

ASX and Media Release: 28 June 2013 ASX code: RXM

50% increase in Ore Reserves confirms Hillside as Australia's largest open pit copper project to underpin first 12 years' production and finance

- Open pit plan of 12 years de-risks project and supports a broader range of financing options
- Total Mineral Resource: 337Mt @ 0.9% CuEq* and Total Ore Reserve: 180Mt @ 0.8% CuEq*
- Proved Ore Reserve of 4+ years
- Hillside Feasibility Study and project funding expected for 2H 2013 with construction 1H 2014
- Potential to extend Life of Mine Plan beyond 15 years
- Mineral Resource audit completed to a feasibility level by AMC Consultants Pty Ltd

The sixth Mineral Resource upgrade in three years has reconfirmed Rex Mineral Ltd's ("Rex") Hillside copper project on the Yorke Peninsula, South Australia as Australia's largest open pit copper project. The first 12 years of production are now covered as Ore Reserves providing further confidence in the detailed mine plan and further support for the completion of project finance negotiations.

A 50% increase in the Ore Reserve to 180Mt @ 0.52% Cu, 0.13g/t Au and 14.4% Fe (180Mt @ 0.8% CuEq*) has reaffirmed Rex's 100% owned Hillside copper project as Australia's largest open pit copper Ore Reserve. Additionally, Rex has completed a Mineral Resource update with a maiden Measured Mineral Resource.

Of the 2Mt of contained copper classified as a Mineral Resource, approximately 64% has been classified as Measured and Indicated Resources, and 72% of this has been converted to Proved and Probable Ore Reserves.

The Ore Reserve is the basis for the first 12 years of an open pit mine plan and central to Rex's financial modelling for the A\$800M-A\$850M Hillside development and its >100,000tpa CuEq* production profile.

Rex's Managing Director, Mr Mark Parry, said today "Rex started Resource drilling at Hillside in 2010 and in just 3 years, has delivered one of the best long-life open pit copper discoveries in Australia since Ernest Henry. A Resource of this scale and a Reserve of this quality so close to existing infrastructure provides significant financial flexibility as we look to finalise project funding in the months ahead. We are continuing discussions with copper concentrate, iron ore buyers and potential joint venture partners which can provide significant financial support to Hillside. With relatively low capital intensity, low operating costs, and the simplicity of open pit mining in a first world location, we are confident Hillside has all the right attributes for successful financing and development."

For Comment and Further Details

For more information about Rex Minerals and its projects please visit our website <u>www.rexminerals.com.au</u> or contact:

Mark Parry (Managing Director) or Steven Olsen (Executive Director) Phone: 03-5337-4000 Email: info@rexminerals.com.au Media enquiries to: Simon Jemison C/. Collins Street Media Phone: 0408-004-848 or 03-9224-5319 Email: <u>simon@collinsstreetmedia.com.au</u>

* refer to the Assessment and Reporting Criteria table for the commodity prices and recoveries used to estimate the CuEq grade. ** refer to the Assessment and Reporting Criteria table for the formula used to estimate the amount of available iron ore in the Mineral Resource.





The Ore Reserve, reported in accordance with the 2012 JORC Code, released today stands at 180Mt @ 0.52% copper, 0.13g/t gold and 14.4% iron for contained metal of 936,000 tonnes of copper, 752,300 ounces of gold and 25,700,000 tonnes of iron ore. This equates to a copper equivalent (CuEq)* grade of 0.8%. The Mineral Resource estimate, reported in accordance with the 2012 JORC Code, released today consists of 337Mt @ 0.6% copper, 0.14g/t gold and 15.7% iron, for a copper equivalent (CuEq)* grade of 0.9%. This equates to a total of 2Mt of copper, 1.5Mozs of gold and 54Mt of iron ore**.

Category	Tonnes (Mt)	Copper (%)	Gold (g/t)	lron (%)	Contained Copper (t)	Contained Gold (oz)	Contained Iron ore (t)
Proved	65	0.47	0.15	15.4	304,560	312,505	10,180,342
Probable	115	0.55	0.12	13.9	632,500	443,680	15,637,388
Total	180	0.52	0.13	14.4	936,000	752,327	25,743,517

Table 1: Hillside Ore Reserve – June 2013

This marks the second Ore Reserve update in 2013 for Rex, and importantly, this new Ore Reserve for the first time includes a Proved Ore Reserve. A Proved Ore Reserve represents the highest confidence category of Reserve estimates and implies a high degree of confidence in geological and grade continuity and the modifying factors. At Hillside, the Proved Ore Reserve of 65Mt represents the economically mineable part of the Measured Mineral Resource.

The Measured Mineral Resource of 73Mt at Hillside represents the culmination of a significant infill drilling program which has shown that the tonnage and grade of the mineralisation in this area can be estimated to within + or - 10%. This result highlights the quality of the geological interpretation and modelling at Hillside and places Rex in a strong position as we progress towards becoming a copper developer and producer.

