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Copper Mineralisation intersected at Hillside Project, South Australia

Highlights

- Rex has completed a four hole diamond drilling program at the Hillside Project on the Yorke Peninsula, located within two hours drive from Adelaide.
- Results have been returned from drill holes HDD001 and HDD002, with the most significant copper (Cu) results from HDD002 of:
18m @ 0.20%Cu from 298m, including 0.78m @ 2.25% Cu
- Assay results from drill holes HDD003 and HDD004 are pending with HDD004 intersecting observable copper mineralisation (chalcopyrite and bornite) within granitic and metavolcanic host rocks.
- Host rocks to the copper mineralisation are underneath cover of unmineralised sediments between 5m and 70m thick.
- The Hillside Project is situated next to an historical copper mine which reportedly produced small tonnages of copper ore containing 15% to 30% copper.

The results of the drilling program at the Hillside Project are an important milestone for Rex which significantly improves the probability that a large and shallow Iron Oxide Copper-Gold (IOCG) style of deposit exists. Rex is very well situated to capitalise on this potential, and will continue to aggressively explore the project in early 2008 to determine the size and grade of the mineralisation at the Hillside Project.

Results

The Directors of Rex Minerals Limited ("Rex") are pleased to announce the initial drilling results at the Hillside Project in South Australia (Figure 1).

Assay results have been received for the first two holes (HDD001 and HDD002) of a four hole diamond drilling program completed in December 2007. The drilling program at Hillside was designed to test four separate shallow geophysical targets based on a previous gravity survey (Figure 2). Assay results from HDD003 and HDD004 are still outstanding.

Drill holes HDD002 and HDD004 intersected visible copper mineralisation (predominantly chalcopyrite with minor bornite, and some malachite at shallower levels) over periodic intervals. All drill holes intersected basement lithologies and alteration assemblages typical of Iron Oxide Copper Gold (IOCG) style deposits, including a suite of interpreted Hiltaba Granite intrusives, metavolcanics and metasediments which display evidence of complex structural disruption, and brecciation. The depth of cover above the basement host rocks ranges from less than 5m to 70m in the areas drilled.

