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## **Regional Exploration Update, Yorke Peninsula, SA**

- **Massive copper sulphides and broad copper anomalism at the Equis Prospect**
  - **New copper results intersected 500m north of the Hillside deposit**

Rex has received assay results from a recently completed series of drill holes on regional targets within its 100% owned exploration licences on the Yorke Peninsula, South Australia. The drilling results are from one of Rex's high priority targets, the Equis prospect and also from the northern extensions of the Hillside deposit.

Drilling was targeted at broad magnetic and gravity anomalies on the Equis prospect with large intervals of copper anomalism and small sections of massive copper sulphides intersected (Figure 1). EQDD002 intersected thick zones of copper anomalism including 75m @ 363ppm copper from 78m and EQDD003 intersected similar broad copper anomalism and some small sections of high grade copper with results of 3m @ 1.0% copper from 370m and 1m @ 0.8% copper from 363m. The cover rock sequence was found to be less than 10m thick, highlighting the potential to target shallow positions of copper mineralisation in the area.

Rex's Managing Director Mr Steven Olsen said today "All the signs are positive for Equis with large scale anomalies, broad copper anomalism and sections of high grade copper all indicating that a significant mineralised system could exist at Equis"

"It typically takes a number of drilling programs before large scale high grade copper is discovered in a new prospect, and these results are typical from what you would expect to find near a large copper deposit." Mr Olsen said.

In comparison with the Hillside discovery, the early drill holes intersected very similar intervals of broad copper anomalism and small sections of massive copper sulphides. It was the sixth drill hole at Hillside that intersected thick zones of copper with greater than 0.5% copper and then the eighteenth drill hole before thick sections with greater than 1% copper were intersected.

"We have a number of large scale targets in the region and the Equis target remains one of our most exciting prospects, particularly given that it is less than 3km from the Hillside deposit." Mr Olsen said

Additional drilling 500m north of the Hillside deposit also show the potential for copper mineralisation outside of the current Hillside Resource. Drill hole HDD175 intersected 20m @ 0.4% copper from 124m, including 1m @ 1.8% copper.

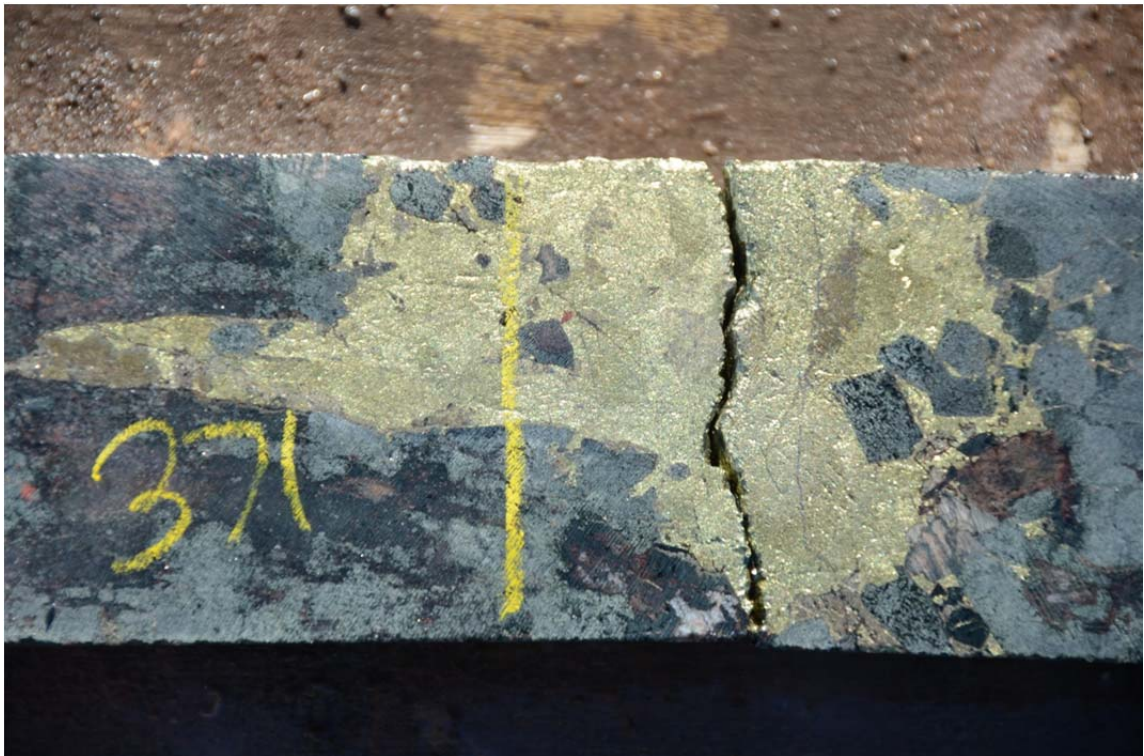
The combination of multiple historical copper mines, copper mineralisation intersected in regional drill holes, many untested large-scale targets, and the Hillside discovery all serve to highlight the prospectivity of the Pine Point Copper Belt on the Yorke Peninsula.

