



7 September 2007

ASX Limited  
Level 45, Rialto South Tower  
525 Collins Street  
Melbourne Victoria 3000

Dear Mr Valencia,

**RE: REX MINERALS LTD – IPO**

Rex Minerals Ltd (“Rex”) has adjusted its use of funds table to reflect the administrative costs that are directly associated with each Project. These costs are allocated directly to each project, reducing the administrative costs previously identified in Rex’s Prospectus. This change is effectively a re-allocation of costs, and does not change the total expected expenditure proposed by Rex.

Rex proposes to fund its intended activities, as outlined in the table below, from the proceeds of the Offer. It should be noted that budgets will be subject to modification on an ongoing basis depending on the results obtained from the exploration activities. This involves an ongoing assessment of each of the Company’s projects and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following expenditure is proposed (excluding GST) and excluding the equity issued to the drilling contractor:

Use of Funds	Period ending 30 June 2008 \$	Period ending 30 June 2009 \$	Total \$
Costs of issue	475,000	-	475,000
Moonta South project (SA) <sup>2</sup>	950,000	550,000	1,500,000
Wandearah project (SA)	230,000	230,000	460,000
Cowell project (SA) <sup>1</sup>	-	-	-
St Arnaud project (Vic) <sup>2</sup>	1,075,000	325,000	1,400,000
North Creswick project (Vic)	100,000	175,000	275,000
Administration	700,000	700,000	1,400,000
<b>Total use of funds</b>	<b>3,530,000</b>	<b>1,980,000</b>	<b>5,510,000</b>

<sup>1</sup> The Cowell project is a joint venture with Stellar Resources Ltd, whereby Stellar Resources Ltd is expected to manage and fund the exploration activities to the value of \$650,000 over a period of four years.

<sup>2</sup> The cash costs associated with the drilling contractor for \$1.0 million has been allocated to the St Arnaud and Moonta South projects for the period ending 30 June 2008.

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Should you have any questions in relation to the above matter, please contact the undersigned on 0407 304548 or email [arivamonte@rexminerals.com.au](mailto:arivamonte@rexminerals.com.au)

Yours faithfully,

A rectangular box containing a handwritten signature in cursive script, which appears to read "Arivamonte".

Amber Rivamonte  
Company Secretary

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