

ASX and Media Release: 22 October 2007

Quarterly Activities Report - For the period ending 30 September 2007

HIGHLIGHTS

Rex Minerals Limited ("Rex") successfully completed its Initial Public Offering ("IPO") of \$7 million during the quarter and commenced trading on the ASX on the 20 September 2007 (ASX Code: RXM).

Target generation is well advanced for the drilling programs planned at the Moonta South copper-gold project in South Australia and the St Arnaud gold project in Victoria.

Initial drilling programs are expected to commence at Moonta South in December 2007, and at St Arnaud in January 2008.

The company held \$7.2 million in cash reserves at the end of the quarter.

CORPORATE

Rex closed its IPO fully subscribed, raising \$7 million before costs. During the formation of the Company and at the IPO, Rex attracted the interest of significant resource companies including Lihir Gold Limited (12% ownership of Rex), Avoca Resources Limited (12% ownership of Rex) and Lion Selection Limited (4% ownership of Rex). There are currently 51.565 million shares on issue with 21.1 million shares under ASX escrow. In addition there are 7.2 million unlisted options.

A further 6.0 million shares will be issued over time to Titeline Drilling Pty Ltd ("Titeline") for drilling services at Rex's projects. The relationship between Rex and Titeline has enabled Rex to secure drilling services for a period of two years and allows Rex to use its additional cash reserves for target generation and additional drilling as required based on the initial drilling results at each project.

Rex is pleased to advise that it has relocated and setup its registered office at 24 Skipton Street, Ballarat, Victoria.

PROJECTS

Moonta South

Rex has completed reconnaissance at its Moonta South project and is looking forward to commencing an initial drilling program in December, close to the historical Hillside Mine. Rex has targeted a number of combined gravity and magnetic anomalies, the most significant of which appears to be associated with the Hillside Mine (Figure 1). Rex is targeting Iron Oxide Copper Gold deposits at Moonta South similar to the Prominent Hill and Olympic Dam deposits.

The Hillside Mine historically produced small tonnages containing 15% to 30% copper, with the line of mineralisation interpreted to be striking in a north-westerly direction. A detailed gravity survey completed by Avoca Resources has identified a gravity anomaly which appears to be associated with the Hillside Mine, and is similarly orientated in a north-

westerly direction. Rex will complete an initial drilling program to test this feature, along with three other gravity anomalies in the area.