## Equis Prospect

The Equis prospect is located 3 kilometres north-west of Rex's Hillside copper-gold deposit on the Yorke Peninsula. Drilling at Equis was aimed at testing a number of high intensity magnetic anomalies and associated gravity anomalies.

A program of 3 diamond drill holes was completed in July 2011 at Equis, with all drill holes intersecting encouraging alteration assemblages and widespread anomalous copper mineralisation (Table 1 and Figure 2). The drilling intersected an extensive sequence of metavolcanic rocks with numerous granitic intrusions within the basement rocks. Encouragingly, these basement rocks exist underneath less than 10 metres of younger sedimentary cover.

Of particular significance were drill holes EQDD002 and EQDD003, which both included intersections of disseminated and massive chalcopyrite (also the dominant copper mineral at Hillside) and pyrite (Figure 1). Additional exploration activities including soil sampling and an Induced Polarisation (IP) survey are currently being undertaken at Equis. It is anticipated that the results from this work at Equis will aid focussing the next phase of drilling into the locations with the highest concentrations of copper mineralisation.



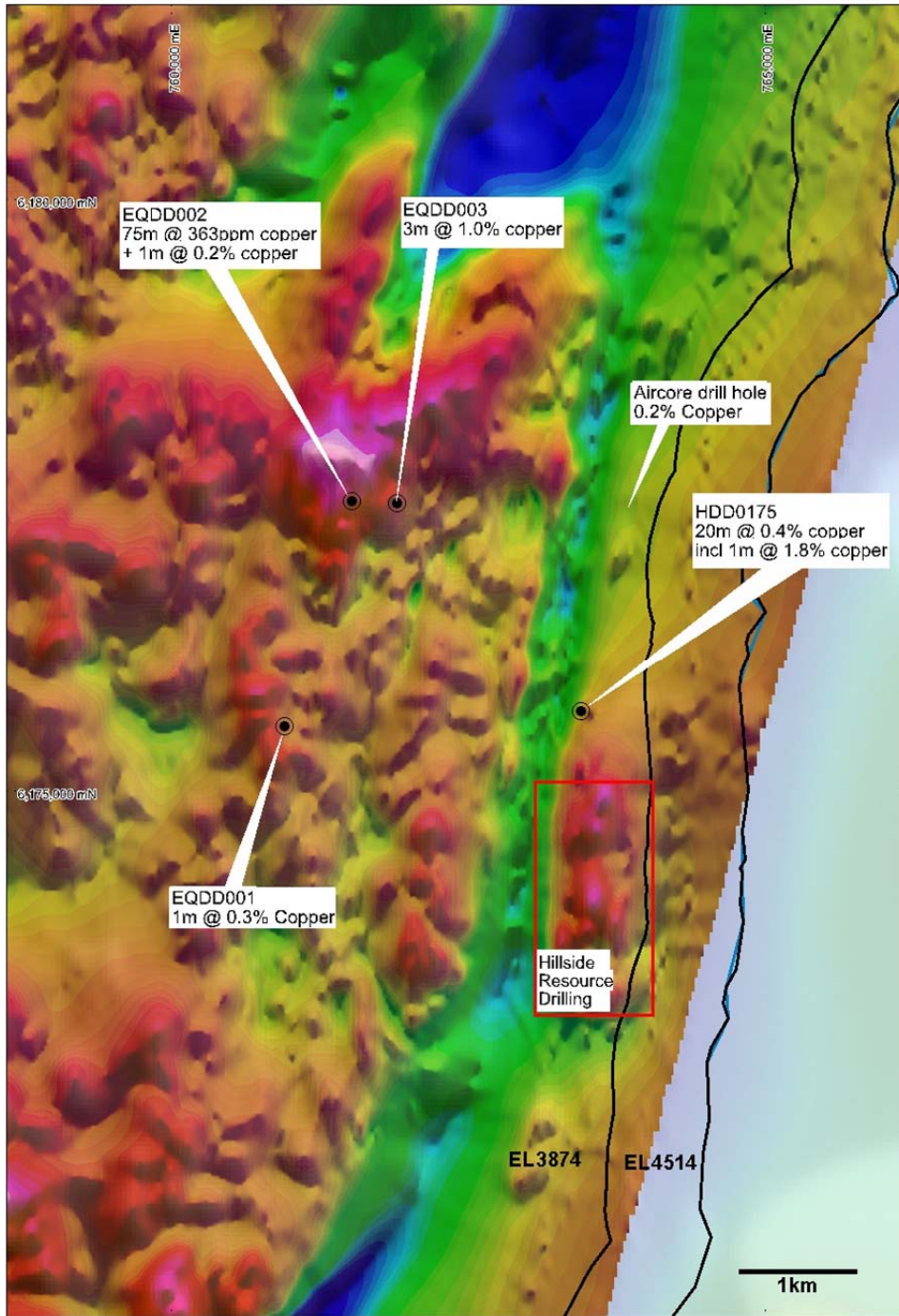
**Figure 1:** Sections of massive chalcopyrite intersected in drill hole EQDD003 at 371m down hole

