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Significant Copper, Gold and Uranium results at Hillside, South Australia.

Summary

Rex Minerals Limited ("Rex") is pleased to announce that the Company has received further high grade copper-gold results over substantial widths from drilling at its 100% owned Hillside Project on the Yorke Peninsula, South Australia. The drilling results at Hillside represent a significant milestone as Rex advances its goal of discovering multiple large and high grade copper resources in South Australia. In addition, the recently discovered Parsee structure returned high grade uranium results which have highlighted a new and exciting element to the Project. The uranium grades received from the Parsee zone compare well with existing uranium deposits throughout Australia.

Highlights from the recent drilling include:

Zanoni Fault Zone

- Down hole intersection of 259m @ 1.7% copper and 0.4g/t gold from 205m in HDD018W1* including,
 - 26m (estimated true width of 11m) @ 4.4 % copper and 0.9g/t gold from 416m
- 75m (estimated true width of 31m) @ 3.3% copper and 0.8g/t gold from 205m in drill hole HDD018
- 5m (estimated true width of 2.5m) @ 3.5 % copper and 0.6g/t gold from 447m in drill hole HDD018

Parsee Fault Zone

- 5m @ 0.8% copper and 276ppm Uranium Oxide (U₃O₈) from 439m in drill hole HDD016
- 18m @ 297ppm U₃O₈ from 509m in drill hole HDD016
- 2m @ 887ppm U₃O₈ from 544m in drill hole HDD016

Two closely spaced drill holes were drilled through the centre of the Zanoni structure to assist with the interpretation of the mineralisation at Hillside (Figure 2). These drill holes have identified a series of high grade lenses which dip steeply to the east. The Zanoni structure itself dips steeply in the opposite direction, to the west. These high grade lenses are crucial to understanding the economics of the Hillside Project as they lift the background grade of copper from approximately 1% to over 3% plus increased gold values.

Rex's Managing Director Steven Olsen said, "This is a spectacular discovery and confirms our original belief that the Yorke Peninsula has the potential to host quality copper deposits. We still have not intersected what we interpret to be the source of a gravity anomaly which drew our attention to Hillside in the first place. The source of this anomaly is where we expect to find the highest concentration of copper, and we look forward to continuing this search in 2009."

"The high grade uranium was quite unexpected and adds further evidence that the Hillside Project is a very large mineralised system" Mr Olsen said.

The drilling completed by Rex at Hillside has shown that the Project has characteristics typical of an Iron Oxide Copper Gold ('IOCG') deposit such as Olympic Dam and Prominent Hill, with the potential for large scale copper, gold and uranium mineralisation.

**Down hole width does not represent the true width of the mineralisation. For an interpretation of the mineralisation associated with this intersection see Figure 2.*

Results - Copper

Diamond drilling at Hillside in late 2008 was designed to further define the extent of copper mineralisation within the recently discovered structures (Dart, Zanoni and Parsee) and to test the potential for interpreted parallel structures further to the east, based on the magnetic and gravity data. A fourth structure (Songvaar) has now been discovered (intersected in HDD019), and drilling indicates that all four structures appear to extend for up to 2km in length and all display the potential to host significant sections of high grade copper-gold mineralisation (Figure 1).

It was observed from the initial drilling at Hillside that the higher grade intersections of copper mineralisation in the Dart and Zanoni structures were not consistently at the same levels within each fault zone, and more detail was required to accurately interpret the size, orientation and extent of the high grade copper mineralisation within the broader structural envelope. Drill hole HDD018 was designed to test the orientation and down-dip extent of the copper mineralisation in the Zanoni structure, with a closely spaced daughter drill hole (HDD018W1) planned to help link up the high grade zones and confirm their orientation.

Drill hole HDD018 was spectacularly successful with a series of massive sulphide lenses intersected. Drill core orientations indicated that each lens was dipping approximately 80 degrees to the east, which was the opposite dip to the overall trend of the Zanoni structure, which is 70 degrees to the west. Excluding the high grade lenses (higher than 5% copper as shown in table 1), the average grade of the intersection in HDD018 was 1.2% copper. This therefore showed the importance of targeting and identifying these massive sulphide lenses within the structures, as they improve the average grade over a 75m continuous zone of mineralisation from 1.2% copper to over 3% copper.

