

ASX Release: 30 October 2020



ABN 12 124 960 523

## Quarterly Activities Report for the period ended 30 September 2020

T 1300 822 161 (Australia)  
T +61 3 9068 3077 (International)  
P PO Box 3435 Rundle Mall  
South Australia 5000  
E [rex@rexminerals.com.au](mailto:rex@rexminerals.com.au)  
W [www.rexminerals.com.au](http://www.rexminerals.com.au)

The September Quarter has been active for Rex Minerals Ltd (Rex or the Company), and the December Quarter is shaping up to continue at this pace.

Copper and gold continue to test new highs and you can place your bet on Biden or Trump, with both continuing to be 'spectacular promoters of gold.' Copper, already facing long term supply issues, now made more acute by COVID disruption, underscores our view that this is the base metal to watch.

Our two flagship projects of the Hillside Copper-Gold Project in South Australia and the Hog Ranch Gold Property in Nevada USA offer excellent exposure and are progressing strongly.

Key announcements in the period include:

### Hog Ranch

- A 21-hole drilling program has been completed at Hog Ranch, confirming robust and consistent gold mineralisation from near-surface
- Under the heading of "New Gold Trend Emerging," the potential for gold mineralisation at Hog Ranch is of a much larger scale than originally anticipated
- Rex is now exploring for two economically significant target types comprising a shallow, large-scale gold mineralisation as well as a high-grade vein-hosted gold mineralisation.

### Hillside

- The Program for Environment Protection and Rehabilitation (PEPR) for Hillside has been formally approved by the South Australian Government
- At the time of the announcement, Rex's CEO Richard Laufmann described approval of the PEPR as a critical and strategic step in development
- Rex has announced updated capital and operating cost estimates for Hillside development, citing key financial, operational and community metrics.

### Corporate

- \$10 million has been raised via Placement while existing eligible shareholders participate in a Share Purchase Plan to raise an additional \$873,000
- The Annual General Meeting (AGM) of the Company will be held on Friday, 27 November 2020
- Non-Executive Director Mitch Hooke AM, has retired from the Board.

In the final quarter of calendar 2020, Rex is looking to deliver further progress on its flagship projects, and to meeting with shareholders, albeit in a 'virtual' environment, at the Company's AGM on 27 November 2020.

## HOG RANCH PROPERTY – NEVADA USA

### New Gold Trend Emerging

Rex has reported that ongoing field work and research has shown the potential for gold mineralisation at the Hog Ranch Gold Property (Hog Ranch) in Nevada USA is of a much larger scale than originally anticipated. Key findings and actions of this program were:

- Geological features that are common to the style of gold mineralisation found at Hog Ranch are interpreted to extend over an area that is more than five times the size of the combined historically mined area (which recovered 0.3Mozs) and current Mineral Resource area (1.4Mozs – see ASX announcement of 12 May 2020).
- Rex interprets these features to be related to a series of repeating structures which exist along a broad gold trend and appear to be controlling the gold deposition at Hog Ranch.
- Within this gold trend, Rex is exploring for two economically significant target types:
  - Shallow, large-scale gold mineralisation amenable to low-cost (open cut) mining and heap leach processing that is consistent with previous development, and
  - High-grade vein-hosted gold mineralisation, underneath the shallow gold positions, as evidenced by many high-grade historical drill intercepts including drill hole 95-031 with 6.1m @ 61.8g/t gold (~3m true width) and drill hole 89-042 with 9.1m @ 19.7g/t gold (~3m true width).
- Rex has followed up this interpretation by more than doubling its land position at Hog Ranch.

Rex's Managing Director, Richard Laufmann, said at the time of announcement: "Our outlook and options for Hog Ranch have evolved and grown substantially. It all started with the initial review of a small-scale start-up project at Bells, and now we see a much larger suite of targets following a very large trend.

"Beyond the shallow heap leach gold potential at Hog Ranch, there are quite a number of tasty historical high-grade gold hits that are screaming out to be followed up. If the scale of shallow gold at Hog Ranch is anything to go by, the potential for high-grade vein-hosted gold at depth could deliver equally, if not more exciting, prospects for Rex."

Rex has commenced, extended and now completed the two-stage Hog Ranch 21 Reverse Circulation (RC) drill hole program across the Cameco, Krista and Bells Project areas, designed to test multiple gold targets.

