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Rex completes Resource upgrade at the Mt Carrington gold-silver Project

Rex Minerals Limited ("Rex") has completed an update of the existing gold and silver Resources at Mt Carrington. Since acquiring an option to purchase 100% of the Mt Carrington Project (announced on 29 April, 2008), Rex undertook a thorough review of the existing data and Resource estimate to further understand the extent of the potential gold and silver mineralisation at Mt Carrington. This review has been completed ahead of a drilling campaign aimed at testing this potential, which is anticipated to commence at Mt Carrington by mid January 2009.

In summary, key results from this review include:

GOLD

- **A 30% increase in the total gold Inferred Resource from 146,000ozs to 190,000ozs.**
- **Gold mineralisation defined to date exists from 0 to 100m below the surface and mostly situated underneath existing shallow open pits.**
- **Potential extensions to the gold Resources identified with mineralisation open in multiple directions.**

SILVER

- **A 130% increase in the total silver Inferred Resource from 4.6Mozs to 10.5Mozs.**
- **Previous drilling at the White Rock silver deposit indicates that large scale silver potential exists well beyond the existing Resource.**
- **Historical metallurgical test results indicating that the silver is recoverable by leaching after agglomeration.**

Rex Managing Director, Mr Steven Olsen said "Mt Carrington has shallow Resources, existing infrastructure and is well situated to provide Rex with a new development opportunity, at a time when we expect to experience rising gold and silver prices. This project compares well with other gold and silver projects which are typically either very remote, lack infrastructure or are very deep."

"In addition, epithermal deposits like Mt Carrington host some of the highest grade and most profitable gold mines in the world. This means that that potential exists for large scale high grade gold mineralisation at depth beneath the extensive shallow gold and silver mineralisation" Mr Olsen said.

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Mt Carrington Project

Rex's review of the data at Mt Carrington has identified that within a database of 2,233 drill holes, 2,046 were considered reliable for use within an Inferred Resource estimate. A significant portion of the Resource has been defined at a drill spacing of 15m x 15m. This would normally be adequate for the estimation of an Indicated Resource. Rex has taken a conservative approach and has classified all of the Resources as Inferred, with a view that minimal confirmation drilling will be required to convert the existing Inferred Resources to Indicated Resources. Table 1 below summarises the new Inferred Resource estimate.

MT CARRINGTON INFERRED RESOURCES					
Gold Resources					
Deposit	**Tonnes**	**Gold grade (g/t)**	**Gold ounces**	**Silver grade (g/t)**	**Silver ounces**
Strauss	1,150,000	2.1	78,000	5.0	185,000
Kylo	1,370,000	1.6	71,000	3.2	141,000
Guy Bell	160,000	2.5	13,000	4.9	25,000
Sub-Total	*2,680,000*	***1.9***	*162,000*	*4.1*	*351,000*
Silver Resources					
Deposit	**Tonnes**	**Gold grade (g/t)**	**Gold ounces**	**Silver grade (g/t)**	**Silver ounces**
Lady Hampden	1,070,000	0.8	28,000	59	2,030,000
White Rock	4,080,000	-	-	62	8,134,000
Sub-Total	*5,150,000*		*28,000*	***61***	*10,164,000*
Total	**7,830,000**		**190,000**		**10,515,000**

Table 1: Summary of the Mt Carrington Inferred Resource estimate completed by Rex Minerals in December 2008. All gold Resources have been produced using a lower cut-off of 0.5g/t and all silver Resources have been produced using a lower cut-off of 25g/t.

Based on the current gold:silver ratio of approximately 1:80, the gold equivalent resource at Mt Carrington is 321,000ozs.

A significant amount of zinc is also associated with the existing gold and silver mineralisation at Mt Carrington. Zinc grades vary between each of the deposits but typically range from 0.6 to 1.1% for all of the Resource estimates. The recovery of zinc will be investigated during 2009 as metallurgical test work is completed for the various ore types at Mt Carrington.

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Gold Resources

The gold Resources at Mt Carrington predominantly occur within three deposits (Kylo, Strauss and Guy Bell) that are in close proximity to each other and to existing infrastructure (Figure 1). Previous operations at Mt Carrington have established infrastructure which can form part of a new development opportunity. This infrastructure includes access to mains power, a fresh water dam, a tailings dam and a cleared plant site (previous processing plant was removed).

Figure 1: Aerial photograph of the Mt Carrington mine site showing the location of the existing open pits and other infrastructure.

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The deposits display considerable potential for further extensions to each of the existing gold Resources at depth and along strike. A number of areas have yet to be tested in between the existing deposits, providing opportunities to increase the shallow Resources that are amenable to open pit mining within the existing mine site area.

On average the gold deposits contain 0.77% zinc, the majority of which could be recovered if a zinc concentrate was produced for the recovery of both gold and zinc. Metallurgical test work is required to test a variety of possible options for the recovery of both metals. The aim of the metallurgical test work will be to assist in the design of a processing option for the recovery of the gold, silver and zinc.