Drill hole HDD018W1 was also completed as a wedge off HDD018 and was designed to drill deeper into the interpreted position of the gravity anomaly. The drill hole did not lift towards its target as planned and was abandoned at 627m. The interpreted source of the gravity anomaly, which appears to exist in the down-dip position of the Dart structure, has therefore not been tested, and will be targeted again in 2009. The potential for this anomaly to be related to high grade copper is supported by the level of increasing copper mineralisation with depth that has been intersected in drilling leading up to the interpreted position on the Dart structure (Figure 2). HDD018W1 also intersected a series of massive sulphide lenses and confirmed the structural orientation of the lenses as observed in the parent drill hole HDD018.

Results - Uranium

Uranium results returned to date from drilling of the Dart and Zanoni structures, as reported previously, are anomalous but typically average less than 50ppm. The uranium results returned from the Parsee structure in drill hole HDD016 were distinctly higher over a considerable down-hole thickness. The uranium mineralisation is not visibly observable, and some sections of drill core that were not sampled for assay were scanned using a scintillometer to test for elevated uranium, following the receipt of the assay results for HDD016. The majority of the high grade uranium identified to date in HDD016 is interpreted to occur on the margins of the high grade copper.

The scintillometer readings confirmed that high levels of uranium extend beyond the sections of the HDD016 core area sampled to date and additional drill core will be sampled in order to identify the full extent of the uranium mineralisation within HDD016. Scintillometer readings have also identified high levels of uranium in drill holes HDD019 and HDD022, both of which were completed to further test the Parsee structure late in 2008. Assay results for HDD019 and HDD022 have not yet been received.

Hole Number	From (m)	To (m)	Interval (m)	Estimated True Width	Copper (%)	Gold (g/t)	U ₃ O ₈ (ppm)
HDD015	220	225	5*		1.0	0.3	-
	303	305	2*		2.3	0.3	-
HDD016 <i>including</i>	427	430	3*		1.6	0.4	-
	439	444	5*		0.8	0.1	276
	509	527	18*		0.1	-	297
	512	515	3*		-	-	955
	544	546	2*		-	-	887
HDD017	170	173	3*		1.9	0.2	-
	334	336	2*		1.7	0.1	-
HDD018 <i>Including</i>	205	280	75	31.7	3.3	0.8	-
	206	213	7	3.0	10.7	1.5	-
	220	223	3	1.3	7.4	1.6	-
	257	266	9	3.8	6.3	2.2	-
	276	279	3	1.3	10.2	0.9	-
	447	452	5	2.1	3.5	0.6	-
HDD018W1	252	280	28**	11.8	4.1	1.3	-
	416	442	26	11	4.4	0.9	-
	450	460	10	4.2	2.3	0.4	-
HDD020	92	95	3*		0.1	-	150
	182	184	2*		1.1	0.2	-

Table 1: Tabulated assay results from Hillside.

*True widths not estimated due to the disseminated nature of the lower grade copper mineralisation.

