

From the Managing Director



Steve Olsen showing some of the drill core from Hillside.

Our first REXPRESS newsletter was well received. Thank you for the feedback on our first edition. Many of the questions asked by members of the community are included in this edition. We value your input and it helps us provide relevant information to you.

As mentioned in our last newsletter, there are a number of planning stages to be completed and approvals needed before any mine can commence operations. We are now beginning our pre-feasibility study which will be a major focus for the next 12 months and is detailed in a separate story in REXPRESS.

In addition to the pre-feasibility study, Rex will continue its regional exploration program with the aim of discovering small areas that have sufficient copper to be realistically mined. It is a bit like looking for a small copper wire in a haystack. At Hillside we found the copper wire, and our continued drilling is giving us good information of the amount of copper and where it is located.

If you are interested in finding out more about Rex, our most recent project updates and 2011 Annual Report are available on our website: www.rexminerals.com.au

Thank you.



Steve Olsen, Managing Director.

Exploration Update

The Hillside Project

Rex has had six or seven drilling rigs operating at the Hillside project near Pine Point for most of the year. The past quarter has provided high grade drilling results from both infill and extension drilling.

This recent exploration success at Hillside has indicated project returns could be enhanced by moving from a two-stage development mine plan as previously outlined in the conceptual study, to a single stage larger mine plan with a copper equivalent production rate of 100,000 tonnes per annum and an increased mine life of 10 years or more.

To find out more about The Hillside Project follow this link: www.rexminerals.com.au/projects



Intensive infill and extension drilling at Hillside.

Regional Exploration Program

Regional exploration has recently identified multiple large scale targets in close proximity to Hillside. Diamond drilling north-west of Hillside at a target referred to as Equis has shown mineralisation that supports the gravity and magnetic anomalies previously identified. A recent aerial helimag survey increased the magnetic data and will assist in narrowing down the regional targets. This type of survey enables important geological data to be gathered without the need to go on to farm land.

For more on our Regional Exploration Program follow this link: www.rexminerals.com.au/projects



An example of drill core from Equis showing copper sulphide mineralisation.



EDITION 02
SUMMER 2011/12

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REXPRESS

COMMUNITY NEWS

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Pre-feasibility Study

Rex has now commenced its 'Pre-feasibility Study' commonly referred to as a PFS. This study is expected to be completed late in 2012 and will be undertaken by a team of experts across a range of technical disciplines including environmental, metallurgy, engineering, geology and hydrogeology.

This study provides a real indication of the feasibility of the project and identifies development options and areas where more information is required. It includes information on the proposed size and area required, where infrastructure can be located, how things like water and power can be supplied for a mining operation, how the environmental can be managed and protected and options for mine rehabilitation. A lot of information will be collected and analysed.

Some of the key components of the PFS are described below.

- > **Community consultation** is being increased through the establishment a community consultative group. This will ensure the community has knowledge of and input to the PFS and mine planning process. Fifteen community members have expressed an interest in being part of this initial group. This initial group will determine the structure and role of the consultative group and ensure it is representative of community interests at a meeting scheduled in December. Other avenues for community engagement will also be available throughout the PFS.
- > **Gathering environmental baseline data** is integral to any project. It ensures there is high quality information on a wide range of environmental parameters before any development can occur. This data also helps the regulators to set limits and other controls on planned mining activities. Independent consultants are employed to collect and interpret much of this information.

Surveys of the plant and animal species and their distribution on land and in the marine environment are currently underway. Normal or background information on dust and noise levels, water quality and supply assessments, traffic counts and other environmental parameter is being collected over the next few months.



An example of a static dust station for collecting base line dust levels – 14 dust stations have been set up within a radius of 6km of the Hillside project area.

- > **Developing a mine plan** involves technical studies to determine what type of mine (open cut/underground) is possible, how the metals will be extracted, how much water, power, labour will be needed and how they will be supplied, what the mine is likely to look like during operation and once rehabilitated, how much land will be affected and the economics of the project.