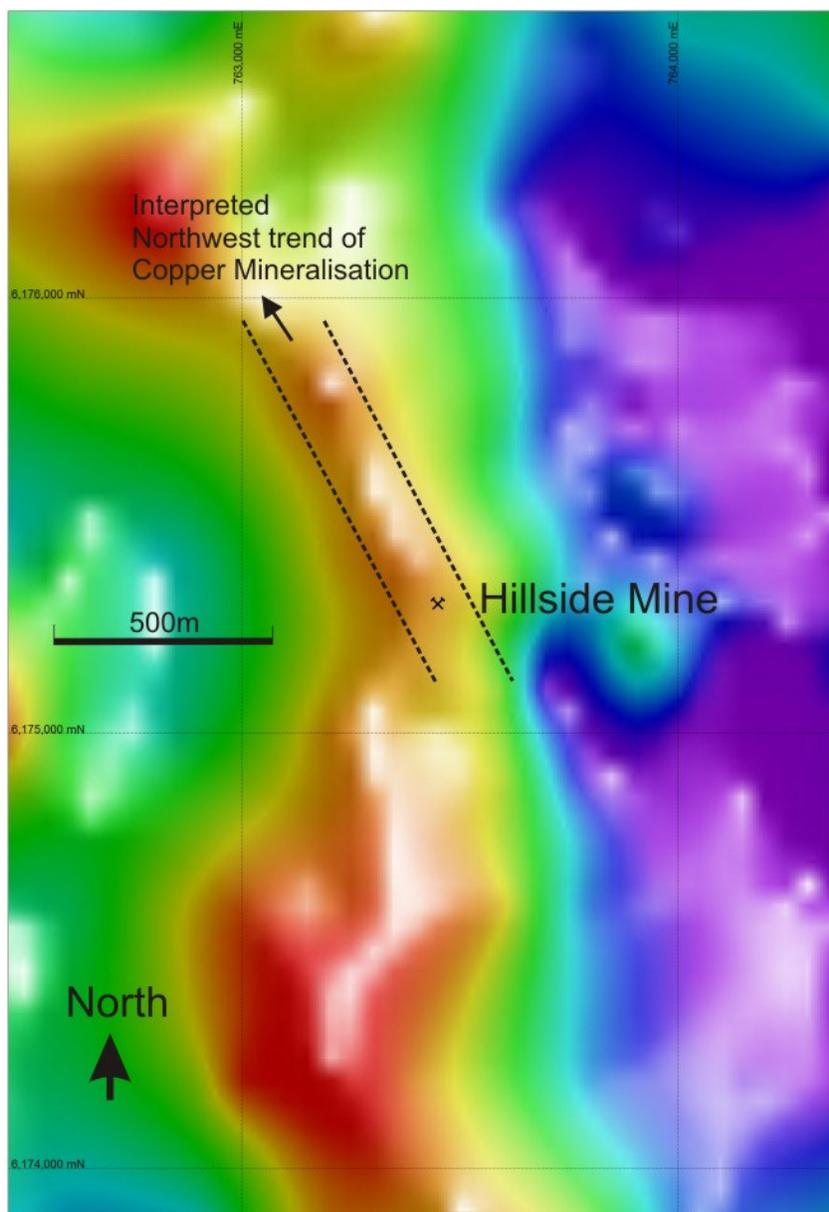


Figure 1: Gravity image of the Hillside project area showing the location of the historical Hillside Mine relative to a north-westerly trending gravity feature targeted for initial drill testing in December.

St Arnaud

Rex has highlighted three historical mines that will be the focus of the initial drilling program at St Arnaud being the Lady Nelson and Comstock Mines (on the Nelson Line) and the New Bendigo Mine (on the Bristol Line). Rex will undertake a broad drilling campaign underneath these mines and an interpreted gold depleted zone, to test for the down plunge extension of gold mineralisation.

Rex has interpreted that the gold mineralisation in this field exists in a vertical orientation similar to the Lord Nelson mine which produced 320,000ozs historically at a recovered grade of over 15g/t (Figure 2). Therefore, Rex believes that gold mineralisation extends beneath the historical workings and that these are the most prospective parts of the St Arnaud goldfield. The initial drilling program at St Arnaud is designed to prove the concept that there is significant gold mineralisation underneath the many historical gold mines at St Arnaud, most of which were only mined to shallow levels, typically less than 200m below the surface.