Silver Resources

The silver Resources and additional exploration potential give Rex a unique opportunity and exposure to the silver price. At the White Rock deposit there are a total of 232 drill holes which are constrained within an area of 250m x 250m. All of these drill holes contain coherent silver mineralisation and the average grade of the Resource estimated from this drilling is 62g/t silver, using a cut-off grade of 25g/t.

Beyond the existing White Rock Resource, there are additional drill holes some 600m further north, which also produced thick intersections of high grade silver mineralisation (Figure 2). In addition, another 600m to the west there are historical silver workings, which together define an area some 1km x 1km of potential silver mineralisation. Rex is looking to test the extent of this silver mineralisation during 2009.

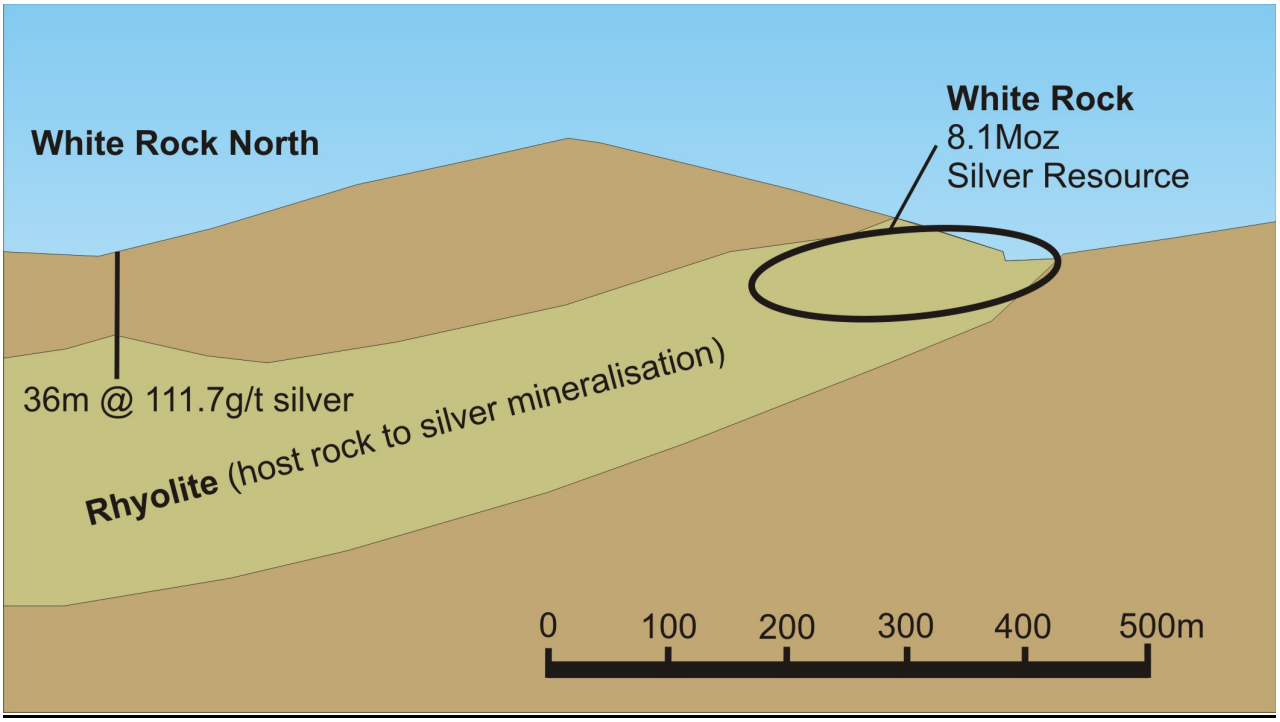

Figure 2: Cross section of the White Rock Project showing the location of the silver Resource and possible extensions to the silver mineralisation within the Rhyolite host rock.

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Metallurgical test work was completed by Aberfoyle at White Rock, which indicated that the silver was leachable after agglomeration, with test results producing recoveries of 74%. A lower cut off grade has been reported due to the possibility of having a low cost recovery method (as indicated in the test work from Aberfoyle) and the shallow nature of the mineralisation. Alternative processing methods are typically more expensive in which case a higher cut off grade would be more appropriate. Additional metallurgical test work is required at White Rock to optimise the potential recovery of silver and confirm that low cost processing options produce the best economic return from this deposit.

There is another silver Resource within the main Mining Leases, and close to the existing infrastructure called Lady Hampden (Figure 1). This deposit was partially mined in 1990, with the remaining Resource extending away from the existing open pit. There is extensive silver mineralisation beyond the currently defined Resource at Lady Hampden, including mineralisation at the Silver King and Mozart areas. Large scale silver mineralisation in this area will also be investigated by Rex.

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

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. This means that 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 or Mineral Resources 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.

The grade estimation and classification of the Mineral Resource estimates is based on a geological model produced by Dr Christopher Gee who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Mining One Pty Ltd. Dr Gee 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'. Dr Gee consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.