There is a significant amount of information needed to ensure that a copper mine at Hillside is feasible and that it can meet community, environmental, regulatory and economic requirements and expectations. Undertaking the PFS heralds a busy year ahead for Rex, the community and other stakeholders to ensure the best outcomes are achieved.

Community Support Program

■ Employment Awards and Dinner

Rex was a proud sponsor of the 2011 Yorke Celebration of Employment Awards. Regional Development Australia Yorke and Mid North, in conjunction with the District Council of the Copper Coast, District Council of Yorke Peninsula, District Council of Barunga West and Wakefield Regional Council, hosted the event which highlighted the importance of employment and training to the region, and celebrated the achievements of Trainees and Apprentices and Employers. Next year's event will be held in Ardrossan in October.



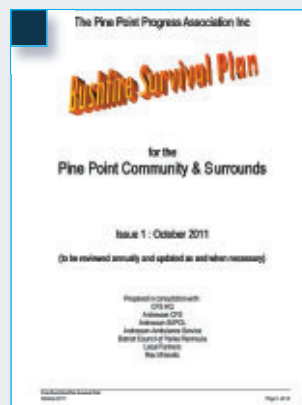
Setting up for the 'Celebration of Employment Awards 2011'.

■ Update on 2011 Programs

Rex initiated its community support program in 2011 to assist community projects. One initiative is the Pine Point Progress Association Bushfire Survival Kits, and Plan, which have been distributed to residents.

Emergency lighting at the Pine Point Hall is also underway.

Rex is proud to sponsor such a project and congratulates the Pine Point Progress Association on their achievement in making Pine Point a safer place.



Pine Point Bushfire Survival Plan.

Community Support Program (Cont.)

Update on 2011 Programs (Cont.)

Rex's support for improving water supply for a number of Ardrossan sporting facilities has meant that money has now been put aside to ensure these upgrades are possible. Rex is also supporting a number of sporting clubs through participating as team members and using their facilities for various activities. A community dinner hosted by Rex at the Ardrossan Bowling Club supported fundraising for the Community Club and Bowling Club.

Rex is also a platinum sponsor of the Ardrossan Community Hospital and our drilling contractor Titeline Drilling is a gold sponsor.



Steve Olsen presenting at a community dinner held at the Ardrossan Bowling Club.

Rex's community support program for 2012 will be open for applications in late January 2012. The application form will be available at the following web address: www.rexminerals.com.au/community-engagement/

Working for Rex

Rex has recently engaged an employment agency to assist in managing our workforce and to keep a record of those who may be interested in work opportunities with Rex. If you are interested you can register your interest at the following website: www.peopleatwork.com.au



Field staff and geologists working for Rex at the Hillside site.

Current employment opportunities are limited while we continue our exploration activities. Future opportunities will largely depend on the development stage of the project, which may be a number of years away.

As part of our workforce planning for future development we are interested in understanding the skills and numbers of people who are interested in working in Mining and related activities on the Yorke Peninsula.

An important study is underway to understand workforce capacity and training needs. Regional Development Australia Yorke and Mid North are working with Rex to gather this information. For information about the survey or to participate in the survey, go online to www.yorkeandmidnorth.com.au and click on the link to the **Yorke and Mid North Skills Survey**.

A recent study on the Eyre Peninsula identified there is likely to be significant demand for labour as a result of mining activity in South Australia. Information about this study can be found at: www.resa.org.au

Staff Profile

Moving to the Peninsula

Lachlan Cole – Senior Geologist

"I started working for Rex in 2010, but remained living in Adelaide. Having a job on the Yorke Peninsula was great (especially the fishing after work), but following the birth of my son we decided to base ourselves fully on the Peninsula so I could spend more time with my young family. I really enjoy being part of the community here, and a highlight is playing for the Ardrossan footy team."



Lachlan Cole discussing football with Scott Bockmann.

Business Opportunities

On November 22nd Rex introduced its new contractor management system to more than 15 local contractors currently providing services to Rex.

Our commitment to using local contractors means that we need to support many of the smaller businesses to meet the OH&S, environmental and other management systems that will be required when contracting to Rex.