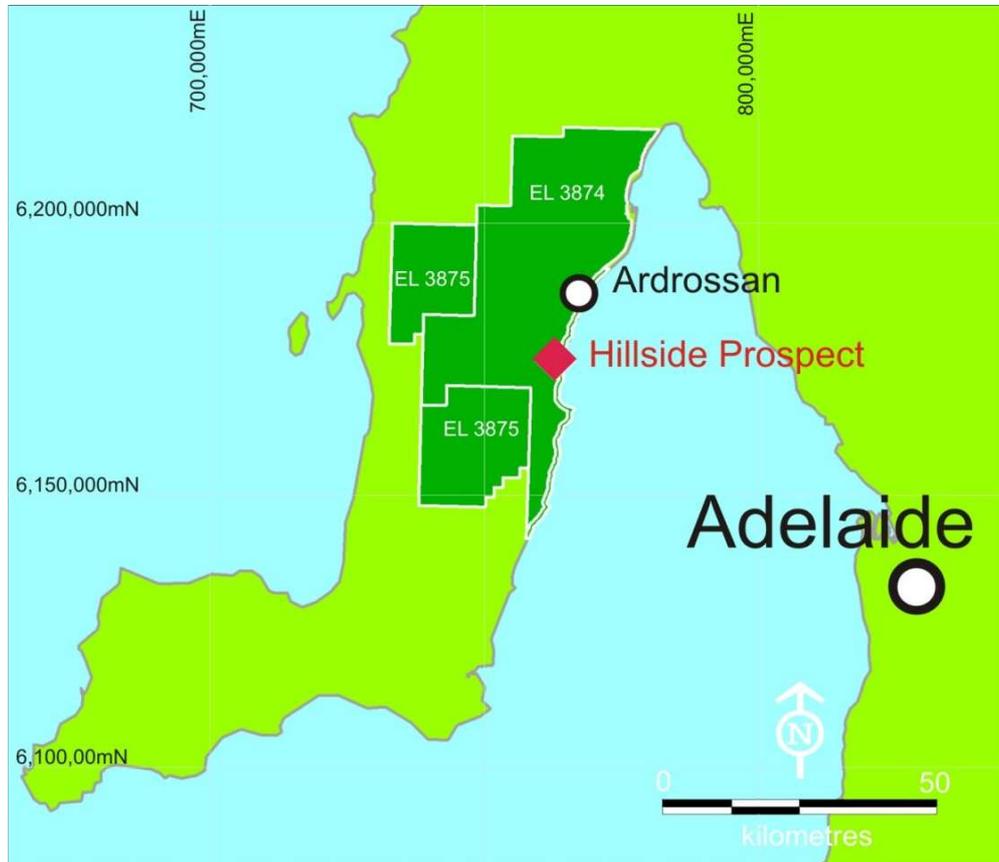


Figure 1: Location diagram of the Hillside Project.

Drill hole HDD001 was drilled to test a shallow gravity high situated 0.5km to the east of the historic Hillside Copper Mine. This drill hole returned anomalous copper to 0.04% and uranium to 62ppm, associated with weak pervasive and fracture-fill hematite alteration assemblages in intrusive and metavolcanic host rocks.

Drill hole HDD002 was drilled to test beneath the Hillside Copper Mine, which produced small tonnages of 15% to 30% copper grade ore from shallow depths. This drill hole intersecting broad zones of pervasive and vein/breccia hematite and magnetite alteration, strong structural disruption and visible copper mineralisation. The hole returned strongly anomalous copper results including:

- 71m @ 0.04% Cu from 21m, including 1m @ 0.12% Cu from 39m and 1m @ 0.98% Cu from 83m.
- 15m @ 0.09% Cu from 143m, including 5m @ 0.19% from 153m
- 18m @ 0.20% Cu from 298m, including 0.78m @ 2.25% Cu from 304m

HDD002 also contained strongly anomalous intercepts of uranium (U), lanthanum (La) and cerium (Ce) over broad downhole widths, indicative of a mineralised IOCG system. Gold assays are pending.

The iron and copper mineralisation observed in HDD002 is believed to be the cause of a major gravity anomaly which appears to trend in a SSE orientation, and the drilling indicates that further interpretation and modelling of detailed gravity data will be important to determining the location and overall dimensions of the copper mineralisation. (Figures 2, 3).