Rex has received assay results (second batch), completing the 7-hole drill program at Bells. This is part of the recent 21-hole RC drilling program at Hog Ranch. In summary:

- Robust and consistent gold mineralisation from near the surface including:
  - 93m @ 0.46g/t from 32m (true width of ~83m) from HR20-003, including:
    - 19.8m @ 0.69g/t from 35m and 18.3m @ 0.71g/t from 71.6m
  - 70.1m @ 0.4g/t from 9.1m (true width of ~63m) from HR20-002, including:
    - 7.7m @ 1.0g/t from 21.3m
  - 147.8m @ 0.34g/t from 12.2m (true width of ~134m) from HR20-005
- Bells Mineral Resource remains open along strike and at depth with great expansion potential
- Silver mineralisation, first identified in the 2019 drilling, has returned a consistent Silver to Gold ratio of around 5:1
- Silver has the potential to further upgrade the economics

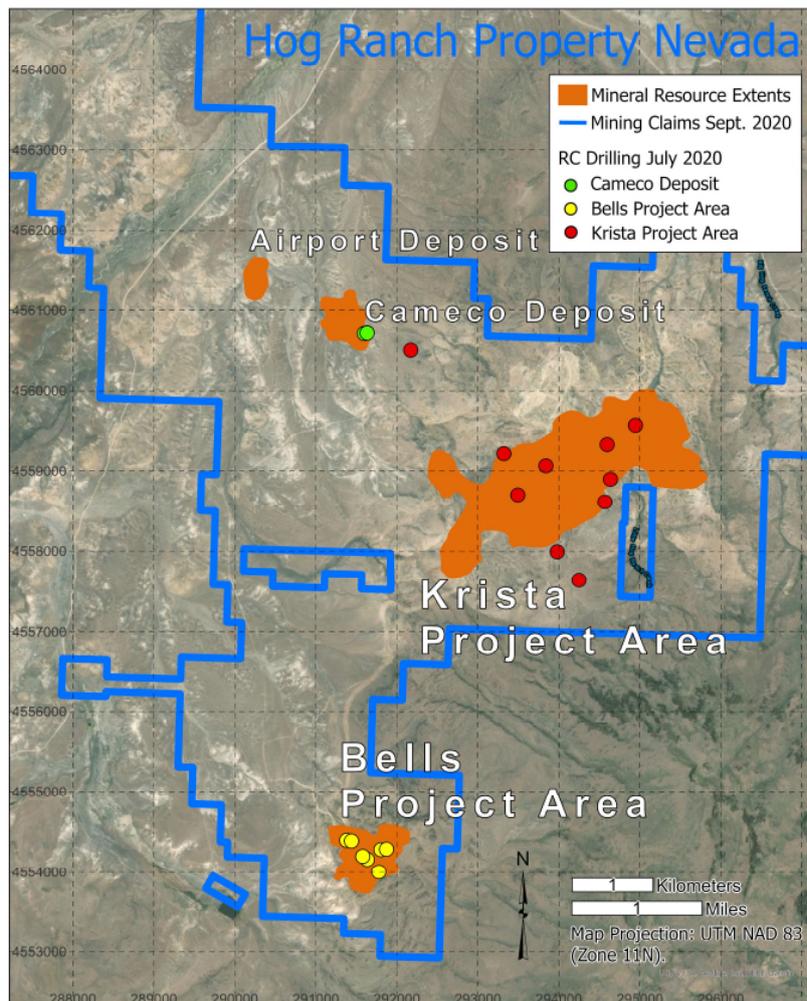
- Higher grade feeder/vein hosted gold at depth remains open and untested
- The assay results received from Bells drilling confirm continuity of the gold mineralisation to allow for subsequent upgrades to the Mineral Resource
- Cultural Survey and Geotechnical Survey underway, paving the way for permitting.

The objective of the drilling program at Bells was to enable further conversion of the Inferred Mineral Resource into the higher confidence category of an Indicated Mineral Resource for use in a Feasibility Study.

Managing Director, Richard Laufmann, said at the time of the announcement: “These drilling results successfully expand on our 2019 results. We are now confident that silver will likely improve the project economics, AND the drilling has highlighted the opportunity for us to grow the shallow heap-leachable Resource in the north-eastern portion of Bells, in addition to an attractive lode gold-style target at depth.

“Without doubt, they confirm our geological model and provide the data to improve our confidence in the overall Mineral Resource.”

For full details, see Rex’s ASX announcements of 1 and 13 July, 21 August, 14 September and 19 October 2020.