## Hillside Extensions

Drilling completed 500 metres to the north of the Hillside Resource has intersected copper and gold mineralisation within the same corridor that hosts the mineralisation at Hillside. This intersection, in conjunction with indications of anomalous copper mineralisation from previous aircore drilling (Figure 2), serve to highlight potential extensions to the copper mineralisation along strike of the Hillside project.

**Table 1:** Summarised drilling results from recent regional exploration drill holes .

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (ppm)	Cu (%)	TARGET
<b>EQD001</b>	<b>158</b>	<b>163</b>	<b>4</b>	<b>740</b>		<b>Equis South</b>
<i>including</i>	<b>159</b>	<b>160</b>	<b>1</b>		<b>0.3</b>	
	<b>317</b>	<b>320</b>	<b>3</b>	<b>687</b>		
<b>EQDD002</b>	<b>24</b>	<b>59</b>	<b>35</b>	<b>333</b>		<b>Equis Central</b>
	<b>78</b>	<b>153</b>	<b>75</b>	<b>363</b>		
	<b>345</b>	<b>375</b>	<b>29</b>	<b>437</b>		
	<b>402</b>	<b>406</b>	<b>4</b>	<b>534</b>		
<b>EQDD003</b>	<b>275</b>	<b>281</b>	<b>6</b>	<b>421</b>		<b>Equis Central</b>
	<b>363</b>	<b>364</b>	<b>1</b>		<b>0.8</b>	
	<b>370</b>	<b>373</b>	<b>3</b>		<b>1.0</b>	
			<b>1</b>		<b>2.5</b>	
	<b>539</b>	<b>548</b>	<b>9</b>	<b>356</b>		
	<b>622</b>	<b>644</b>	<b>22</b>	<b>419</b>		
<b>HDD175</b>	<b>124</b>	<b>144</b>	<b>20</b>		<b>0.4</b>	<b>Hillside North</b>
<i>including</i>	<b>131</b>	<b>132</b>	<b>1</b>		<b>1.8</b>	



**Figure 2:** Magnetic image and significant regional drilling results close to the Hillside project on the Yorke Peninsula, SA.

## Regional Exploration Program

In parallel with the resource delineation and feasibility activities at Hillside, Rex is testing multiple high priority exploration targets along the Pine Point Copper Belt.

Rex first commenced exploring the Yorke Peninsula with an interpretation that there could be multiple copper-gold deposits underneath a “hidden landscape”. This has initially proven to be correct with the Hillside discovery, which was the first effective test of this thesis.

The research undertaken at Hillside since its discovery has confirmed that it was formed at the same time as the Prominent Hill and Olympic Dam deposits adding further weight to the interpretation that there could be other similar deposit types in the basement rocks on the Yorke Peninsula.

These deposits have a very strong relationship with iron, which is typically in the form of either magnetite or haematite. It is for this reason that both magnetic and gravity surveys are a particularly important method of discovering the likely position of the largest deposits in the region. In recognition of this information, Rex completed some high resolution magnetic and gravity surveys in 2009 and 2010 to understand where potentially the largest deposits of this type (typically referred to as an Iron-Oxide-Copper-Gold or IOCG deposits) may occur. The three-dimensional modelling of targets as bodies utilising high resolution detailed datasets typically highlights detail that is not evident in the regional datasets or by examining regional maps. Using this approach Rex has identified, modelled and ranked numerous targets in the Pine Point Copper Belt based on their geophysical properties and geological setting.

The results from this work indicate that there are many targets which have a larger responses than Hillside and represent very exciting new targets for Rex, some of which are very close to Hillside, including Equis, Ethel and Ranald (see Figure 3 and Table 2).

Based on ranking the targets from the gravity and magnetic anomalies, Hillside would rank approximately sixth.