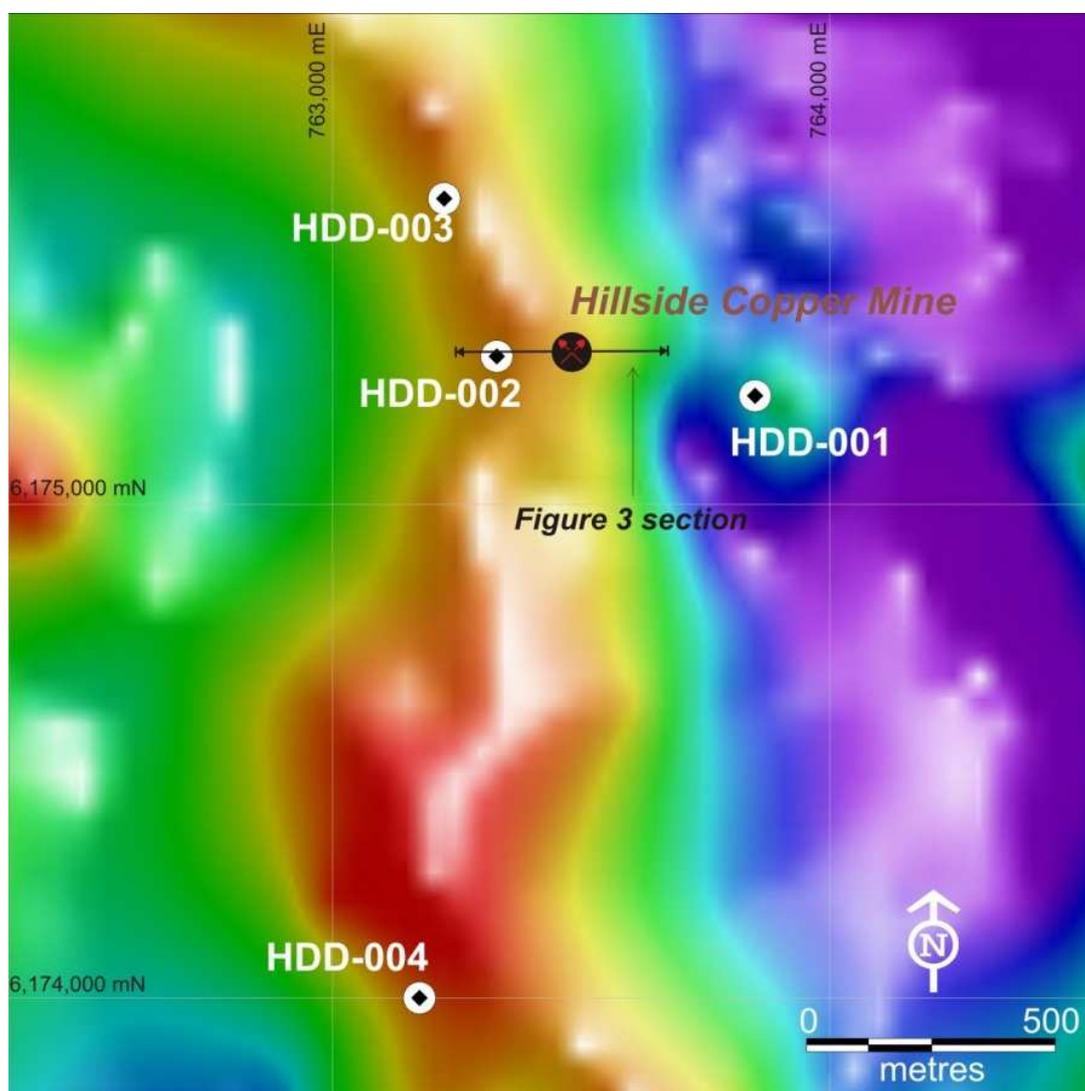


Figure 2: Plan view of drillholes HDD001 – 004 on a Bouguer gravity image. The main NNW – SSE trending gravity 'high' (red) has been defined by broad gravity data collected at 400m x 200m grid spacing.

