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High Grade Gold Results returned from St Arnaud Project

Summary

The Directors of Rex Minerals Limited ("Rex") are pleased to announce that the company has received encouraging high grade gold results from the initial phase of diamond drilling at the St Arnaud gold project in central Victoria. Highlights from the drilling results include a spectacularly high grade gold assay plus some supporting assay results which include:

- **1m @ 1,174g/t gold from 425m.**
- **1m @ 11.24g/t gold from 258m.**
- **1m @ 3.43g/t gold from 250m.**

The assay results highlighted above are from the first of three targets that have been drilled to date at St Arnaud. All three targets exist directly underneath some of the region's more significant historical gold mines, with the first target situated on the northern end of the Bristol line (Figure 1). The first three drill holes on the Bristol line were drilled immediately beneath an interpreted low grade gold or "depleted" zone (based on the historical records) which intersected a series of narrow quartz veins with the highest gold assay result of 11.24g/t. Subsequent drilling at greater depths from drill hole STDD004 intersected a high grade quartz vein which returned a gold assay result of 1,174g/t (Figure 2).

The results received to date have confirmed the presence of high grade gold mineralisation beneath the old workings on the Bristol line at St Arnaud, with results from another two target locations on the Nelson Line still pending. This is an important first step in Rex's aim to identify multiple gold deposits at St Arnaud which are similar to the historically mined Lord Nelson mine at St Arnaud. The Lord Nelson mine is estimated to have produced 320,000ozs of gold at an average recovered grade of over 15g/t. Rex believes that the identification of multiple gold deposits similar to the Lord Nelson is possible at St Arnaud, which would provide for a long term and highly profitable gold operation.

Results

Rex commenced diamond drilling at St Arnaud in January 2008, with an initial diamond drilling program designed to test for down plunge extensions to known ore shoots, and confirm interpreted geology and structural setting. A total of 10 holes have been completed to date, and results have been received for the first 5 holes which targeted the main historical workings on the northern end of the Bristol Line (Figure 1).



Figure 1: St Arnaud Project location plan highlighting the position of the northern end of the Bristol Line (Figure 2 Long Section).

Drillhole	From (m)	To (m)	Interval (m)	Estimated true width (m)	Gold (Au) assay (ppm)
STDD-002	250	251	1	1	3.43
STDD-002	258	259	1	1	11.24
STDD-003	238	240	2	1.1	0.40
STDD-004	425	426	1	1	1,174.00

Table 1: Significant assay results from the drilling program on the Bristol Line at St Arnaud.

Drillholes STDD001 to STDD004 all intersected the interpreted down plunge extension of the Bristol Reef system which comprises a number of mineralised structures and associated quartz veins. Rex has identified one main reef system and a series of tension veins in the footwall (eastern side) of the main reef (Figure 2). Drillholes STDD002 and STDD004 both intersected visible gold within the reefs and associated quartz tension veins.

The results for the Bristol Line confirm the initial concept that the quartz reefs continue to host gold-mineralised shoots at depth beneath the historical mine workings in this part of the goldfield. It is considered that the historical workings and current geological information provide positive indications that there is potential for multiple shoots to be developed on each of the 3 main reef systems.

Drillholes STDD006 to STDD010 have been completed to test a number of reef systems on the Nelson Line beneath the Lady Nelson, Sebastapol, Comstock and Walkers mine workings (Figure 3). Assay results for these holes are yet to be returned, however drilling has intersected very encouraging reef systems displaying laminated and tension quartz veins, and stockwork breccias containing well developed indicator sulphide mineralisation (sphalerite, galena, arsenopyrite).

The Lady Nelson, Sebastapol, Comstock and Walkers mines exist on the same line of mineralisation as the Lord Nelson mine (Figure 3). A significant feature about the Lord Nelson mine is that from the 400 foot level to the 700 foot level, the historical records indicate that there was no payable gold, and that it was only through the persistence of the mine manager at the time that the shaft was sunk to greater depths. It was through this commitment that the discovery of significant gold mineralisation was made at depth which resulted in the majority of the gold production from St Arnaud. All of the other mines at St Arnaud typically did not extend beyond 200m in depth, where the gold mineralisation is interpreted to be depleted as a result of movements in the water table over time. The Lord Nelson produced gold to a depth of 685m before it closed in 1916.

