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Rex Minerals enters a non-binding Heads of Agreement for 'exciting' Nevada gold project

Rex Minerals Ltd (Rex or the Company) is pleased to announce that it has executed a non-binding Heads of Agreement (HOA) to complete due diligence and finalise commercial terms to acquire Hog Ranch Group Pty Ltd (HRG) and the Hog Ranch Gold Project in Nevada, USA.

The Rex Board considers that this investment into highly-prospective gold mining tenements/claims in a mining friendly jurisdiction is an attractive, strategic fit with our flagship asset, the Hillside Copper-Gold Project in South Australia. It draws upon our skills and proven excellence in exploration, discovery and knowledge of the gold sector, and it diversifies our commodity spread and geographical risk.

The Hog Ranch Gold Project has produced approximately 200,000ozs of gold. As part of its mining history, Hog Ranch was owned and operated by Western Mining Corporation from 1988-1994.

An investment in Hog Ranch offers Rex investors immediate exposure to the gold sector in one of the world's most well-endowed gold regions. Nevada is a proven destination for successful gold exploration, discovery and production. The Hog Ranch Gold Project, more specifically, provides camp-scale opportunities for small and large low-grade surface projects in addition to exciting high-grade underground epithermal deposits.

Extensive historical near surface exploration, including the work from WMC, has included a drilling database of over 2,575 drill holes. The assay results identified in the historical drill hole database have highlighted the presence of a large blanket of low-grade gold mineralisation previously considered uneconomic at a time when the gold price was circa US\$350 an ounce. Rex is in the process of completing an initial Mineral Resource estimate, based on this large historical database.

The non-binding HOA allows Rex exclusivity, through to 30 September 2019, to complete due diligence and finalise commercial terms required to prepare formal documentation to allow Rex to acquire HRG via a scrip offer being made to all HRG shareholders.

The proposal of Offer Terms for the acquisition is based on the following:

1. 10 million fully-paid ordinary Rex shares to be issued on completion of the purchase; and
2. The issue of 20 million performance rights which will convert to Rex shares based on the outcome of certain performance hurdles.

At today's Rex share price of 6.0 cents, this implies a notional value of A\$600,000 for the initial tranche, plus performance rights of up to 20 million Rex shares or A\$1.2M if the performance hurdles are met.

HRG is an Australian private company formed in 2013 which has an exclusive Mining Lease with Purchase Option over the Hog Ranch Gold Project, based in Nevada, USA. HRG has eight shareholders including the CEO and CFO of Rex. The Rex Board has created an independent sub-committee to formally consider the details of the transaction and Offer Terms. Any shares issued to the CEO as part of this transaction will be subject to shareholder approval.

For more information about the Company and its projects, please visit our website 'www.rexminerals.com.au' or contact:

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