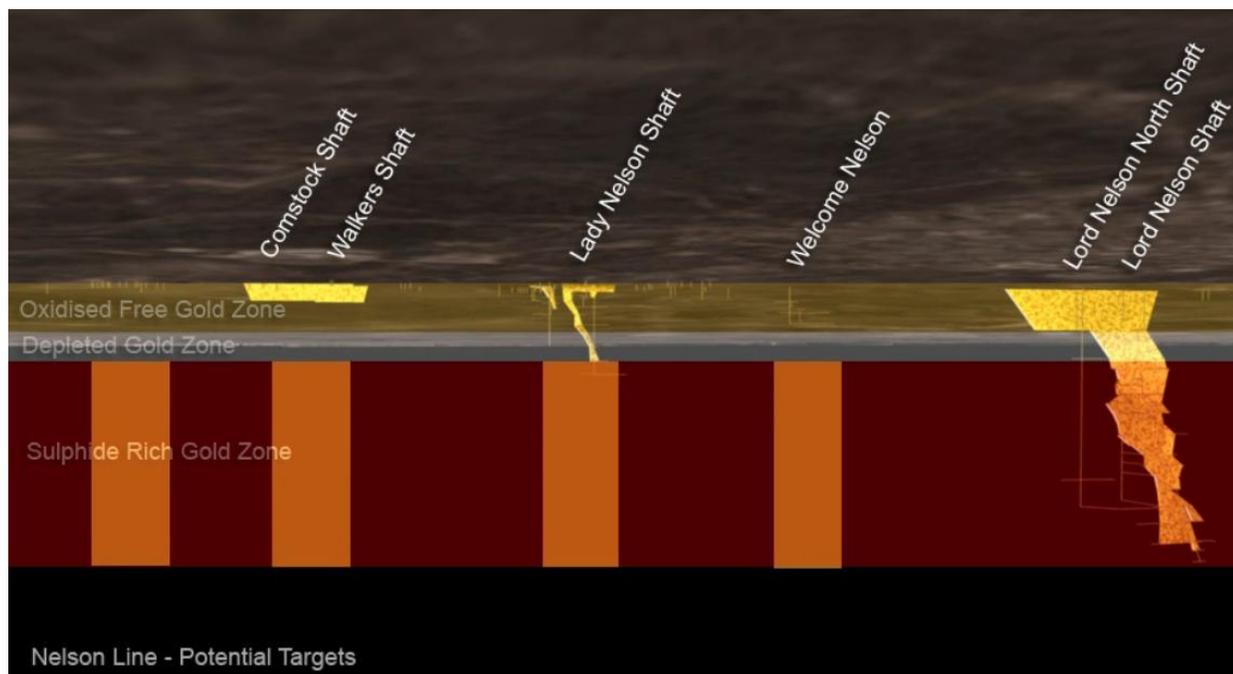


Figure 2: Long section of the Nelson Line of mineralisation at St Arnaud showing a number of targets (possible extensions of gold mineralisation) underneath the old workings. The priority targets on the Nelson Line are underneath the Lady Nelson and Comstock mines (shown in orange).

For more information about Rex Minerals and its projects please visit our website www.rexminerals.com.au or contact Steven Olsen, Managing Director.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

REX MINERALS LTD

ABN

12 124 960 523

Quarter ended ("current quarter")

30 SEPTEMBER 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(41)	(41)
(b) development	-	-
(c) production	-	-
(d) administration	(117)	(117)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	0	0
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(158)	(158)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(84)	(84)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(84)	(84)
1.13 Total operating and investing cash flows (carried forward)	(242)	(242)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(242)	(242)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	7,160	7,160
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(114)	(114)
Net financing cash flows		7,046	7,046
Net increase (decrease) in cash held		6,804	6,804
1.20	Cash at beginning of quarter/year to date	432	432
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,236	7,236

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	32
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Rex entered into an agreement with Goldsearch Ltd to purchase outright EL4669, subject to Ministerial approval. The consideration for EL4669 to Goldsearch is 500,000 shares in Rex at an issue price of \$0.25 per share and 500,000 options in Rex at an exercise price of \$0.30 and an expiry of 30 June 2011.

Rex entered an agreement with Avoca Resources Ltd to purchase the Moonta South, Wandearah and Cowell Projects in South Australia. The purchase consideration comprises the issue of 6,000,000 shares in Rex and 1,000,000 options in Rex at an exercise price of \$0.30 exercisable at any time prior to 30 June 2011. The transfer of the licences to Rex is anticipated to be in October 2007. Further information can be obtained from the Rex Minerals - Prospectus dated 10 August 2007.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,236	432
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,236	432

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	EL4914	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	51,565,000	51,565,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	34,500,000	34,500,000	\$0.25	\$0.25
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,200,000	-	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	2,200,000	-	25 cents	30 June 2011
7.9 Exercised during quarter	1,500,000	-	30 cents	30 June 2011
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 22 October 2007

Print name: Amber Rivamonte

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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