	Resource	Tonnes	Copper	Gold	Iron	Contained	Contained	Contained
Zone	Category	(Mt)	(%)	(g/t)	(%)	Copper (t)	Gold (oz)	Iron ore (t)
	Measured	16	0.55	0.23	16.69	88,000	118,315	2,804,369
Oxide Copper	Indicated	4	0.49	0.13	14.30	19,600	16,718	566,444
Соррсі	Inferred	0.2	0.6	0.2	14.6	1,200	1,286	29,167
Secondary Sulphide	Measured	9	0.60	0.20	18.13	54,000	57,871	1,759,993
	Indicated	3	0.58	0.13	14.90	17,400	12,539	450,185
	Inferred	0.1	0.6	0.1	7.9	600	322	5,147
Primary Sulphide	Measured	48	0.53	0.17	16.95	254,400	262,350	8,588,882
	Indicated	144	0.60	0.13	15.25	864,000	601,862	22,318,757
	Inferred	113	0.6	0.1	15.6	678,000	363,303	18,071,067
Total		337	0.6	0.14	15.7	2,022,000	1,516,872	54,368,007

Table 2: Hillside Measured, Indicated and Inferred Mineral Resource Summary Table – June 2013

Copper Resources reported above 0.2% cut-off grade.

Measured and Indicated Resources are rounded to two significant figures and Inferred Resources are rounded to one significant figure.



Hillside Ore Reserve Statement - June 2013

The Hillside Ore Reserve now stands at 180Mt @ 0.52% copper, 0.13 g/t gold and 14.4% iron, equating to approximately 0.94Mt (2.07 billion pounds) of copper, 0.75 Moz of gold and 25.7 Mt of iron ore.

The Ore Reserve estimate was created using discounted cash flow (DCF) methodology within the Whittle Open Pit Optimisation package. Metallurgical recoveries of 88% for copper, 84% for gold and 43% for iron ore were used. Key input parameters including commodity prices and exchange rate for this estimate are shown in Table 3 below. All Ore Reserve tonnes exist within an open pit design that has been fully scheduled and costed in-line with work completed as part of the Hillside feasibility study. Detailed information with regards to JORC compliance for the Ore Reserve report is in Appendix 3.

Table 3: Commodity Price and Exchange Rate Assumptions for Hillside Ore Reserve Estimate – June 2013

Commodity	Base Case
Copper (US\$ real)	US\$2.8/lb
Gold (US\$ real)	US\$1,200/oz
Iron Ore (62%Fe) (US\$ real)	US\$100/t
Iron ore premium (US\$ real)	US\$25/t
Exchange Rate (AUD:USD)	0.85

Hillside Ore Reserve in Comparison with other Australian Copper Open Pit Ore Reserves



Graph 1: Hillside Ore Reserve in comparison with other Australian Copper Reserves based on publically available information as at 19 June 2013.

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Hillside Mineral Resource Statement - June 2013

At a copper cut-off of 0.2%, the total Mineral Resource at Hillside now stands at 337Mt @ 0.6% copper, 0.14 g/t gold and 15.7% iron, equating to approximately 2.0 Mt (4.4 billion pounds) of copper, 1.5 Moz of gold and 54 Mt of iron ore. The updated Mineral Resource – the sixth in 3 years - includes all drilling results received up to 6 June 2013 inclusive of 598 diamond holes and 245 RC holes for a total of 234,000m.

Since the announcement of the previous Hillside Mineral Resource (330Mt @ 0.6% copper, 0.15 g/t gold and 14.1% iron, reported on 6 February 2013) additions to the Mineral Resource have been on the back of two drilling programs. The first program was designed on a 50m x 50m drill hole spacing to delineate the extent of a proposed 12 year open pit design. This program consistently validated the Rex interpretation and resulted in a significant amount of Inferred material being upgraded to the Indicated category.

The second drilling campaign was designed as an infill drilling program within the proposed first year of production from the Dart and Songvaar starter open pits. This program was drilled on nominal 25m x 25m spacings and was designed to assess the difference in the modelled grade between 50m spaced data and the finer spaced 25m infill data. This drilling campaign showed that;

- The maximum variability for Cu grade within the Dart and Songvaar infill drilling areas was -9.2% and -5.3% respectively;
- The maximum variability for tonnes within the Dart and Songvaar infill drilling areas was +0.3% and -1.8% respectively;

Rex considers this variability to be relatively minor, and hence, believes classifying these areas as Measured within the Mineral Resource Estimate for the feasibility study is appropriate. Additionally, given the demonstrated robustness of the Mineral Resource estimates in these areas, Rex considers that in areas of similar geology (low geological complexity with consistent strike and vertical continuity of grade), additional infill drilling is not required for a "Measured" classification. As such, Rex has extended the Measured classification to a limited number of these areas that possess coarser (50m x 50m) spaced drill holes, and similar geology. Figure 1 shows a long section of the classification of the Hillside Mineral Resource. Detailed information with regards to JORC compliance for the Mineral Resource report is in Appendix 2.