**Figure 1:** Location diagram of the 2020 RC drill hole locations at Bells, Krista and Cameco within the Hog Ranch Gold Property, Nevada USA.

## HILLSIDE PROJECT – SOUTH AUSTRALIA

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

Rex has reported that the PEPR for the Hillside Copper-Gold Project on the Yorke Peninsula in South Australia (SA) has been formally approved by the SA Government.

Rex’s Managing Director and CEO, Richard Laufmann, said at the time of announcement: “Approval of the PEPR is a critical and strategic step in the development of the highly-prospective Hillside Copper-Gold Project.”

Rex made the observation that mining developments like the Hillside Project will be a critical bedrock in the nation’s recovery from COVID-19, providing opportunities for wealth creation in the trifecta of local community jobs and business opportunities, government royalties and taxes, and shareholder returns. For full details, see Rex’s ASX announcement of 24 July 2020.

The SA Government’s Department for Energy and Mining (DEM) in South Australia has published the full PEPR and appendices sections under its “Approved PEPRs” area of its website, along with its PEPR Assessment Report. A link to this website is provided on the Rex Minerals website under the Hillside Project tab.

### Community Engagement

The Company attended a Hillside Mine Community Voice (HMCV) meeting on 7 September 2020 with Hillside region community members where DEM was invited to present on the Hillside PEPR approval. At this meeting, and in line with what the Company has advised via ASX announcements, Rex provided an update on its activities.

### South Australian Government

The DEM has completed its industry and public engagement process regarding the drafts of legislation to support the new Mining Act Amendments Bill which was passed late last year, and is now undertaking final drafting. Rex understands the Regulations and amended Mining Act are planned to be ratified in the SA Parliament early in the New Year.

### Hillside Feasibility Costing Update

Rex has announced updated capital and operating cost estimates for its 100% owned Hillside Project, following approval of the Hillside PEPR by the SA Government. Key outcomes from the Hillside Study include:

#### **Financial**

- C1 cash cost of US\$1.38/lb copper and All-In Sustaining Cost (AISC) of US\$1.60/lb
- IRR 16.2% and NPV5% of A\$501M (post tax)
- Pre-production capital cost of US\$410M (A\$585M)
- EBITDA (annualised) of A\$152.7M.

#### **Operational**

- Over the first 12 years of production:
  - Average annual processing rate of 6Mtpa
  - Annual average production of 35,000t copper and 24,000ozs gold
  - A head grade of 0.66% copper and 0.17g/t gold.

### Community

- Employing approximately 500-550 during construction and 430 during operations
- Royalties to the State of A\$170M
- Payroll exceeding A\$500M.

### Hillside Project Sensitivity

		Base Case 2020	Consensus Forecast July 2022	Incentive Case	Upside Case
Copper Price	US\$/lb	3.00	2.84	3.50	4.00
Gold Price	US\$/oz	1,550	1,638	1,800	1,800
Exchange Rate (AUD:USD)	\$	0.70	0.63	0.70	0.65
Post-Tax NPV <sub>5%</sub>	A\$M	501	640	869	1,394
Post-Tax IRR	%	16.2	19.0	23.2	32.0
C1 Cash Costs (after by-products)	US\$/lb	1.38	1.19	1.30	1.18
AISC	US\$/lb	1.60	1.40	1.55	1.44

Rex now has a pathway to development at Hillside. The Company plans to pursue all available financing options, and has engaged Grant Samuel to head a formal process, seeking expressions of interest. For full details, see Rex's ASX announcement of 31 July 2020.

### TENEMENT SCHEDULES AT 30 SEPTEMBER 2020

Tenement	Location	Lease Status	Area Type	Current Area	Expiry Date
EL5683*	Moonta South	Granted <sup>1</sup>	km <sup>2</sup>	21	09/06/2020
EL5981	Moonta South	Granted	km <sup>2</sup>	108	22/06/2021
EL6100	Moonta South	Granted	km <sup>2</sup>	94	16/01/2023
EL6136	Moonta South	Granted	km <sup>2</sup>	91	19/03/2022
EL6143	Moonta South	Granted	km <sup>2</sup>	51	15/04/2022
EL6189	Moonta South	Granted	km <sup>2</sup>	354	01/08/2022
EL6245	Moonta South	Granted	km <sup>2</sup>	1,168	01/08/2022
EL6455	Moonta South	Granted	km <sup>2</sup>	74	04/11/2021
EL6497	Moonta South	Granted	km <sup>2</sup>	509	27/07/2022
EL6515	Moonta South	Granted	km <sup>2</sup>	257	20/09/2022
ML6438	Hillside	Granted	Ha	2,998	15/09/2035
EML6439	Hillside	Granted	Ha	225	15/09/2022
MPL146	Hillside	Granted	Ha	94	15/09/2035