**Twin intersection from HDD018 which started in the middle of the ore zone.

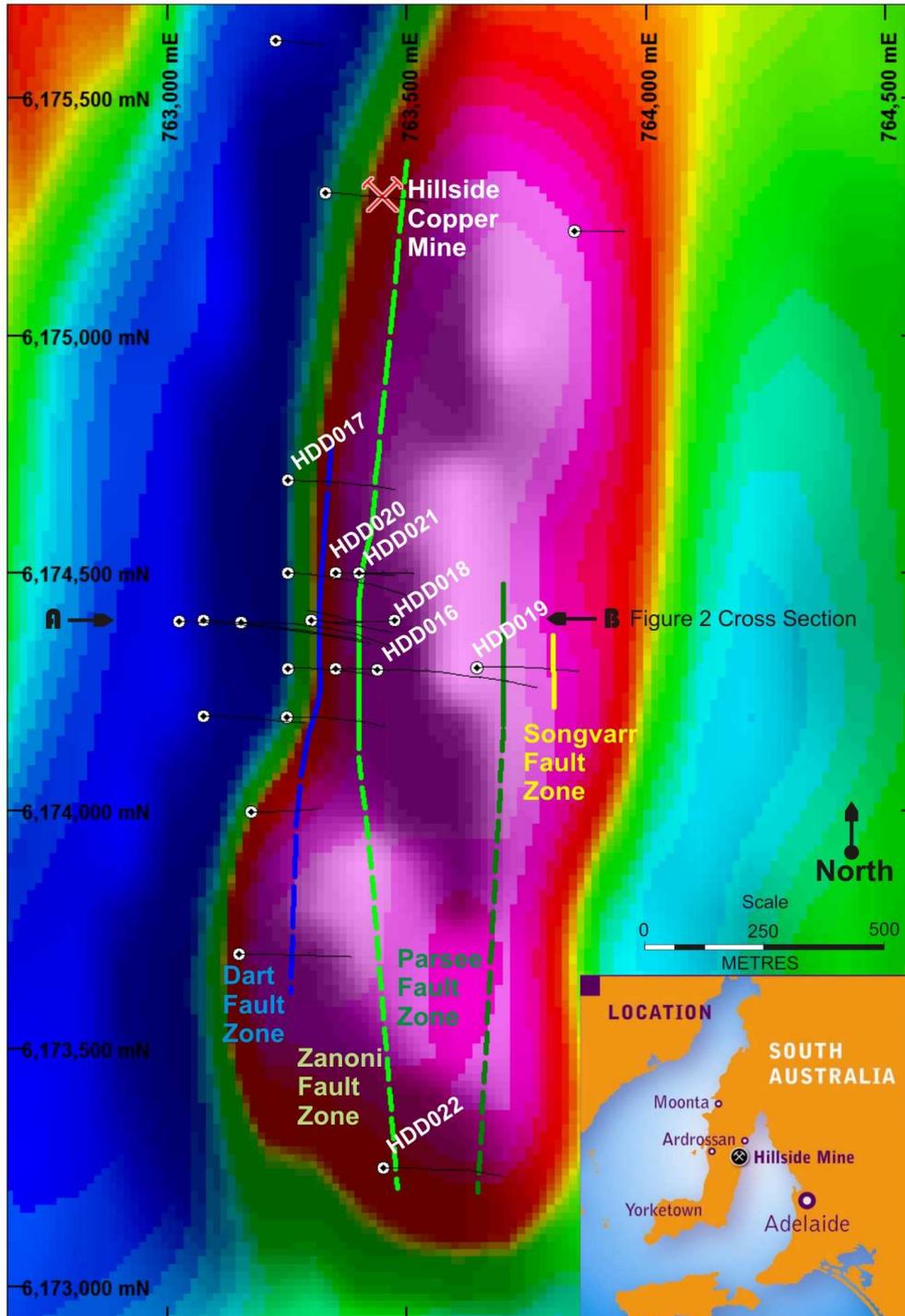


Figure 1: Plan view of the Hillside Project area, with the magnetic image, drill hole traces and the location of the mineralised fault zones defined by Rex.