Technical Audit of Hillside Mineral Resource by AMC Consultants Pty Ltd ("AMC")

A technical audit of the Hillside Mineral Resource and its suitability for use in a feasibility study was completed by Peter Stoker of AMC. Mr Stoker is the current Chairman of JORC and has over 40 years' experience in mine geology, mineral resource and ore reserve estimation, feasibility studies, project evaluation and mineral exploration. The audit was conducted during a site visit (27 and 28 May 2013) and a modelling review in Rex's head office (29 and 30 May 2013) and subsequent reviews offsite. The audit was based on previous progressive reviews of the data collection and the estimation process and included the following areas:

- Input data including drilling, survey, assay, geology, sample recovery, bulk density and quality assurance/quality control (QA/QC) data.
- Geological/domain interpretation and modelling.
- Statistical and variogram analysis.
- Mineral Resource estimation methodology, including estimation parameters.



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- Review by AMC of the model against the input data and domain and geological wireframes.
- Mineral Resource classification.
- Review of the results of internal comparative models and reports of internal reviews or audits of the current and previous Mineral Resource estimates.
- The completed Mineral Resource reported on 6th February 2013, with additional material to support the changes in data, estimation processes and outcomes for the June 2013 Mineral Resource estimate.

The audit by AMC noted that there were no matters that were serious or were likely to impair the validity of the June 2013 Mineral Resource estimate, and as such, the Mineral Resource estimate was deemed suitable for use as an input to a feasibility study. (See Appendix 1 – Statement from AMC Consultants Pty Ltd).



Figure 1: Schematic long section showing the location of the Measured, Indicated and Inferred Resources. View looking to the west.



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Figure 2: Hillside 12 Year Ore Reserve Pit Design with PFS interim pit shells and June 13 block model showing copper grades > 0.2%.





Conversion of Mineral Resources to Ore Reserves and Future Growth

The Hillside project is one of Australia's largest copper discoveries in the past decade. The Mineral Resource remains open at depth and towards the north and south.

With an Ore Reserve of 180Mt, Rex has converted a little over 53% of the existing Mineral Resource to an Ore Reserve. At a processing capacity of 15Mt per annum, this now gives Hillside a 12 year production profile. Further conversion of Inferred Resources to Indicated Resources is likely to continue over the next 12 - 24 months as Rex continues to grow and expand on the existing resource base. Graph 2 below shows the growth of the Hillside Mineral Resource between July 2010 and June 2013.

A comparative analysis of the Hillside deposit to other Australian copper projects in the exploration or development phase, highlights Hillside as being the largest undeveloped open pit copper project in Australia excluding the enormous Olympic Dam deposit in South Australia. (see Graph 3). Furthermore, Hillside's Resource size, quality and logistical advantages provide an enviable strategic advantage compared with many other copper projects world-wide.

In terms of the average grade of the Hillside deposit, it is also significant to note that Hillside ranks in the top quartile of undeveloped open pit copper project across the globe (see Graph 4).



Graph 2: Hillside Resource growth in copper metal (Mt)







Graph 3: Hillside Mineral Resource in comparison with other Australian Copper Resources (excluding Olympic Dam). *Data based on publicly available information as at 19th June 2013. (Remaining resources quoted for Nifty, Degrussa and Ernest Henry).



Graph 4: Grade distribution of undeveloped (defined as projects in the exploration and feasibility stage that contain more than 500kt of copper) open pit copper projects world-wide, highlighting the position of the copper grade within the

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Hillside Mineral Resource compared to other project grades. This copper grade exists within the top quartile of new open pit copper projects around the world. The X axis of the graph represents the cumulative tonnage of each copper project, with the thickness of each bar reflecting the total tonnage of copper in each project. *Source: MinEx consulting, July 2012.

Competent Persons' Report – Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled by Mr Colin McVie and Mr Ben Brown who are Members of the Australasian Institute of Mining and Metallurgy and are full time employees of Mining Plus Pty Ltd. Mr McVie and Mr Brown have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McVie and Mr Brown consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Persons' Report-Mineral Resources

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 2012 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.



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Appendix 1 – Statement from AMC Consultants Pty Ltd

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26 June 2013

Mr Patrick Say Chief Geologist **Rex Minerals Limited** PO Box 626W BALLARAT WEST VIC 3350

By email: psay@rexminerals.com.au

Technical Audit - Hillside Mineral Resource Estimate June 2013

AMC Reference Number: 310012

Dear Patrick,

Rex Minerals Limited (Rex) engaged AMC Consultants Pty Ltd (AMC) to undertake a technical audit1 of the Mineral Resource estimation for Rex's Hillside copper project on the Yorke Peninsula in South Australia. In addition, AMC was requested to review the suitability of the mineral resource for use in a feasibility study. This audit builds on AMC's progressive technical reviews of earlier Mineral Resource estimates.

As a result, a technical audit of the Hillside Mineral Resource and its suitability for use in a feasibility study was completed by AMC Principal Geologist, Peter Stoker. The audit was conducted during a site visit (27 and 28 May 2013), a modelling review in Rex's head office (29 and 30 May), and subsequent reviews off-site. The audit has built on previous progressive reviews of the data collection and estimation process and included the following areas:

- Input data including drilling, survey, assay, geology, sample recovery, bulk density and quality assurance/quality control (QA/QC) data.
- Geological/domain interpretation and modelling.
- Statistical and variogram analysis.

A review of technical data, procedures, parameters, and results designed to establish, in detail, the level of quality of technical work and to identify, review, quantify and, if appropriate, provide detailed recommendations with respect to project risks of a technical nature.