\* Renewal documentation submitted to the SA Government and currently being processed

At 30 September 2020, the Hog Ranch Property was made up of a total of 583 lode mining claims located in Washoe County, Nevada. Hog Ranch Minerals Inc (a 100% owned Rex Minerals subsidiary) directly owns 336 Mining Claims (see table below) and controls the remaining 247 Mining Claims through a mining lease with purchase option with Nevada Select Royalty Inc.

Nevada, USA					
Lode Mining Claims	Location	Lease Status	Area Type	Total Area <sup>a</sup>	Date Certified
NHR 1 – 30	Washoe County	Claimed	Ft <sup>2</sup>	27,000,000	10/08/2019
NHR 31 – 100	Washoe County	Claimed	Ft <sup>2</sup>	63,000,000	28/01/2020
NHR 101 – 232	Washoe County	Claimed	Ft <sup>2</sup>	118,800,000	10/07/2020
GL 1 – 104	Washoe County	Claimed	Ft <sup>2</sup>	93,600,000	10/07/2020

<sup>a</sup> Total Area comprises the area of each Lode Mining Claim, ie. 1500' x 600'

## CORPORATE

### Placement and SPP

A total of \$10 million has been raised via Placement from professional and sophisticated investors in Australia and overseas at 16.5c per share. Demand was well in excess of the funds sought by the Company.

The Placement comprised the issue of 60.6 million new ordinary fully paid shares and was completed within the Company's temporary extra placement capacity of 25%, approved under an ASX Class Waiver Temporary Extra Placement Capacity. The shares were issued on 10 September 2020. Joint Lead Managers for the Placement were PAC Partners Pty Ltd and Foster Stockbroking Pty Ltd.

Existing eligible shareholders were also invited to participate through a Share Purchase Plan (SPP) at the same price per share. The SPP raised almost \$0.873 million and the resulting 5,289,976 new fully paid ordinary shares were issued on 6 October 2020. For full details on the Placement and the SPP, see Rex's ASX announcements.

### 2020 Annual General Meeting and Annual Report

The Annual General Meeting of Shareholders (AGM) of Rex Minerals will be held at 11am (Melbourne time) on Friday 27 November 2020. In the interests of public health and safety as a result of COVID-19, the AGM will be held virtually.

While there will be no physical venue for shareholders to attend, Directors encourage shareholders to participate via the online platform. Directors also encourage shareholders to vote by proxy prior to the AGM date. For full details, see Rex's ASX announcement of 22 October 2020.

Full details of the 2020 AGM can also be found under the Investors tab on the Company's website.

On 21 September 2020, Rex announced that the Company's 2020 Annual Report to Shareholders, and the 2020 Corporate Governance Statement and Appendix 4, have been issued.

### Non-Executive Director Retirement

Rex has advised that Mitchell H Hooke AM has informed the Board that he will not seek re-election as a Non-Executive Director of the Company at this year's Annual General Meeting, due in late November 2020. The Board accepted Mr Hooke's resignation as at 20 October 2020.

Rex's Chairman, David Carland, said: "On behalf of the Board, I would like to thank Mitch for his considerable efforts and outstanding contribution over the past five years as a Director. Mitch's compassion, enthusiasm and insight, along with his wide-ranging industry and regulatory experience and his public advocacy across a range of industries and government, have been invaluable to Rex Minerals." For full details, see Rex's ASX announcement of 20 October 2020.

### Registered Office

The Company's sub-lease at Level 6, 1 Collins Street, Melbourne, Victoria is due to expire at the end of October 2020 and is unable to be renewed. With the damming impact of prolonged and severe lockdowns that have been in place in Melbourne, Rex has decided to delay any consideration of a replacement office.

We have, effective 30 October 2020, relocated Rex's Registered Office and Principal Place of Business to its Hillside Site Office at 68 St Vincent Highway, Pine Point SA 5571.

