shift financing discussions from formative to negotiation. It also moves the Project from merely having a mining licence to being development ready, and there are not many of those in today’s world, particularly in the copper space.

“Once the PEPR is submitted and approved, the Company will have 12 months in which to commence construction of the Initial Project. Under current market conditions, this timeframe provides a comfortable window to finance the Initial Project.

“While we are cautiously optimistic about market developments over the course of the cycle, we remain committed to the funding strategy outlined last year of seeking providers of funds who are prepared to recognise Rex’s value, having already factored in the market recovery.

“While we have been ‘tickling’ financing options, we haven’t been getting ahead of ourselves and must finalise the PEPR.

“During the year, interest in the Hillside Project has emerged as sophisticated investors and fast-moving operators have begun to focus on copper development opportunities. Further developments in this environment, coupled with substantial technical progress in the supply side of our industry, have unveiled significant opportunities for Rex to pursue in reducing the capital originally estimated for the Hillside development.

HILLSIDE PROJECT

Program for Environment Protection and Rehabilitation (PEPR)

Rex holds an approved Mining Lease¹ (ML) for the Hillside Copper-Gold Project near Ardrossan, Yorke Peninsula, South Australia.

In early 2017, the South Australian 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 MPL² conditions, and noting areas where some additional information will be required in the submission of the PEPR.

As required under the PEPR process, Rex submitted the Hillside Mine Social Management Plan (SMP) to the DPC during September 2017. This plan covers the areas of potential benefit to the region from the proposed mine including regional business development, local and regional employment, community relations and communication. The final form of the SMP involved feedback from a series of meetings with community and government, as well as regional and business organisations.

Rex will be submitting the full PEPR documentation in February 2018. During the PEPR preparation, the Company has engaged with the community and circulated Management Plans on its proposed operations, management and monitoring of the mine and the surrounding environment. This process allows robust feedback to ensure the integrity of the PEPR and of community engagement for both the PEPR and the Hillside Project.

¹ The Mining Lease comprises the ML, EML and MPL

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

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Rex continues to meet regularly with the DPC to review progress and secure feedback on the PEPR documentation and plans. The DPC is also co-ordinating review of PEPR information by other SA Government groups.

Community Engagement

During the December quarter, Rex continued to meet and engage with community members in the Hillside Project region, both through the Hillside Mine Community Voice (HMCV) group and directly with local landowners, townspeople, and regional local and government groups.

As a community representative group, the HMCV is actively assisting to co-ordinate review of Rex's draft PEPR Management Plans through meetings of various HMCV working groups and through public meetings.

Rex wishes particularly to thank members of the HMCV for the work and time in coordinating the various community engagement meetings, as well as additional working group meetings which have collated feedback on the Hillside Mine management plans.

COMMODITY MARKET INSIGHT

During the reporting period, the copper price rose to a three-year high of US\$3.30 per pound. At the time of our last Quarterly Report, the copper price was US\$3.16 and has now settled to around US\$3.21.

In a recent report, S&P Global said it had raised its price assumption for copper, reflecting short-term supply constraints and a favourable outlook for copper demand on the back of solid economic growth, mostly in the US and Asia-Pacific. S&P Global remains "confident that demand will continue to grow by at least 2.0% per year through 2019."

In January, Macquarie Wealth Management pointed to "sustained strength in copper prices," adding that "there is material upside under a spot price scenario for the (Australian) copper miners."

Tenement Schedule for the quarter ending 31 December 2017

Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5056	Moonta South	Granted	km ²	416	02/08/2012
EL5055	Moonta South	Granted	km ²	1,262	02/08/2012
EL5683	Moonta South	Granted	km ²	21	10/06/2015
EL5508	Moonta South	Granted	km ²	74	07/12/2016
EL5981	Moonta South	Granted	Km ²	122	23/06/2017
EL5133	Wandearah	Granted	km ²	72	01/08/2012
EL5883	Wandearah	Granted	km ²	29	13/10/2016
EL5070	Cowell	Granted	km ²	42	28/10/2016
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

Early in the next quarter, Rex will deliver to the SA Government full documentation for the PEPR submission.

In 2018, Rex will maintain its important community and government consultation process, with an emphasis on the Yorke Peninsula community.

The Company will also look to copper development opportunities as well as to financing the Initial Project. The work program will include updating the Extended Feasibility Study for the Initial Project and an ongoing review of our broader exploration tenements.

CORPORATE INFORMATION

ASX Code: RXM

Issued Share Capital 31 December 2017

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

Share Price Activity for the December Quarter

Low	6.3c
High	10c
Last (30 January 2018)	16c

Share Registry

Computershare Investor Services
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067

T: +61 3 9415 4000 (investors)
T: 1300 850 505 (investors within Australia)

Registered Office

Level 19, 11 Waymouth Street
Adelaide, South Australia 5000

T: +61 8 8288 7100
E: rex@rexminerals.com.au

For further information, please contact:

Richard Laufmann, Chief Executive Officer
T: +61 8 8299 7100
E: rex@rexminerals.com.au

For media/investor relations, please contact:

Gavan Collery
T: +61 419 372 210
E: gcollery@rexminerals.com.au

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")

December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(554)	(1,112)
(b) development	-	-
(c) production	-	-
(d) staff costs	(496)	(1,039)
(e) administration and corporate costs	(405)	(748)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	46
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,436)	(2,853)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	Net cash from / (used in) investing activities	(1)	(4)

3.	Cash flows from financing activities		
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	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,020	5,440
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,436)	(2,853)

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(4)
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	Cash and cash equivalents at end of period	2,583	2,583

5.	Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,583	4,020
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (current quarter should equal item 4.6 above)	2,583	4,020

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
-

+ See chapter 19 for defined terms.

7. <i>Payments to related entities of the entity and their associates</i>	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	

8. <i>Financing facilities available</i> <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.		


9. <i>Estimated cash outflows for next quarter</i>	\$A'000
9.1 Exploration and evaluation	(330)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(461)
9.5 Administration and corporate costs	(257)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1,048)

+ See chapter 19 for defined terms.

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				

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: 

Date: 31 January 2018

Company secretary

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.