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REX MINERALS LIMITED Technical Audit – Hillside Mineral Resource Estimate June 2013

- Mineral Resource estimation methodology, including estimation parameters.
- Comparison of the model against the input data, and domain and geological wireframes.
- Mineral Resource classification.
- Review of the results of internal comparative models and reports of internal reviews or audits of the current and previous Mineral Resource estimates.
- The documentation for Mineral Resource reported on 6 February 2013, with additional material to support the changes in data, estimation processes and outcomes for the June 2013 Mineral Resource estimate.

AMC is of the opinion that the protocols and processes covering the whole range of drilling and data gathering for the Hillside deposit are in excess of normal industry standards. This, together with the quality assurance measures in place for all the data collection processes, ensures that the input data for the estimation of Mineral Resources at Hillside is of acceptable quality.

AMC notes that for the first time Rex has classified some of the Mineral Resource in the Measured category. This is on the basis of additional close-spaced drilling on nominal 25 m by 25 m centres and comparison of the effect of this drilling with the previous Indicated Mineral Resource. Given the close agreement in the outcome of the interpretation of the location and continuity of the geology, mineralisation and grade, Rex concluded that in areas of less complex geology, there was sufficient confidence in the estimates to also classify some of this material in the Measured category. On review of the model and the comparative studies, AMC concurs with this view.

As a result of the technical audit, AMC concludes that there are no matters that are serious or are likely to impair the validity of the June 2013 Mineral Resource estimate. And consequently, AMC is of the opinion that this estimate is suitable for use as an input to a feasibility study.

Yours sincerely

Peter Stoker Principal Geologist

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REX MINERALS LIMITED Technical Audit – Hillside Mineral Resource Estimate June 2013

Auditor's Qualification - Peter Stoker

Peter is a Principal Geologist with AMC Consultants Pty Ltd, with over 40 years experience in mine geology, Mineral Resource and Ore Reserve estimation, feasibility studies, project evaluation, mineral exploration and public reporting of information under the JORC Code. Commodity experience includes base metals (copper, lead-zinc-silver, nickel), gold, copper-gold (porphyry and iron oxide), bauxite and sedimentary uranium.

Peter is an Honorary Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and a Chartered Professional (Geology). He is the current Chairman of the Joint Ore Reserves Committee and was Secretary from late 1999 to 2005. He is also a JORC representative on the Committee for Mineral Reserves International Reporting Standards (CRIRSCO). He was a member of the Steering Committee and a contributor for Monograph 23 "Mineral Resources and Ore Reserves Estimation – The AusIMM Guide to Good Practice" and has authored or co-authored a number of papers on Mineral Resource and Ore Reserve estimation, classification, exploration research and practice.

Distribution list:

- 1 electronic copy to Mr Patrick Say, Rex Minerals Limited
- 1 electronic copy to AMC Consultants Pty Ltd, Brisbane Office



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Appendix 2 - Assessment and Reporting Criteria Table Mineral Resource – JORC 2012

The following table provides a summary of important criteria related to the assessment and reporting of the Hillside Mineral Resource.

Criteria	Status
	Section 1 - Sampling Techniques and Data
Sampling Techniques	 Diamond and RC drill holes were sampled and assayed on nominal 1m intervals. Of the 170,624m of assayed diamond core, 99.2% were sampled at 1m intervals with 0.8% samples at intervals other than 1m. Of the 31,509m of assayed RC drilling, 99.9% were sampled at 1m intervals. The majority of assays for Hillside were conducted by Australian Laboratory Services (ALS) with the preparation laboratory in Adelaide and analytical laboratory in Perth. Some sample analysis from 2007 to early 2009 was conducted by Australian Mineral Development Laboratories (AMDEL), comprising only 2% of all assays. Cu grades were determined by nitric/perchloric acid digest ICP Atomic Emission Spectrometry determination (ALS ME-ICP61 method). Au grades were determined by 30g fire assay at ALS Perth. Fe grades were determined by fused disk XRE (ME-XRE21n).
Drilling techniques	• Diamond (HQ3 and NQ2) standard and triple tube drilling and reverse circulation (RC) drilling was used for geological interpretation.
Drill sample recovery	 Core recovery was good with an average of 96.9% recovered throughout the deposit. To maximise sample recovery, 1.5m triple tube drilling was undertaken where possible. Control drilling was implemented on occasions where sample recovery had the potential to be compromised. There is no observed correlation between core recovery and copper, gold and iron assays at Hillside. Accordingly, there is no apparent bias in the assay grades for samples in drill run lengths less than 2m.
Logging	 Prior to December 2011, core was logged into an Excel spreadsheet logging system with drop down list pick fields. Post December 2011, core was logged into proprietary software developed by Rex with drop down list pick fields. Logging of geology (lithology and alteration), mineralisation, veining, structure and geotechnical parameters was undertaken as routine data collection at Hillside. Every metre (100%) of drilling at Hillside has been logged as per the logging criteria above. Core was photographed prior to being logged by the geologist. All core is stored at the Hillside core shed.
Sub-sampling techniques and sample preparation	 Diamond core is orientated along the bottom of hole and then half-core samples are taken using a diamond core saw. RC chips are sampled as 1/8th splits off the rotary cone splitter at the rig. Duplicate samples for both diamond and RC drilling are collected. Bulk density was measured using "Archimedes Principle".
Quality of assay data and laboratory tests	 The sample is dried to a core temperature of approximately 100°C. The total sample is jaw crushed followed by method PUL-21 where the entire sample is pulverised to better than 85% of the sample passing 75 µm.