### Employee Options and Hog Ranch Consideration Rights

On 29 July 2020, Rex announced that two Non-Executive Directors, Ian Smith and Ron Douglas, had exercised 666,666 vested options (333,333 each) at an exercise price of 8.4c per option.

The Company also has on issue 20 million Hog Ranch Consideration Rights (HRCR) which convert to Rex shares on the outcome of the following milestones:

- a) 5 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 on completion of an Inferred Mineral Resource in addition to any Indicated and Measured Mineral Resource in total of 2Moz or higher of contained gold as defined by the 2012 JORC Code with respect to the Hog Ranch Property and has a minimum grade of 0.4g/t of gold in addition to a minimum tonnage of 100 Mt; and
- b) 15 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 of the Board approving a decision to mine the Hog Ranch Property.

During the quarter, no HRCR were converted or cancelled as the above milestones are yet to be achieved by the Company.

## COMMODITY MARKET INSIGHT

Much has been written about copper and gold during the quarter in review and into October – with good reason. The copper price started the September 2020 quarter around US\$2.75/lb and traded as high as US\$3.12/lb. The gold price began the quarter around US\$1,810/oz, hit an all-time high of US\$2,070/oz in early August and ended the quarter around US\$1,980/oz.

### Copper

Citi Research leads its comprehensive September 2020 analysis of metals with the words: “why copper to US\$8,000/t isn’t far-fetched.” In explanation, Citi goes on to say: “we find that a broadly balanced 2020 copper market and a 300kt deficit in 2021 would justify \$8,000/t copper over the next 6-12 months, based on conservative inventory-to-producer margins assumptions and limited marginal cost inflation,” adding that “while not our base case, this scenario is highly plausible.”

Morgan Stanley says in its September 2020 ‘Global Insight’ report that copper is set to be the winner from a reflation cycle. It says that “the metal’s tight supply-demand fundamentals, low inventory levels and strong price response to previous reflation cycles point to a positive pricing dynamic as inflation expectations continue to rise,” adding that “in our bull case, (copper) prices could rise as high as US\$4/lb on average next year.”

Fitch Solutions (FS), the New York-based global provider of research and analytics, in a recent ‘Country Risk & Industry Research’ report provides some comforting insight when it says: “we expect more miners to increase their copper exposure and invest in copper projects, including those in Australia.”

FS says that this is due to the fact that copper demand will increasingly benefit from the rise of the electric vehicle (EV) market and growing popularity of renewable energy resources. It reminds us that the conventional internal combustion engine used in motor vehicles typically contains about 20kg of copper compared to 80kg used in an EV.

Additionally, both wind and solar power generation use more copper per unit of electricity produced than non-renewable energy sources, says FS. For example, coal-fired power stations contain about 2kg/kW of copper whereas solar utilises about 5kg/kW, says FS, adding that “given that wind and solar generation are the two renewable technologies whose use will grow most in the coming decades to meet a low carbon future, we believe copper will be a significant beneficiary.”

### Gold

Sprott Inc., the highly-regarded Toronto-based global asset manager and services specialist to the resources industry, recently held an online webinar where it said: “we think we are actually in the beginning stages of a prolonged bull market for gold,” adding that gold is now a genuine alternate asset within a diversified portfolio.

In the same webinar, a senior executive of VanEck was a keynote guest speaker. VanEck is a New York-based privately-owned investment management group best known as the world’s largest Exchange Traded Product issuer with specialty in base and precious metals, and they rarely set longer-term gold price targets. In this webinar, VanEck set a 2-3 year gold price target of US\$3,400/oz, describing the forecast as “maybe a bit conservative.”

Australia’s ANZ Banking Group says in its late-September 2020 ‘Commodity Call’ report that “we see (that) the backdrop for gold remains supportive and the recent price setback is likely to be short-lived. Ample money supply, lower interest rates and macro-uncertainty should support gold investment. Physical demand is recovering, so we see the gold price reaching US\$2,300/oz early next year.”

Frank Holmes, the widely-read CEO of US-based natural resources investment group, US Global Investors, reports in his ‘Frank Talk’ blog that Bloomberg’s commodity strategist Mike McGlone is calling for US\$7,000/oz gold by 2025 as balance sheets at the world’s four biggest central banks continue to expand as a percentage of GDP.

