

Frequently Asked Questions

The Hillside Copper Mine – September 2014



Since Rex Minerals Ltd (Rex) began exploring on the Yorke Peninsula (YP) a diverse range of questions have been raised, the most common being will there be jobs and when will the mine begin. More recently, the questions have been more about types of opportunities, changes in infrastructure, scale of the operation, concerns about social and environmental impacts, mine life and the end use of the mine and associated infrastructure. In Rex's extensive and open consultation with the community, regulators and investors there have been many and varied questions about the Hillside Copper Mine (Hillside). In most cases these questions have been responded to individually and the most common questions that may be of general interest to a wider audience are included below.

Rex continues to be open and transparent in the information it provides and welcomes questions. Rex will continue to keep the broader community up to date with the most commonly asked questions in this section of our website www.rexminerals.com.au/community-environment and through a series of information sheets which will also become available.

Can I get further information on the Hillside Copper Mine?

Yes, Rex provides up to date information at www.rexminerals.com.au. Included is corporate information, Board members, technical information, community newsletters, information sheets and Community Consultative Group reports. In addition, Rex provides opportunities to ask specific questions through Rex's website, Rex's mailbox at rex@rexminerals.com.au and through the Chair of the Community Consultative Group at ccghillside@gmail.com. Rex also conducts information sessions and site tours which can be booked through Rex's mailbox or contact Rex's Adelaide office on (08) 8299 7100.

What is the timeframe for the Hillside Copper Mine?

The major approvals for Hillside are nearing completion. This signals the completion of a major stage in the development of the project and provides the health, safety and environmental requirements for the development and operation of the mine. It is now time to ensure that Hillside is considered more strategically, in particular in relation to its economic contribution to the YP region and the state. Timing of new and upgraded infrastructure, employment and the provision of construction and operation services requirements can now be revised to reflect an optimal set of timelines. Over the next several months Rex will provide updates that will describe these timeline and projects refinements.

When can Rex start mining?

Once a mining tenement is granted, a program for environment protection and rehabilitation (PEPR) is required to be approved by the government before mining may commence. The PEPR clearly sets out how Rex will meet the lease conditions for the life of mine and is developed in consultation with the community. This PEPR will be made publicly available by the government once approved. Regular compliance reporting forms part of the PEPR requirements and are also available to the public. Once the PEPR has been approved by the government and the required funding has been obtained, the Company can start the development of Hillside.

How much land will the mine need?

The proposed Hillside mining lease covers approximately 3000 Ha. Of that about 2080 Ha will be directly impacted by the operations which include the actual open pit, the area for the processing plant, the waste rock (overburden) and tailings storage facility which contains the processed material once the copper is extracted. The total area required is less than 0.3% of YP.

Progressively during the mine life approximately a third of the impacted land will be rehabilitated into native vegetation and over half will be returned to agricultural land at the completion of mining. The final open pit will be stabilised and remain.

How big will the open pit be?

The open pit will ultimately be approximately 2.4 km long, 1 km wide and 450 m deep at its deepest point. This is approximately twice as long, twice as wide and about five times deeper than the dolomite mine near Ardrossan.

Will there be more drilling at Hillside?

Rex has drilled more than 800 holes to define the orebody to date. Rex has defined an initial 12 years of mine production, with a life of mine in excess of 15 years. Drilling definition work is now at a point where additional drilling will be limited to testing specific zones as required to refine the mine plan. Rex continues to have a site-based presence at Hillside to manage the land and for security.

Will Hillside get bigger?

The Hillside deposit is open at depth and has the potential to expand as an underground operation.

Who will look after the mine when it closes?

Rex will have responsibility for the land post-closure, as it does now for the land that Rex currently owns. An approved mine closure plan needs to be developed in consultation with the community and regulators and must be in place before mining operations can commence. This includes the payment of a significant financial bond held by the State Government as security that will cover the cost of mine closure and rehabilitation. It may be possible for some areas of the land post mining to be made available for community use, flora and fauna conservation.

What could the mine site and open pit be used for in the future?

At the end of the mine life, there are often opportunities for creative beneficial use options. For example, Penlee quarry is located to the South of Newlyn in Cornwall and is planned to be turned into a marina which will act as a visiting point for tourist. The Island Copper Mine was Canada's third largest copper mine and the open pit was converted into a pit lake, which involved flooding the pit with seawater making it environmentally stable and safe. These are big thinking solutions and result from communities working creatively with miners, business entrepreneurs and regional planners.

Significant environmental benefits can be achieved at Hillside by increasing native vegetation and providing habitat for rare fauna such as the threatened Peregrine Falcon which requires cliffs or for example mine pit walls for breeding. Post mine opportunities can also stem from the improved infrastructure such as the permanent and significant increase in water and power supply to the region.

What environmental controls will be placed on Rex?

Rex is required to meet regulatory environmental conditions and controls that are set out as part of the mining licence and to demonstrate how it will manage these before mining is approved. Rex works closely with the YP community to ensure that those conditions and controls reflect community concerns. All environmental control measures developed by Rex must be approved by government regulators (such as the Environmental Protection Agency [EPA]) and must be in place to effectively manage all potential environmental impacts. These measures will have very clear public reporting criteria so the community can reassure itself that the mine is operating within the conditions placed upon it.

How will noise be managed?

The EPA sets stringent limits on noise that can be generated from any mining operation. Noise levels can be managed through technology, timing of certain activities and by using noise attenuated machinery including earthmoving equipment to keep noise levels below the night time (lowest) regulated noise levels that the EPA requires. Real-time noise monitors will be used to monitor these levels and enable corrective action to be taken. Noise monitoring data will be made publically available. It should be stated that a project such as Hillside located near to residences will generate some noticeable noise.

How will dust be controlled?

Dust is generated when land surfaces are disturbed by mining or agriculture, particularly so on the YP. Dust suppression is a necessary and integral aspect of mining operations today and suppression methods are well proven and heavily regulated. This means the conditions placed on Rex to manage dust will be stringent. Monitoring technology is advanced and in real-time. Rex will employ a range of controls that will include the use of water trucks to keep haul roads moist, rehabilitating open area, the stabilisation of soils stockpiles along with using the real-time monitoring system to inform when additional dust suppression, adjustment or temporary shutdown of the operations is required.

Does Rex plan to have more mines on the Yorke Peninsula?

Copper by its very nature is only rarely found in high enough concentrations to be economically mined. There are many locations where copper could exist in economic quantities; however, it is only possible for a small percentage of the YP to contain enough copper to justify a new mining proposal.

At this point in time the underlying rocks on the YP have been sparsely tested for copper and Rex believes that its tenements on YP have the potential for discovery of future deposits. Whilst Rex has identified 50 targets, only some of these could be expected to develop beyond the early stages of exploration, such as soil sampling and surface drilling. Should another exploration target develop into a deposit of economic merit, it would be subject to extensive studies and a new approvals process and public consultation similar to that undertaken for Hillside. As with Hillside, this process takes several years.