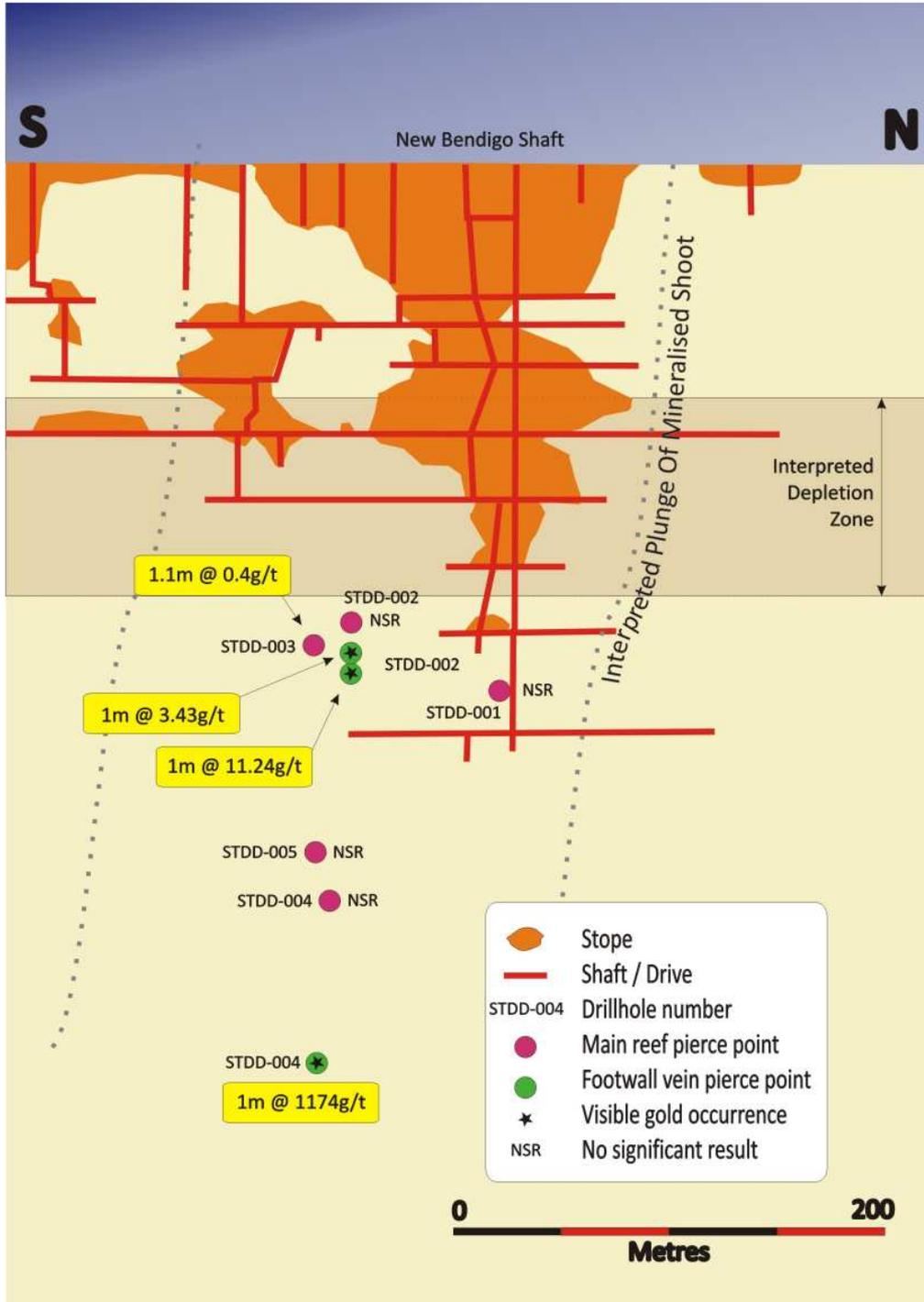


Figure 2: Bristol Line long section displaying historical mine workings and current drilling results.