Explaining his reasoning in 'Frank Talk,' Mr McGlone says that the same friendly monetary conditions that propelled the price of gold up 7.5 times between 2001 and 2011 are visible today, adding that the difference now is that quantitative easing as a policy is "accepted on a global scale." Mr McGlone reasons that "at the start of 2008, gold was up about 200 percent on a 120-month basis versus around 40 percent at the onset of 2020. From 2001-2011, gold advanced about 7.5 times, which if repeated would bring it to around US\$7,000 in 2025."

And the final word – perhaps a reality check – in our September 2020 review of copper and gold forecasts goes to Frank Holmes who reminds us that **"gold at US\$7,000 may seem unrealistic, but did you ever imagine we'd see \$26 trillion in US national debt or \$15 trillion in global government bonds that trade with a negative yield? These are not normal times, to say the least, and with currency debasement a real threat, it's critical that investors have exposure to real assets such as gold and precious metals."**

## SUPPLEMENTARY INFORMATION

### Forward-Looking Statements

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement.

### Competent Persons' Statement - Hog Ranch

The information in this report that relates to Exploration Results or Mineral Resources is based on, and fairly reflects, information compiled by Mr Steven Olsen who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. Mr Olsen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Olsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mining is based on, and fairly reflects, information compiled by Mr Charles McHugh who is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. The information in this report that relates to mining is based on, and fairly reflects, information compiled by Mr McHugh. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McHugh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to metallurgy is based on, and fairly reflects, information compiled by Mr John Burgess who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Rex Minerals Ltd. Mr Burgess has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Burgess consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Base Case Assumptions – Bells Project**

The Bells Scoping Study (2020) price assumptions are quoted in US dollars and Gold US\$1,550/oz.

### **Competent Persons' Report – Ore Reserves – Hillside Project**

The information in this report that relates to Ore Reserves is based on information compiled by Mr Charles McHugh who is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Rex Minerals Ltd. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McHugh consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### **Competent Persons' Report – Mineral Resources – Hillside Project**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Patrick Say who is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Rex Minerals Ltd. Mr Say has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Say consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Base Case Assumptions – Hillside Project**

The Hillside FS (2020) price assumptions for the life of the operation are Copper US\$3.00/lb; Gold US\$1,550/oz and exchange rate of AUD:USD \$0.70.

## CORPORATE INFORMATION

**ASX Code: RXM**

### Issued Share Capital as at 30 September 2020

Ordinary Shares	370,947,610
Options on Issue (Unquoted)	13,433,334
Hog Ranch Consideration Rights (Unquoted)	20,000,000

### Share Price Activity for the 30 September 2020 Quarter

Low	8.2c
High	26c
Last (29 October 2020)	13c

### Share Registry

Computershare Investor Services  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067  
T: +61 3 9415 4000 (investors)  
1300 850 505 (investors within Australia)

### Registered Office

68 St Vincent Highway  
Pine Point, South Australia 5571  
T: 1300 822 161 (Australia)  
+61 3 9068 3077 (International)  
E: rex@rexminerals.com.au  
W: www.rexminerals.com.au

### Mailing Address

PO Box 3435, Rundle Mall  
Adelaide, South Australia 5000

### For further information, please contact:

Richard Laufmann, Chief Executive Officer  
or Kay Donehue, Company Secretary  
T: 1300 822 161 (Australia)  
+61 3 9068 3077 (International)  
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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Rex Minerals Ltd

ABN

12 124 960 523

Quarter ended ("current quarter")

Sept 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,378)	(1,378)
(b) development	-	-
(c) production	-	-
(d) staff costs	(491)	(491)
(e) administration and corporate costs	(295)	(295)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	41	41
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,114)</b>	<b>(2,114)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	3	3
	(d) investments	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>3</b>	<b>3</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	10,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	56	56
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(545)	(545)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>9,511</b>	<b>9,511</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	2,990	2,990
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,114)	(2,114)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3	3
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,511	9,511

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	57	57
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>10,447</b>	<b>10,447</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	10,447	2,990
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,447</b>	<b>2,990</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	162
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

Payments at Item 6.1 relate to remuneration payments for Directors for the quarter.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	4,400	4,400
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>4,400</b>	<b>4,400</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
A secured loan facility to the value of \$4.4m was entered into in March 2020, via a group of 12 lenders including 4 Directors at an interest rate of 10%, maturing March 2022, following an extension being granted by the lenders.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,114)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,114)
8.4 Cash and cash equivalents at quarter end (item 4.6)	10,447
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	10,447
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>4.94</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## 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.

Date: 30 October 2020



Authorised by: Kay Donehue, Company Secretary  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.