

ASX and Media Release: 04 October 2012
ASX code: RXM

Rex secures water supply for Hillside

Rex Minerals Ltd (Rex) has reached an agreement with SA Water for the development of water infrastructure to meet the needs of both the Company's Hillside project on the Yorke Peninsula, South Australia and provide for additional water capacity for regional development.

In July 2012 Wakefield Regional Council, through Regional Development Australia Yorke and Mid North, secured Regional Development Australia Funding toward the cost of SA Water constructing a mains water pipeline from Upper Wakefield near Auburn to Port Wakefield to support growth in the poultry farming sector.

Under the agreement between Rex and SA Water, the new pipeline's capacity will be increased by SA Water to assist with supplying the Hillside project. Construction of this pipeline is subject to the project receiving the necessary State Government approvals.

Rex will contribute up to A\$4.4M towards the construction of the pipeline in early 2013 and A\$4.4M in 2014. The pipeline's capacity will be increased to deliver an additional 2 gigalitres per annum as a result of the agreement with SA Water. This will secure the potable water capacity required for the anticipated start-up of production at Hillside.

When complete, the project will also enable an additional 500 kilolitres per day to be delivered into the existing water supply network for other businesses and the community on the Yorke Peninsula.

This agreement delivers the first phase in the water supply infrastructure needs of Rex. The second phase will see the extension of a pipeline from Port Wakefield to the township of Ardrossan and the Hillside project in readiness for the project's expected commissioning in 2015. This fresh water will be used to rinse both the copper/gold and magnetite concentrates produced and provide potable water for the Hillside workforce. Saline water will be used in the pre-concentrate milling process.

The new water supply will serve as a significant long term benefit well beyond the requirements of the Hillside project for the community on the Yorke Peninsula.

Managing Director Mr Steven Olsen said "Securing water supply is just one example of the benefits from being close to existing infrastructure. It is also a great example of the regional benefits that can be achieved by linking the needs of multiple industries together to create a combined benefit for the Yorke Peninsula and mid north region of South Australia. It is the combined requirements of Hillside and the other regional industries which are helping to justify the development of this new pipeline."

For more information on Rex, the Yorke Peninsula Development and SA Water:

Regional Redevelopment Australia Yorke & Mid North - www.yorkeandmidnorth.com.au

Rex Minerals - www.rexminerals.com.au

SA Water - www.sawater.com.au

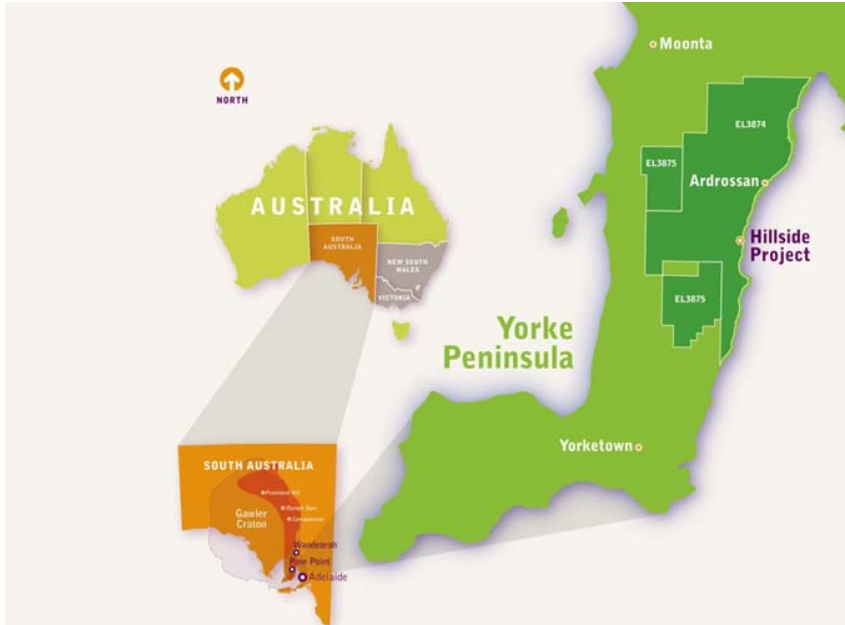
For further comment and clarification contact:

Steven Olsen (Managing Director) or
Pam McRae-Williams (Community Manager)
Phone: 03-5337-4000
E-mail: info@rexminerals.com.au

Media enquiries to:

Simon Jemison C/. Collins Street Media
Phone: 0408-004-848 or 03-9224-5319
Email: simon@collinsstreetmedia.com.au

About Rex Minerals and the Hillside project:



Rex Minerals is an exploration company focused on the development of its 100% owned flagship project at Hillside. The Hillside project is situated 12km south of the township of Ardrossan on the Yorke Peninsula, South Australia. The Hillside deposit is a recent discovery hidden by a rock sequence which is approximately 20m thick, covering the copper, gold, and iron ore mineralisation beneath.

The Hillside project is one of many potential large-scale copper-gold projects on the Yorke Peninsula within Rex's 100% owned exploration licences on the Yorke Peninsula. The copper-gold targets in the area are typically defined using detailed gravity and magnetic surveys.

The Hillside project and the other copper targets on the Yorke Peninsula have a number of key advantages compared to many other new copper development opportunities around the world. These include:

- ✓ **Infrastructure** - The Hillside project is connected by a major highway (within a 2 hour drive) to the city of Adelaide (population 1.2 million).
- ✓ **People and Equipment** - The Hillside project has the potential to draw most of the required skilled labour and equipment from Adelaide and the surrounding country towns close to the project.
- ✓ **Power** - The area is connected to the State's main power grid.
- ✓ **Port and Town** - The Hillside project is 12 kms from the Port and Town of Ardrossan. Ardrossan is a community familiar with mining given that an open cut dolomite mine is nearby and this mine ships its product through the Port.
- ✓ **Freehold Land** - Rex has purchased freehold land which covers in excess of 70% of the known and potential copper mineralisation at the Hillside.

Rex's vision is to establish a new large-scale and long life copper mine in South Australia. The combined attributes of a large Resource base and key logistical advantages position Hillside in a unique and financially attractive position compared with other new copper developments across the globe.