North

South

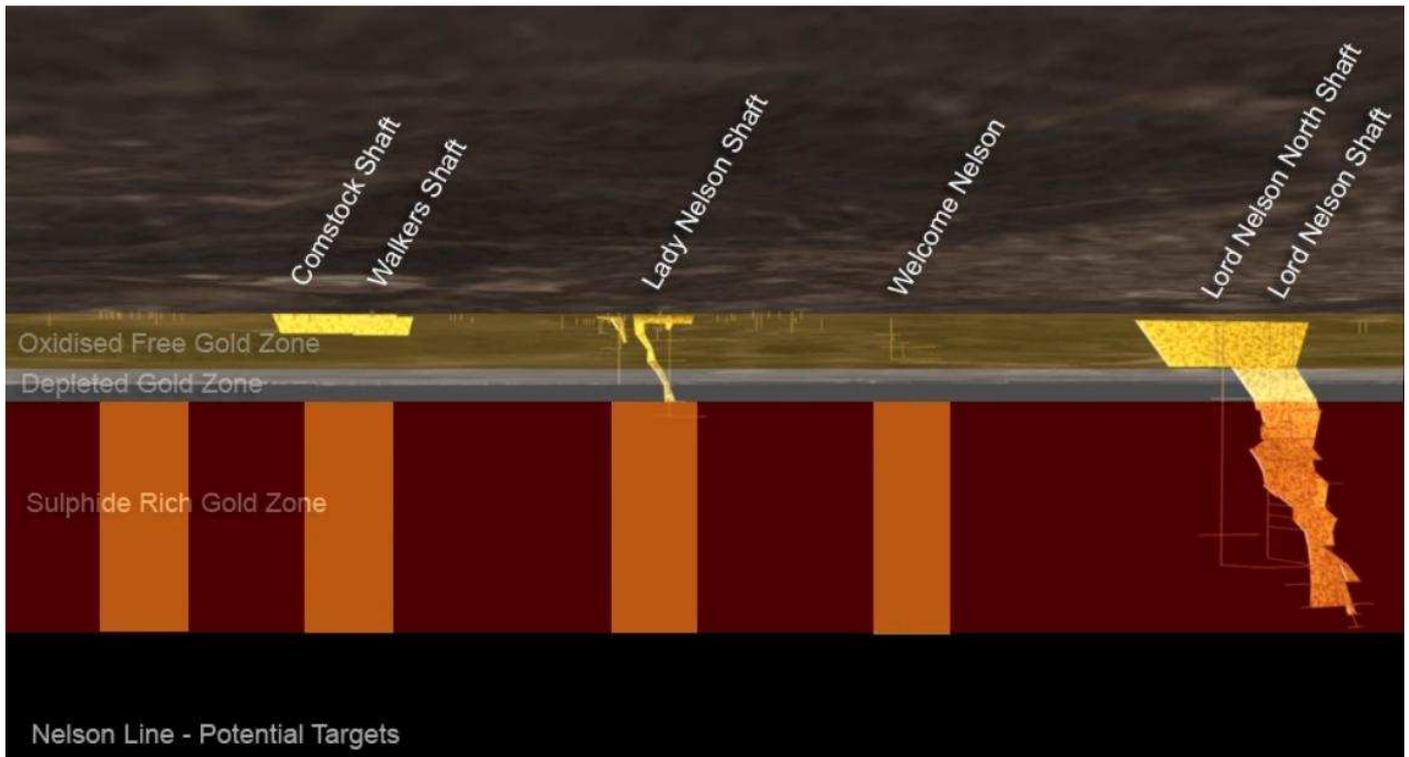


Figure 3: Long Section of the Nelson line showing the target locations in orange, relative to the gold mineralisation that was mined at depth from the Lord Nelson mine (far right).

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 listed on the ASX in September, 2007 with 52 million shares on issue, raising \$7Million and established a drilling alliance with Titeline 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.