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Letter of Intent with Hitachi executed for long lead Mining Fleet

- Rex Minerals Ltd (Rex or the Company) has executed a key operational readiness step for the Hillside Copper-Gold Project with the signing of a Letter of Intent (LOI) with Hitachi Construction Machinery (Australia) Pty Ltd (HCA)
- This LOI encompasses the allocation of Ultra-class mining equipment by HCA to Rex. The equipment will cost in excess of \$100M and includes four excavator units ranging in size from 250 tonnes to 600 tonnes and twelve 300 tonne capacity haul trucks
- This LOI locks in the build slots for these long lead time items to meet the project timeline and key mining equipment availability
- The LOI is subject to final specifications and pricing and all financing alternatives and operating models remain available to Hillside, including allowing the equipment to be assigned to a third-party mining services contractor should Rex elect to do so.

In addition to the provision of the Ultra-class fleet, HCA is planning to provide South Australian based facilities and after sales support. This support will include parts inventory, staff training using simulation, technical support and equipment servicing.

Rex's Chief Executive Officer, Richard Laufmann, made the following comments: *"This strategy of locking in the fleet via an LOI secures the Ultra-class fleet for Rex without any immediate financial commitment, and ensures that we can push forward with and adhere to our project timeline.*

"We are excited to be working with Hitachi after completing an exhaustive examination of our potential mining fleet options. As detailed in this announcement, the activity levels for all disciplines in relation to Hillside are increasing and the process remains focused on first production by Q4 CY2025."

In addition to this critical milestone, the Company continues to progress the Hillside Project on a number of fronts. This includes Project Equity Partnering, Debt Funding and Design Engineering. A status update of each is provided below.

Hillside Partnering Process: Effective 6 February 2023, the Company commenced a formal Minority Partnering Process. This process is managed by Macquarie Capital and is running well with a mid-CY2023 target completion date to align with the operational engineering initiatives. Strong interest has been received from Tier 1 mining companies, private equity groups, copper smelter-refiners and metals trading houses. Preferred parties are anticipated to advance over the coming month.

Senior Debt Funding Process: This is running in parallel with the partnering process, with strong interest received from Tier 1 project finance lenders to Australian miners, including international and domestic major banks. Further, working with its supplier partners, Rex has material capex spend at Hillside that may be eligible for funding support from export credit agencies. Behre Dolbear Australia has been appointed to act as the Lenders' Independent Technical Expert (ITE) to conduct technical due diligence and produce an ITE report suitable for financing purposes.

Hillside Engineering: Project Engineering advances well with the Project detailed engineering now 30% complete for the process plant and associated infrastructure. The plan remains to be substantially engineered by mid-CY2023.

About Hillside Copper-Gold Project

High level key points as announced on 14 December 2022¹:

- *Project Value for Stage 1:* Net Present Value (NPV) A\$1,252M (pre-tax), NPV of A\$847M (post-tax) Internal Rate of Return (IRR) of 19%, (nominal IRR 23%), (spot IRR 21%), C1 of US\$1.52/lb copper (spot C1 US\$1.39/lb) and a 4.3-year payback period
- *Scale and Opportunity:* Stage 1 (11 years) lays the foundation for a 20 plus year operation and extracts around half of the current Ore Reserve. Substantial potential exists for Resource and Ore Reserves growth, leading to mine life extension and higher processing rates beyond Stage 1
- *First Production:* Annual payable metal of circa 42kt copper (Cu) and 30koz gold (Au) to follow ramp-up. First concentrate delivery timing Q4 CY2025, to align with the beginning of the forecast global copper market deficit
- Estimated pre-production capital cost of A\$854M (US\$598M) all-inclusive of full fleet, pre-strip and contingency
- *Team:* Board and Management have significant experience in delivering similar projects in Australia and internationally
- *Contribution:* Hillside to provide employment for over 500 people during construction and over 400 during operations (over \$600M in payroll) and contributing over A\$200M in state royalties
- *Regulatory Approvals:* Key approvals are in place to allow commencement of development and operations.

This announcement has been authorised for release by the Chief Executive Officer/Managing Director.

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

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¹ ASX Announcement: Rex commits to next phase of Hillside Copper-Gold Project (14/12/2022)