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## **Chairman's Address - 2019**

### **Introductory comments**

At the outset, let me welcome Ron Douglas and Ian Smith to the meeting. Ron and Ian joined us early this year and both have added their significant operational and development expertise to the Board.

### **Progress during the year**

It has been a very active year, with significant progress and changes, although this is not yet reflected in the value of the Company.

Let me reflect on the major achievements that had a bearing on Rex during the 2019 financial year:

- Rex has finalised and responded to all queries on the Program for Environment Protection and Rehabilitation for the Hillside Project, and the final submission sits with the South Australian Government's Department for Energy and Mining.
- The South Australian Parliament passed the new mining legislation, offering us greater certainty.
- Most of our various work programs on the Feasibility Study Update for Hillside have been completed.
- We conducted six months' due diligence as part of the acquisition of the exciting Hog Ranch Property (Hog Ranch) in Nevada, USA.

### **Acquisition of the Hog Ranch**

As a result of significant effort by the Management team, Rex completed its acquisition of Hog Ranch early in the financial year.

Immediately after the acquisition, Rex delivered a maiden Inferred Mineral Resource at Hog Ranch of 830koz, reported within an open pit shell optimised for heap leach processing, based on a gold price of US\$1,300/oz and a cut-off grade of 0.3g/t gold.

We have subsequently undertaken a drilling program at Hog Ranch (as released to the market on 19 November 2019), the excellent results of which will be provided in Richard Laufmann's presentation at the conclusion of the AGM.

## The copper and gold markets

Most of us accept the importance of copper to the electrification revolution – just part of the story that signals the emerging supply deficit.

These factors are not yet reflected in the copper price, and we will see for how long the price can continue to defy expectation, and the fundamentals of supply and demand.

In stark contrast, the gold price has moved from an already-strong incentive price of US\$1,200 to US\$1,500/oz, an increase of 25% over the year.

With the languishing copper price, gold offers Rex a unique hedge and investment opportunity.

## Concluding comments

Our work during the year and into the subsequent period leaves our Company in the new and exciting position of having a dual portfolio, both copper and gold, in some of the world's most sought after jurisdictions. This provides existing and new investors with development exposure to:

- copper/gold in South Australia, with enormous exploration upside; and
- pure gold exposure in Nevada, now upgraded with a maiden Inferred Mineral Resource.

In conclusion, 2020 is shaping up to be a transformational year for Rex. We will continue to pursue our long-term strategy of adding value to Rex through our flagship asset, the Hillside Project in South Australia, and the Hog Ranch Property in Nevada.

In closing, I would like to thank our local communities, particularly the Chair and members of the community-based Hillside Mine Community Voice for their ongoing work and support as well as our suppliers and contractors. I would also like to thank our leadership team under the direction of Richard Laufmann. We highly value the efforts of all our staff.

Finally, I would like to acknowledge our shareholders for your continued support.

For more information about the Company and its projects, please visit our website '[www.rexminerals.com.au](http://www.rexminerals.com.au)' or contact:

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