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REX SUBMITS HILLSIDE PROJECT PEPR TO SA GOVERNMENT

Rex Minerals Limited (Rex or the Company) is pleased to announce that it has submitted, for review and approval by the South Australian Government, the Program for Environment Protection and Rehabilitation (PEPR) for the Company's 100%-owned Hillside Copper-Gold Project on the Yorke Peninsula in South Australia.

The PEPR is the final substantial set of government-related documents required as part of the process for Rex to proceed to construction of the Hillside Project with an annual processing rate of 6 million tonnes over a 13-year mine life (Initial Project). Rex will aim to commence construction at Hillside within 12 months of formal government approval of the PEPR, subject to financing and Rex Board approval.

The PEPR comprises more than 2,500 pages of plans, data and other information derived from many years of environmental and community consultation, impact assessment, planning and compilation. It incorporates designs and management plans to enable the commencement of mining operations at the Hillside Project, and outlines how Rex will achieve the construction, operational and mine completion environmental outcomes derived from the assessment of the mining lease conditions. Rex has demonstrated in the PEPR that it is able to achieve those environmental outcomes throughout the whole-of-mine life.

Rex is committed to ongoing community engagement being central to its way of operating the Hillside Project. During the PEPR process, the Company engaged widely with the community through review and feedback of its draft management and monitoring plans via working groups, public meetings and written feedback. In September 2017, Rex submitted its Hillside Mine Social Management Plan to the SA Government, and this provides the foundation for ongoing community engagement. The SMP was approved on 19 September 2017.

Having submitted the PEPR to government for review and approval, Rex is now turning its attention to:

- updating the Hillside Extended Feasibility Study;
- financing the Initial Project; and
- the next stage in the ongoing review of the Company's exploration tenements.

PROJECT BACKGROUND, BENEFITS and MARKET CONTEXT

Rex is a publicly-listed minerals exploration and development company, head-quartered in Adelaide, South Australia.

Rex's flagship asset is the Hillside Copper-Gold Project, located 12kms south of Ardrossan on the Yorke Peninsula in South Australia and Rex holds an approved Mining Lease for the Project.

Copper-gold mineralisation was first discovered at the Hillside Project by Rex in 2008. Targeting of the Project was based on the presence of a small historical copper mine, a broad magnetic feature and subtle gravity anomalies in the area. The Project is the first test of a larger theory that iron-oxide-copper-gold style mineralisation could exist underneath the thin cover rocks on the Yorke Peninsula.

Following discovery, the Company has drilled over 239,000 metres of drill holes and invested over \$160 million to bring the Project to this stage. Hillside is a substantial deposit and ranks as one of the most significant recent copper discoveries in Australia.

The Company completed its Extended Feasibility Study (EFS) on the Hillside Project in 2015. The Mineral Resource, Ore Reserve and EFS assumptions announced by the Company on 25 May 2015 continue to apply and have not materially changed. The Hillside Ore Reserve stands at more than 500,000 tonnes of contained copper and 430,000 ounces of gold, supported by a Mineral Resource of almost 2 million tonnes of contained copper and 1.4 million ounces of gold.

The Hillside Project's Mineral Lease (ML 6438), Miscellaneous Purposes Licence (MPL 146) and Extractive Minerals Lease (EML 6439) were granted on 16 September 2014 (collectively referred to as the ML).

Subject to the approval of the PEPR and subsequent financing, the Company plans to develop and operate the mine via conventional open cut mining, using trucks and excavators to deliver ore to a processing plant that will produce a copper concentrate.

As reported in the 2015 EFS, the Initial Hillside Project can be summarised as follows:

- pre-production capital cost of \$480 million;
- a 13-year mine life;
- planned to produce approximately 35,000 tonnes of copper in concentrate and 24,000 ounces of gold per annum;
- will export its concentrate through the port of Adelaide;
- will draw its labour force from the surrounding local region and country towns; and
- will connect to South Australia's main power grid and water network.

THE IMPORTANCE OF THIS PROJECT

Local Benefits

The Initial Hillside Project is expected to deliver significant social and economic benefits locally, regionally and more broadly to the State of South Australia and the Nation.

At the time of the release of the EFS, some of these benefits were estimated to include:

- a workforce of approximately 500 direct employees and contractors, employed and living locally;
- a further additional expected employment multiplier of approximately 2.7;
- direct wages to employees and contractors to total over \$500 million over the 13 years;
- direct contribution to gross state product (GSP) of approximately \$2.6 billion;
- investment in improvements to local infrastructure including water, power and roads; and
- payment of South Australian royalties totalling approximately \$168 million over 13 years.