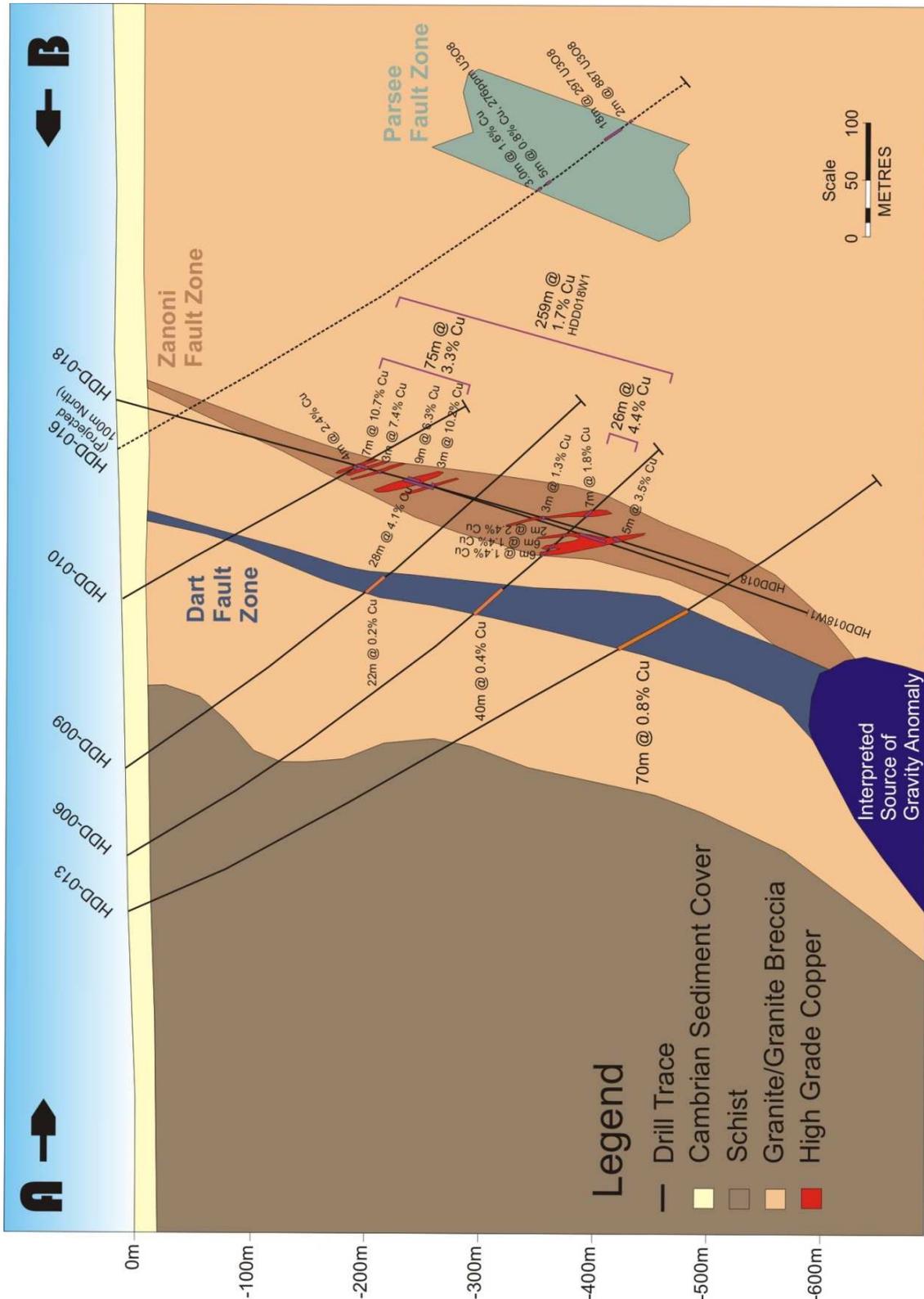


Figure 2: Cross section showing the interpretation of high grade results from Hillside.

Project Advantages

The Hillside Project and the other copper projects Rex is exploring along the Pine Point Fault Zone contain a number of very significant economic and logistical advantages to most other copper projects throughout Australia. These include:

- The Projects are within 2 hours drive of Adelaide, providing excellent access to skilled people and equipment and are also situated within 20km of the nearest port, at the township of Ardrossan.
- The Projects are situated on freehold agricultural land.
- The host rocks of the copper-gold mineralisation exist underneath thin cover sediments, which range in thickness from 5m to 70m, with the average estimated to be less than 50m.

For more information about Rex Minerals and its projects please visit our website www.rexminerals.com.au or contact Steven Olsen (Managing Director) or Janet Mason (Company Secretary).

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Background

Rex has ownership of projects covering the commodities of copper, gold, silver and iron. They are located in both South Australia and New South Wales within geological terrains that are known for their endowment in these commodities. The strategy at Rex is to acquire highly prospective projects with potential to host high grade and hence profitable deposits. Rex then applies its extensive technical experience and existing drilling capacity to progress these projects.

Rex is searching for the Iron Oxide Copper Gold (IOCG) style of mineralisation at its 100% owned Moonta South (including the Hillside Project) and Wandearah Projects in South Australia. IOCG mineralisation and alteration is typical of the Olympic Dam and Prominent Hill deposits.

Rex has an option to acquire the Mt Carrington gold-silver Project. Mt Carrington has 190,000 ozs of gold and 10.5Mozs of silver with additional shallow gold and silver potential. The style of deposit defined at Mt Carrington hosts some of the highest grade and most profitable gold mines in the world. Rex believes there is a significant opportunity to discover high grade mineralisation at depth beneath the extensive shallow gold and silver mineralisation which would be amenable to large scale mining.

The information in this report that relates to Exploration Results is based on information compiled by Mr Geoffrey Lowe who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Rex Minerals Ltd. Mr Lowe 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lowe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.