**Table 2:** Project ranking based on modelled gravity and magnetic information gathered by Rex in 2010.

Ranking	Target Name	Modelled Magnetic Size and Intensity	Modelled Gravity Size and Intensity
1	Equis Central	High	High
2	Ethel	High	High
3	Target 13	High	Med/High
4	Ranald East	High	Low
5	Parara North	Med/High	Med
6	<b>Hillside</b>	<b>Med/High</b>	<b>Med</b>
7	Parara Central	Med/High	Low
8	Parara South	Med	Med/High
9	Ranald 16	Med	Med
10	Equis South	Med	Med
11	Port Julia	Med	Med
12	Hillside West	Med	Med/Low

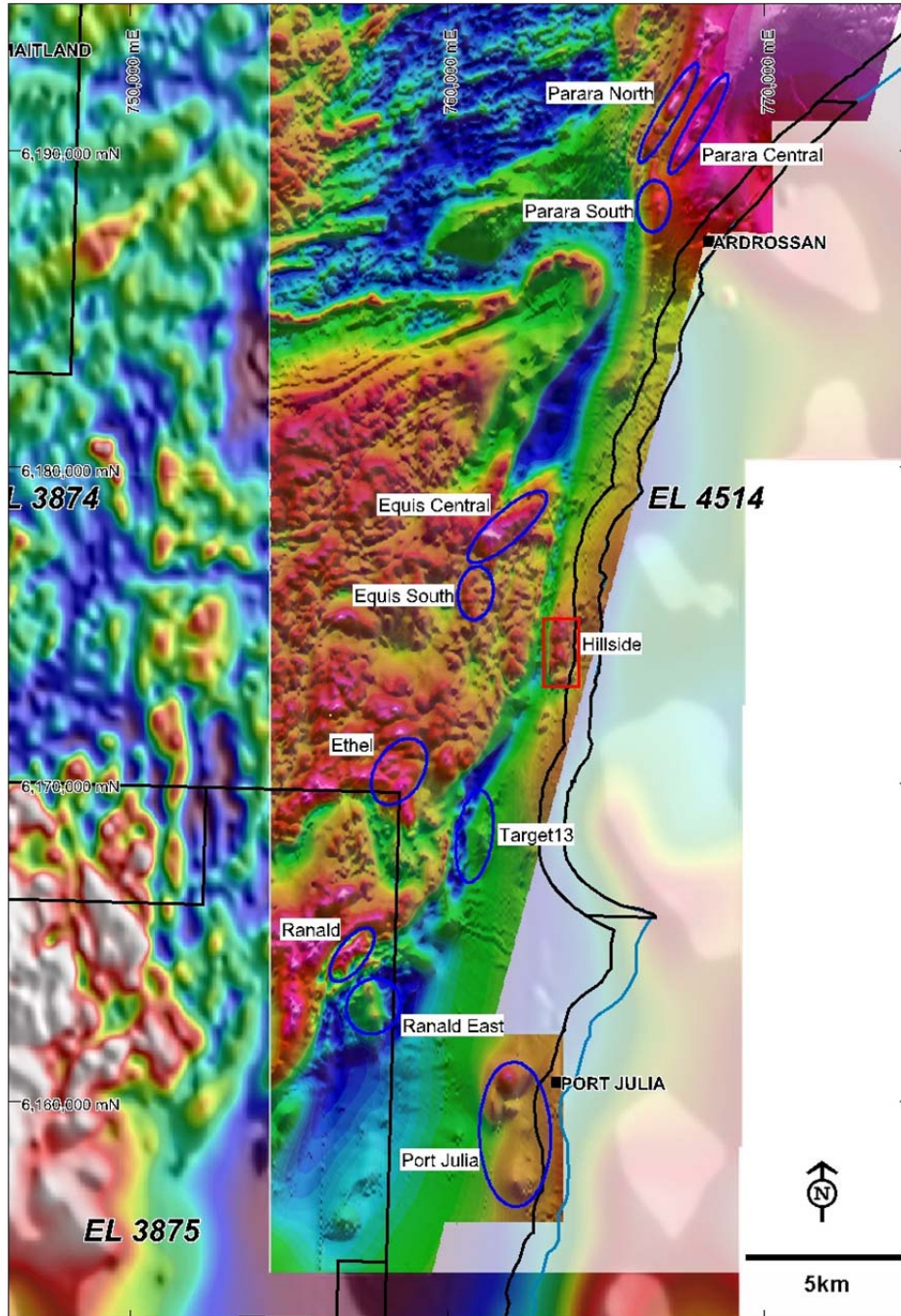


Figure 3: Magnetic image and significant regional exploration targets defined by Rex on the Yorke Peninsula, SA.

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### **For Comment and Further Details**

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### **Competent Persons Report**

*The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Patrick Say who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Rex Minerals Ltd. Mr Say 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 Say consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*