Global Context, why the world needs Copper

Copper and its many alloys are characterised by their 100% recyclability, their superior technical properties such as high electrical and thermal conductivity, their ability to be easily processed, and their durability. These benefits reinforce the copper industry outlook that copper stands at the centre of many of the technologies that will drive global sustainable development.

Copper's role in the global pursuit of climate change mitigation is fundamental in improving energy efficiency, lowering energy demand and enabling renewable technologies. Any vision of a lower carbon transportation system – whether it is hybrid and electric vehicles, connection to smart grids or high-speed rail networks – requires copper.

Low carbon electricity sources (such as renewables) and the distributed electricity systems required to incorporate and manage them, need 4 to 10 times the copper content of electricity produced through the more traditional systems of centralised, fossil fuel generation.

Australian Context

Copper is Australia's sixth largest minerals and energy export by value. The value of the copper exports is approximately \$9 billion per year. A copper production profile linked with the South Australian Copper Strategy could increase copper export value to the State by 70%.

In 2016, Australia made a commitment to the Paris Agreement. This will require an increase in renewable energy and associated copper production to support it. The development of renewable energy is well advanced in South Australia.

South Australian Road Map

The South Australian Government recognised the unique geological endowment of the State, and with a view on the future deficit in copper supply faced by an energy hungry technologically progressive world, in 2016 outlined its Copper Strategy. The strategy outlines the potential for South Australia to triple its copper production from approximately 300,000 to 1 million tonnes per year by 2030, and to make Australia the world's third largest copper producer. The Hillside Project fits perfectly into the objectives of this strategy, which will require significant future exploration and development of this scale to fulfil its objective.

The Hillside Project is a large, long-life mine with exciting exploration upside. Approval of this PEPR will be a major milestone in the implementation of the South Australian Government's Copper Strategy.

PURPOSE OF THE PEPR

This Hillside Project PEPR has been prepared to comply with the Mining Act 1971 and Regulations, and the requirements set out in the Department of State Development's: "Preparation of a program for environment protection and rehabilitation (PEPR) for metallic and industrial minerals (excluding coal and uranium) in South Australia, Minerals Regulatory Guidelines MG2b, Mineral Resources Division, November 2015. Department of State Development, South Australia, Adelaide."

The PEPR incorporates designs and management plans to enable the commencement of mining operations at the Hillside Mine and outlines how Rex will achieve the construction, operational and mine completion environmental outcomes specified in the schedules of the ML.

The PEPR preparation process was managed internally by Rex Management with input from industry leading expert consultants. On its completion and progressively through the development of this documentation, suitably-qualified and experienced Company employees peer-reviewed each section to ensure the accuracy of all information provided.

STAKEHOLDER CONSULTATION

A key requirement and expectation was that the PEPR would be informed through consultation with stakeholders. The Company's management team has been, and is actively engaged with our stakeholders, including local community, policy makers and the Regulator to ensure comprehensive consultation.

To put this in perspective, in the development of this PEPR, Rex Minerals has documented over 380 separate stakeholder engagements. In reviewing our management plans and seeking community input on minimising the social and environmental impact of the Project, we interacted and met with local community individuals and groups over 130 times. On many occasions, the regulators and various State Government departments took part in these community consultations.

In addition, the Company met with the regulators on a regular and often weekly basis. In these meetings, the purpose, structure and content of this PEPR process was vetted and their input contributed greatly to improve and align the PEPR quality with the State Government's expectations.

During PEPR consultation, Rex received and documented over 650 feedback questions and suggestions related to the Hillside Project. This included over 400 government and 200 community questions and suggestions, to which all have been responded, and where appropriate, incorporated into the management plans contained in the PEPR.

INDEPENDENT AUDITS

In line with the ML conditions, nine independent experts were engaged to review the effectiveness of the proposed strategies to achieve the environmental outcomes identified in this PEPR. They have independently confirmed that the Company's management and operational strategies would be effective and achievable in complying with the lease conditions.

CONCLUSION

Company Commitment to Minimise Project Impact

This PEPR, with its attention to detail in all of its aspects, reflects the scale of Rex Minerals' commitment to work with all stakeholders to develop a first-class mining project that minimises its environmental impacts, and seeks to maximise its contribution to the social and economic benefits to the local and wider communities.

For more information about the Company and its projects, please visit our website 'www.rexminerals.com.au' or contact:

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