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	 Cu grades were determined by nitric/perchloric acid digest ICP Atomic Emission Spectrometry determination (ALS ME-ICP61 method). Au grades were determined by 30g Fire Assay (at ALS Perth)
	 Fe grades were determined by fused disk XRE (ME-XRE21n)
	 Assay data quality was determined through submission of client (Rev) and laboratory.
	standards, blanks and duplicates which were inserted at a nominal rate of 1 each per 25
	 Acceptable levels of accuracy (lack of bias) have been established with the following results from the Hillside QAQC program: Maximum % bias for Cu field standards of +3.7% to -3.7%. Only 1.2% of coarse blanks had elevated Cu (>250ppm). Select re-assays of ¼ core have demonstrated minimal variability suggesting acceptable laboratory procedures.
	 Field and laboratory duplicates for Cu displayed acceptable levels of variability with absolute mean paired differences (AMPD) of between 80% and 95%.
	• A detailed QAQC report is contained as an Appendix within Rex's internal Mineral Resource report.
Verification of sampling and assaying	 Umpire laboratory checks (of which a number contain significant intercepts) were completed during 2011, 2012 and 2013 and no issues were identified that would prevent the classification of the Cu, Au and Fe Mineral Resources. A total of 31 pairs of twinned holes were drilled at Hillside and their results are detailed in Rex's internal Mineral Resource Estimate report.
Location of Data	All drill holes were surveyed and recorded in the Rey SOL database
points	 All drill-holes have magnetic down-hole surveys taken at approximate 24m intervals using a single shot down-hole survey instrument. An azimuth adjustment of +8 degrees was applied for the conversion to MGA Zone 53 (GDA 94) for all magnetic surveys. In addition to the magnetic down-hole surveys, 506 diamond holes (83% of drilled metres) and 178 RC holes (74% of drilled metres) were surveyed using a Reflex gyro or North Seeking Gyro.
	• Priorities are set within the database as to which survey is used in defining drill hole traces.
	• Down hole surveys were checked mathematically and visually for excessive deviation or unlikely hole traces. No obvious problems were identified.
	• All diamond and RC drill holes were surveyed and recorded in Rex's SQL database. 98% of drill hole collar coordinates were surveyed in MGA94_53 using a Differential Global Positioning System (DGPS). The remaining 2% were surveyed in MGA94_53 using hand held GPS. A surface digital terrain model created from a detailed gravity survey was used as an elevation reference for all drill holes and as verification for the elevation readings from the DGPS and GPS.

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Data ana sing and	
	• No exploration results were reported in this statement.
distribution	• Drilling has been completed on nominal east-west 50m – 100m sections, with some
	nominal east-west "infill" 25m spaced sections.
	• A total of 590 diamond holes and 219 RC holes directly intersected the main
	mineralisation envelopes. A total of 598 diamond holes and 245 RC holes were used
	within and around the Mineral Resource estimate volume.
	 Approximately 51% of the diamond drilling was angled at approximately 60° to 70° to the
	wort 26% of drilling was angled at approximately 60% to 70% to the east and 12% of
	west, 50% of drining was angled at approximately 00° to 70° to the east and 15% of
	drilling was angled at approximately 60° to 70° to the north or south or oblique to east
	west sections
	 Approximately 70% of the RC drilling was angled at approximately 60° to 70° to the west,
	25% of drilling was angled at approximately 60° to 70° to the east and 5% of drilling was
	angled at approximately 60 ^o to 70 ^o to the north or south or were vertical holes for water
	bore drilling.
	Drilling is predominantly concentrated between 6173100N and 6175700N and between
	60RL and -650RL.
	• 1m assay composites were used. A small number of composites were retained with a
	length of less than 1m
Orientation of	The majority of drilling has been completed on nominal east west sections which
data in relation	• The majority of unning has been completed on normal east-west sections which
	intersect the strike of the orebody.
	• Approximately 51% of the diamond drilling was angled at approximately 60° to 70° to the
structure	west, 36% of drilling was angled at approximately 60° to 70° to the east and 13% of
	drilling was angled at approximately 60° to 70° to the north or south or oblique to east
	west sections
	 Approximately 70% of the RC drilling was angled at approximately 60° to 70° to the west,
	25% of drilling was angled at approximately 60° to 70° to the east and 5% of drilling was
	angled at approximately 60° to 70° to the north or south or were vertical holes for water
	bore drilling.
	• A total of 60 holes have been drilled on north – south sections intersecting the strike of
	the Lenrena domain and to check for hias in the geological interpretation and orehody
	continuity
	• There is no expected bias due to the orientation of drilling and the continuity of the
	orchody along strike
	The drill hale intersection and is between CO and ZE despect through the E main
	• The drift hole intersection angle is between 60 and 75 degrees through the 5 main
	mineralised structures. (Dart, Zanoni, Parsee, Omero and Songvaar).
Sample Security	 Monitoring of sample dispatch is undertaken for samples sent from site and to confirm
	that samples have arrived in their entirety and intact at their destination.
	• A sample dispatch form (SDA) is created from the Rex SQL database for each drill hole
	dispatched. If the total number of samples in a dispatch is greater than 500, the lab will
	split the samples into two work orders.
	• Dispatch sheets are clearly completed and supplied to the lab either with the physical
	samples or via e-mail prior to the samples arriving.
	Inon receiving receipts the lab assigns a harcode to each sample and this ensures that
	each sample is tracked as it makes its way through sample prep and analytical
	each sample is dathed as it makes its way through sample prep and analytical.
	 Open receipt or results back to kex, sample ID's per SDA can be verified and checked