The approach we have adopted is to enable the small contractors to develop and grow with Rex. This will provide opportunities for those contractors who want to expand their businesses and tender for contracts with Rex and other developments on the Yorke Peninsula.

Rex is working with individual contractors to assist them and will work closely with Regional Development Australia (RDAYMN) to bring additional support to regional businesses.

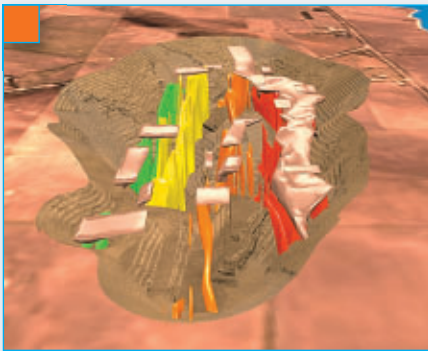
www.yorkeandmidnorth.com.au will link you to the services RDAYMN can provide.

Frequently Asked Questions

We are asked many and varied questions in our discussions with the community. Some of these are answered here. Further information is available on our website.

What will the mine look like?

As part of the conceptual study we have developed a model of what an open pit may look like. This model shows an open pit approximately 2km long and 800m wide. The OneSteel dolomite pit near Adrossan is about 1 km long. During the pre-feasibility study we are gathering more information to determine the optimal shape and size of the open pit and if there will also be an underground mine.



The Conceptual Study model of the Hillside mine showing the various ore bodies and structures.

The mine design will include visual buffers to be constructed with similar profiles to surrounding landscapes.

These buffers will be vegetated and also be noise and dust barriers.



An example of a vegetated earth buffer screening an open cut mine.

Image courtesy L. Whetter.

Can the community have a say?

Rex always welcomes community input and we have provided a number of ways that community members 'can have a say'. As mentioned earlier, the community and Rex are in the process of establishing a community consultative group which will be a more formal way for the community to have input into the PFS and mine planning process. More details about this process will be provided early in 2012. We also have an email contact for community members to use:

community@rexminerals.com.au and regular information sessions and community site visits are planned for 2012.

How much water will be needed and where will it come from?

Rex plans to use a combination of fresh water and underground/salt water for its operation. The PFS will provide a greater degree of certainty regarding water needs. Hydrogeological drilling along the Pine Point fault zone is planned to commence in December to provide a better understanding of groundwater quality and quantity.

Designing the project to use groundwater for the majority the processing water reduces the demand for fresh water. SA Water supplies fresh water and their long term water plan for Yorke Peninsula provides for continuity of supply to existing customers and their growth projections. Water that may be allocated to mining is dependent on infrastructure capacity and legislative requirements. SA Water has proposed cost recovery mechanisms for new infrastructure requirements.

Rex is working closely with SA Water on supply options.

A copy of the SA Water long term water plan can be found on the following link: www.sawater.com.au/SAWater/WhatsNew/MajorProjects/Yorke+Peninsula+Long+Term+Plan.htm

How close will mining activity be to the coast?

The Hillside copper Resource is located within the Pine Point fault zone. Its eastern edge is approximately 1 km from the coast. We believe there will be sufficient land between the coast and the mine to establish a significant buffer zone that could be planted with vegetation.

Mine infrastructure and overburden will be positioned further inland to minimise any impact on the coastal environment. The PFS, which includes community consultation, will provide more information about coastal management.

Can we come and see what Rex is doing at Hillside?

We are developing facilities at the Hillside exploration site for site visits and we have recently hosted community members and other stakeholders. Regular site visit opportunities are being planned for 2012. We will advertise these locally and we welcome interested community groups to contact us to arrange a visit.



Rex information stand at the Paskeville field days – Landholder Liaison officer David McCarthy ready to answer questions about Rex exploration activities on the Yorke Peninsula.

If you would like to find out more about any of the items in this newsletter, provide feedback or have some questions you would like answered please contact us via email at community@rexminerals.com.au

This and past newsletters, and further information is available on our website at: www.rexminerals.com.au/community-engagement/

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