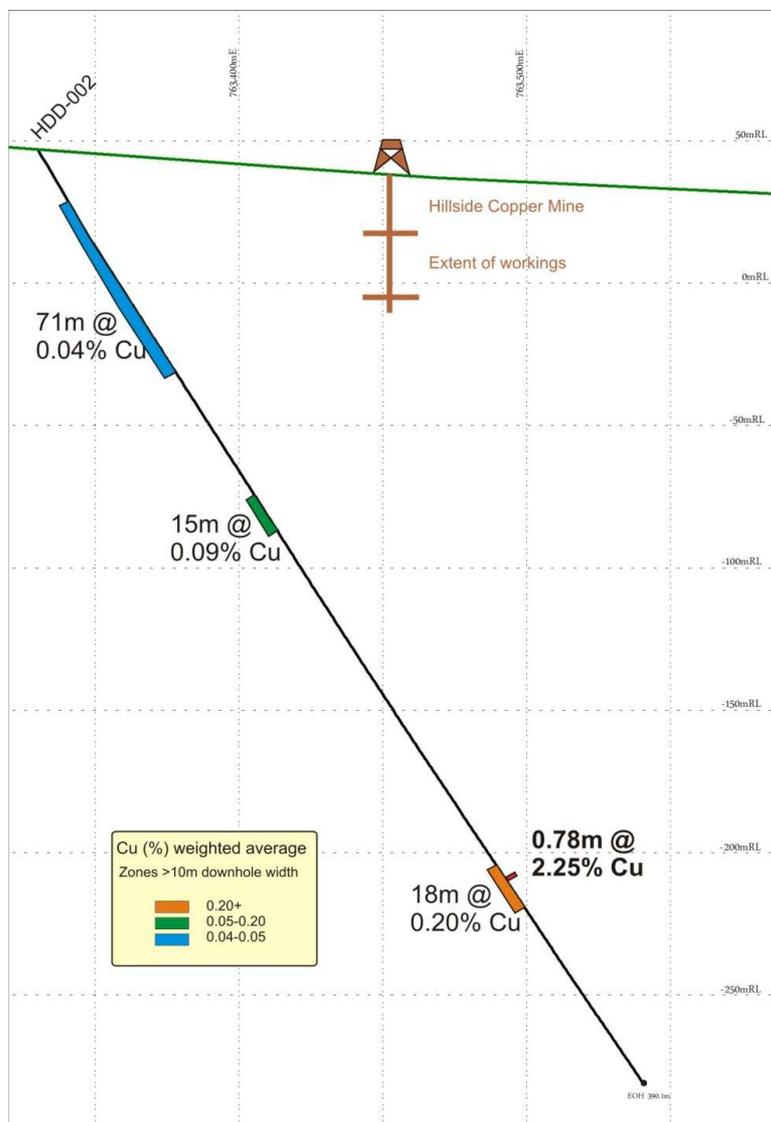


Figure 3: Cross section displaying the location of drillhole HDD002 relative to the historical Hillside Copper Mine, and summary downhole copper intersections.

Drill hole HDD003 was designed to test the interpreted NNW trending gravity feature 0.3km north of the Hillside Copper Mine, and intersected a sequence of metasediments which were unmineralised. Assay results are pending.

Drill hole HDD004 was completed 1.3km to the south of the Hillside Copper Mine, and was designed to test a flexure in the SSE trending major gravity anomaly as displayed on figure 2. The drill hole intersected broad zones of pervasive and vein/breccia hematite and magnetite alteration, strong structural disruption and visible copper mineralisation (chalcopyrite and bornite) within granitic and metavolcanic host rocks beneath 50m of cover. The iron alteration observed in the drill hole appears to be related to the gravity anomaly between HDD004 and HDD002 to the north. Assay results are pending.

The presence of copper mineralisation of this style is very encouraging. In addition the Project has a number of economic advantages including:

- The Project is within 2 hours drive of Adelaide, providing excellent access to skilled people and equipment (Figure 1) and is also situated 12km south of the nearest port, at the township of Ardrossan.
- The project is situated on freehold agricultural land.
- The copper mineralisation extends to the surface in parts but is interpreted to be concealed by an average of only 50m of unmineralised cover sediments.

A more detailed gravity survey and modelling is being planned for Q1 2008. This is to be complemented by aircore drilling to determine the peak of the gravity and Cu anomalism in the project area. Based on the information gained from this work, a follow up diamond drilling program is anticipated to commence in Q2 2008.

For more information about Rex Minerals and its projects please visit our website www.rexminerals.com.au or contact:

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Background

Rex recently listed on the ASX in September, 2007 with 52 million shares on issue, raising \$7Million and established a drilling alliance with Tinline drilling, which has secured the services of at least one drill rig for a period of two years.

Rex is focussed on Cu-Au projects in South Australia and gold projects in Victoria. 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 the typical of the Olympic Dam and Prominent Hill deposits.

Rex also has 100% ownership of two gold projects in Victoria, which are the St Arnaud project and the North Creswick project. The St Arnaud project produced over 360,000ozs historically at an average recovered grade of over 15g/t. Rex is looking for geological repeats of the historical mineralisation at St Arnaud. At the North Creswick project, historical mining produced 1.7Mozs of gold, from ancient river channels under a cover sequence of more recent rocks. Rex is looking for new structures underneath the large gold deposits at North Creswick in an attempt to discover new large quartz hosted gold deposits similar to what has been identified at Ballarat.

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.