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	against the lab results.
Audits or	 Internal lab audits conducted by Rex have shown no material issues.
Reviews	• Sampling and data protocols have been externally audited by AMC with no matters that
	were serious or were likely to impair the validity of the Mineral Resource estimate.
	Section 2 – Reporting of Exploration Results
Mineral	• The Hillside project is 100% owned by Rex Minerals.
tenement and	• The Hillside project is located with Exploration Licence, EL5055. (Previously EL3874.)
land tenure	• A change in EL name (from EL3874 to EL5055) occurred in August 2012, and as such, the
	tenure of EL5055 was renewed for a further 3 years from 2 nd August 2012.
	 Rex has applied for a Mining Lease over the Hillside project.
Exploration done	• Rex Minerals has held EL5055 since 2007. Prior to 2007, limited exploration was
by other parties	completed by other parties with only a small amount of geochemical sampling results
	obtained by the company. Importantly, this geochemical data was spread throughout
	EL3874 with no information directly associated with Hillside.
	• No drilling of any kind was completed over the Hillside target prior to Rex's involvement.
	• There is a historic copper mine at the northern end of the Hillside ore body. This was
	noted by previous explorers but never followed up in detail.
Drill noie	 No exploration results have been reported in this release, and thus, this section is not material to this report on Minaral Descurses and Ore Descurses
information	Material to this report on Mineral Resources and Ore Reserves.
	 Notes relating to the drift hole information relevant to the Mineral Resource estimate are noted in Section 1. Sampling Techniques and Data.
	 Notes relating to the geology and interpretation are noted in Section 2 - Estimating and
	Reporting of Mineral Resources.
Data aggregation	• No weighting average techniques or grade truncations have been reported in this release,
methods	and thus, this section is not material to this report on Mineral Resources and Ore
	Reserves.
	 In reporting the Mineral Resource, a copper cut-off of 0.2% was used.
	Copper equivalent values have been reported. An explanation on how copper equivalent
	is calculated is detailed in Section 3 - Estimating and Reporting of Mineral Resources.
Relationship	 No exploration results have been reported in this release, and thus, this section is not
between	material to this report on Mineral Resources and Ore Reserves.
widths and	
intercent lengths	
intercept lengths	
Diagrams	• Diagrams that are relevant to this release have been included in the body of the release.
Balanced	• No exploration results have been reported in this release, and thus, this section is not
reporting	material to this report on Mineral Resources and Ore Reserves.
Other	• No exploration results have been reported in this release, and thus, this section is not
substantive	material to this report on Mineral Resources and Ore Reserves.
exploration data	
Further Work	• No exploration results have been reported in this release, and thus, this section is not
	material to this report on Mineral Resources and Ore Reserves.

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	Section 3 - Estimating and Reporting of Mineral Resources
Database	• The Hillside database is a SQL system.
integrity	• Prior to December 2011, core was logged into an Excel spreadsheet logging system with
	drop down list pick fields.
	• Post December 2011, core was logged into proprietary software developed by Rex with
	drop down list pick fields.
	• Different user profiles and security exists to minimise the possibility of data modification.
	 Logging is completed on portable computers.
	• Validation checks are written into the SQL database and these are activated via database
	and user triggers to ensure the data is correct with respect to fundamental quality issues.
Site Visits	• The Competent Person has been intimately involved in the project from its early stages and has visited site on average every 1-2 weeks.
Geological	• Confidence in the geological interpretation is high at a broad scale, whilst (as can be
interpretation	expected) confidence at a local scale (<10m) is lower owing to the inherent geological
	variability of the orebody at close spacing's.
	• Grade continuity along strike and at depth is high with local variability shown to be + or –
	10% or less from infill drilling.
	• At deposit scale, the grade continuity is very high with variability isolated to changes in
	lithology.
	• Confidence in the interpretation between northings 6173300N and 6175200N is higher
	than confidence in the interpretation outside of these zones.
	 Confidence decrease with depth owing to the coarser spacing of drill holes.
	• The influence of structure on the geological interpretation is well understood, with a
	structural model being incorporated within the interpretation process.
	• The orebody remains open to the north, south and at depth.
	No outcrop exists to verify interpretation.
	• The geological interpretation was based on diamond and to a lesser extent RC drill holes.
	• The mineralization at Hillside forms part of a large regional alteration system.
	Interpretation and geochronological analysis of drill samples from Hillside suggests a
	genesis related to the Gawler Range Volcanic / Hiltaba volcano-plutonic event (ca. 1570-
	1590Ma).
	• The Hillside ore system is built on regional N-S trending mineralizing structural channels
	which carried copper and gold bearing hydrothermal fluids. Copper-gold mineralization is
	hosted by a sequence of intensely altered metasediments and skarns.
	• The geology at Hillside is categorized into the following lithologies and structural zones
	from west to east:
	\circ Hangingwall Package: a relatively unaltered package of metasediments and
	sediments.
	\circ Pine Point Fault (PPF): representing the western boundary of the Hillside copper
	and gold mineralisation, containing rubble to milled fault breccias in a north-
	south trending zone of 2-10 metres true thickness. It separates the hangingwall
	package from the skarn/metasedimentary package and is unmineralised.
	 Skarn/metasedimentary package: a sequence of intensely altered metasediments
	and skarns belonging to the Wallaroo Group (Moonta Subdomain), which are
	intruded by MesoProterozoic granitoids within the main mineralised area. The

