

**ASX and Media Release: 30 September 2013**

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## **Hillside Copper Project - Financing Update**

- **Hillside project development partner discussions advancing well.**
- **Potential funding partners expand with receipt of non-binding indicative offers for remaining funding.**
- **Rex and NFC continue to refine the fixed price engineering and procurement construction (EPC) contract to include recent improvements to plant design**
- **Project development– targeting financing late 2013, development 2014.**

**Rex Minerals Ltd (“Rex”) continues to advance finance and partner discussions for its +110,000 tpa Cu Eq<sup>1</sup> Hillside Copper Project on South Australia’s Yorke Peninsula. Commercial negotiations with potential offtake partners have now advanced to the next step with submission of written non-binding indicative financing proposals being received.**

**In addition, Rex continues to work with China-based NFC to advance the fixed price EPC contract along with a loan facility of up to US\$550 million, for the purpose of providing debt funding for the development of the Hillside project.**

Managing Director Mr Mark Parry said a number of factors had combined to generated significant additional interest from potential funding partners; they included

- (i) The quality of the Hillside Reserve base with a 50% increase in Reserves announced in June.
- (ii) An enhanced Hillside mine plan and forecast project cash flows of approximately A\$250m pa<sup>2</sup>.
- (iii) Expected strengthening of A\$ copper price with a bias for a depreciating Australian dollar.
- (iv) Softening construction cost and contractor market place with a renewed focused on cost containment.
- (v) Growing recognition of shortage of global copper supply with lack of project developments.
- (vi) A positive and clear election result in Australia.

“Despite recent media commentary about the end of the resources boom and concerns about economic growth in China, Rex continues to receive genuine and welcome interest in the Hillside project and we will be reviewing a number of new non-binding indicative offers in the weeks and months ahead,” Mr Parry said.

“Project engineering and cost estimation work with NFC is continuing. Recent metallurgical test work provides further opportunity to increase the copper concentrate grades and these are being incorporated into project design. This will extend the work associated with the fixed price EPC contract, but the end result of this work is expected to deliver substantial improvements to the projects economics.

“We are now very close to finalising our final plant design and other capital requirements for Hillside. In parallel we continue to advance our finance discussions and this should see both elements – EPC contract and finance discussions - completed towards the end of the calendar year.

“Securing the best funding options linking the right project partners is a critical decision for Rex and will be taken with due care. Our aim is to ensure the process remains a competitive one and not rushed for the sake of expediency – and when we announce the EPC and finance package for Hillside later this year we believe this will be the best outcome for Rex shareholders.”

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

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#### <sup>1</sup> Notes on Copper Equivalent (CuEq)

- Copper price used = 3.00 US\$/lb
- Gold price used = 1250 US\$/ounce
- Iron ore price used = 100 US\$/tonne:
  - US\$100 equates to the industry benchmark at 62% iron
  - Plus US\$25 premium for a concentrate grade of 67% at Hillside
- Testing has confirmed conventional processing options.
- Total Cu grade is used in the CuEq calculation
- Gold recoveries estimated at 84%
- Iron ore recoveries estimated at 43%
- Iron ore concentrate grade = 67%
- It is the Company’s opinion that all elements included in the metal equivalents calculation have a reasonable potential to be recovered.
- Formula for calculating copper equivalent = 1 + 2 + 3
  1. Copper Grade = Cu
  2. Copper Equivalent grade for Au =  $(Au/10000) * ((1250/0.06857142)/3.00) * 84\%$
  3. Copper Equivalent grade for Iron Ore =  $((Fe * 43\%) / 67\%) * ((125/2204.623) / 3.00)$   
 \*0.06857142 = conversion from oz’s to lb’s  
 \*2204.623 = conversion from tonnes to lb’s

#### <sup>2</sup> Notes on forward looking statements

This announcement contains “forward-looking statements”. All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.