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	 intrusions comprise variable width dykes of micro granite to micro-gabbro which may represent late stage Carramulka Gabbro equivalents or early sills. o Footwall Package: a significant stock/pluton of granite which lies in the eastern sector of the deposit. Alternative interpretations were explored early in the life of the project however the consistency of grade along strike and at depth has removed the plausible nature of any alternative broad-scale interpretation. Local scale interpretation (<10m) may vary slightly with closer spaced (grade control) drilling however this is not expected to materially affect the estimate. Primary copper-gold mineralization occurs in vertical to sub-vertical magnetite and hematite rich lenses within the skarn/metasedimentary package. Secondary copper-gold mineralisation occurs within a shallow sequence of weathered basement rocks. Secondary mineralisation is found throughout the deposit at upper levels. The dominant host rocks of the higher grade copper-gold and iron-ore mineralisation are a number of variably altered skarns. These skarns are the wholesale altered products of folded and faulted carbonate rocks (impure limestones) which have become the favourable host rock in the area for hydrothermal fluids that have passed through and formed the deposit. Often in close proximity to the skarns, and close to faults or contacts with other rock units, are distinct areas of very high grade mineralisation and repeated mobilisation which are interpreted to be sections of remobilised and concentrated copper-gold-iron mineralisation. The bulk of this type of mineralisation is located close to the western side of the deposit which is adjacent to the major regional fault (known as the Pine Point Fault). Some of these structures represent locations of brecciation and repeated mobilisation within a broad fault zone. Detailed petrographic (thin sections) work has identified the progression of the mine
	• Work is continuing in an effort to delineate bornite-rich or bornite (± chalcocite) only domains within and abutting the deposit.
Hillside Dimensions	• Primary mineralisation zones within the Hillside deposit are sub-parallel to the lithostratigraphic architecture.

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	 Primary Hillside mineralisation strikes approximately north-south and has variable steep dips (70 to 80 degrees) to the west and occasionally east. Leprena mineralisation strikes approximately east-west and dips (60 – 70 degrees) to the north. Secondary mineralisation strikes approximately north-south and tends to be steeply dipping immediately above primary mineralisation and in zones grading to flat lying to shallow dipping dispersion zones (on average 10 to 30 degrees). Mineralisation has so far been observed from 6173130N to 6175500N, 763150E to 764000E and 60RL to -710RL. Approximately 90% - 95% of the total target size (at surface) has been tested and the deposit remains open towards the north and south and at depth.
Estimation and	Polygons and hence triangulations are based on interpretations completed on 50m -
Modelling	100m northing sections
Techniques	 Triangulated interpretations have been domained into the following constrained hodies.
reeninques	based on lithology grade and structure.
	~ 400 (Dart)
	~ 500 (Zanoni)
	\circ 700 (Parsee)
	o 750 (Omero)
	o 800 (Songvaar)
	o 850 (Leprena)
	o 930 (Primary Gold only)
	 940 (Secondary Gold only)
	o 950 (Supergene Cu)
	 In addition to these mineralised domains, lithological domains, (+/- Cu/Au mineralisation), have also been constructed. These include: Hangingwall lithologies
	 Footwall lithologies
	 Pine Point Fault
	 Barren zones within mineralised domains
	 Base of Saprolite
	 Base of Oxidation
	 Base of Transition
	o Cover Sequence
	 A priority system of 22 domains was set up to account for overlapping mineralisation, intrusive rock shapes and cover sequence lithologies.
	• The block model was constructed with parent blocks of 25mE by 25mN by 12mRL.
	• Ordinary kriging (OK) to the parent block size was used to estimate Cu. Au. Ag. U. Fe. S.
	Co and Cl grades and bulk density separately.
	Geostatistical analysis was performed using Snowden Supervisor.
	Estimates were constrained within the interpreted domains.
	• For Cu, it was determined that these domains provided a suitable basis for estimation of
	grade. Additionally, the Cu domains also provided a reasonable basis for estimation of Au. Ag. U. Fe. S. Co and Cl grades and bulk density.
	 Up to three estimation passes with increasing search neighbourhood size were run for all
	domains. The range of estimation passes used for the estimation of mineralised domains

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	varied.			
	 2/3rd of the variogram sill was used as a guide for Pass 1 			
	 100% of the variogram sill was used as a guide for Pass 2 			
	 Twice the sill was used as a guide for Pass 3 			
	• A minimum of 4 and maximum of 32 composites were used per estimate for Pass 1 and			
	Pass 2 with a minimum of 2 and maximum of 32 composites used for Pass 3.			
	• An Octant based search limited composites to a maximum of 4 composites per octant.			
	• 1m assay composites were used. A small number of composites were retained with a			
	length of less than 1m.			
	 Estimation applied composite length weighting. 			
	• An Inverse Distance (ID) block model was run as a comparison check to the Ordinary			
	Kriged (OK) July 12 block model. This comparison was satisfactory.			
	• The current assumption is that revenue will be obtained from Cu, Au and iron ore.			
	Feasibility studies have shown that economic recovery of Cu, Au and iron ore from Hillside is achievable			
	Estimation of potential acid forming (PAE) non-acid forming (NAE) and acid consuming			
	(ACM) rock has been completed and coded into the blockmodel. This estimation is based on test work completed as part of the Feasibility study			
	Block size used is 25x25x12 meters. The average drill hole spacing is 50m. Search			
	distances and orientations are based on the variogram models for each element			
	No assumptions have been made with regards to SMU for the resource modelling as the			
	block dimensions are considered reasonable for the data spacing to date.			
	• A strong correlation exists between Cu and Au whilst to a lesser extent a correlation			
	exists between Cu and Fe			
	Lithological structural and grade interpretation was used as a guide in building			
	mineralised domains.			
	• No high grade top-cuts were applied within the estimate. This was based on the			
	disintegration approach of log probability plots whereby the high grade tail remains			
	relatively continuous.			
	• Validation of the estimate was completed by visual inspection in 3D. Checks included			
	that; all blocks were populated, block grades matched composite grades and there was			
	no leakage of grade into adjacent areas.			
	• Swath plots were generated per domain along all eastings, northings and RL's and block			
	grade compared favourably with composite grade.			
Moisture	Tonnes have been estimated on a dry basis.			
Cut-off	• Copper Mineral Resources have been reported above a 0.2% Cu block grade cut-off.			
parameters	Within the Mineral Resource there is a sufficient volume of material above a 0.2% Cu cut-			
	off to support an open pit mine.			
Mining factors or	• Pre-feasibility studies ("PFS") have shown that the Hillside deposit will likely be mined by			
assumptions	a combination of open pit and underground (sub-level caving) mining methods. Rex's PFS			
	(announced 31 October 2012) detailed a minimum 15 year mine plan.			
	 Open pit mining dimensions (SMU) are 10x10x10m. 			
	• Mining dilution is set at 10%.			
	Open Pit Mining Options			
	o Given the size and extent of the Mineral Resource at Hillside, there are many			

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	 options that are available to Rex in terms of how large the open pit mine design could ultimately be. Most of these options vary depending on the commodity price assumptions. The results from the PFS open pit work identified an open pit mine with an average operating strip ratio of approximately 4:1 and an average mining cost per tonne of approximately A\$3.0. The PFS also examined an upside case for the inclusion of Indicated and Inferred resources (beyond the Ore Reserve) in the optimisation and this resulted in Indicated and Inferred resources being included in 225+Mt (>15 years) of material capable of being processed. Rex believes that with further exploration this material should upgrade to higher classifications and be capable of
	conversion to Ore Reserves later in the mining schedule.
	Underground Mining Options
	The Life of Mine ("LOM") plan is predominately based on the Measured and Indicated Mineral Resource (which a large component of, has now been converted to Reserves), defined at Hillside, and allows for extensions that are currently in the Inferred category. As such, the Mineral Resource at Hillside has identified a substantial amount of copper (classified as either Indicated or Inferred) extending beyond the maximum extents of the planned open pit mine design. This mineralisation was assessed for its ability to be effectively mined using underground mining methods. Due to the higher costs and lower mining rates of the underground mining options considered (longitudinal and transverse sub-level caving), a higher cut-off grade was used for the underground mining options.
	 The results again showed an upside case for the inclusion of some Indicated and Inferred resources in the underground mine plan and this resulted in 30Mt of material capable of being processed. Rex considers it likely on the basis of past exploration success and resource category upgrades with additional drilling, that these Inferred and Indicated Resources should upgrade to higher classifications and be capable of conversion to Ore Reserves at the end of the mining schedule.
Metallurgical factors or assumptions	 As part of the Hillside PFS, Rex commissioned AMEC to complete the mineral processing test-work including estimates for the capital required for construction of the processing plant.
	 Extensive mineral recovery work has been carried out by AMEC based on all ore types defined within the Mineral Resource at Hillside and across various grade ranges. This provides a comprehensive view of the average copper, gold and iron ore recoveries that can be realistically achieved at Hillside. The essential elements of the process plant design utilise conventional flotation technology to produce a copper-gold concentrate. In addition, the tailings from the
	copper-gold circuit will be treated to recover an iron ore product, which would be produced and sold separately as an iron ore concentrate.
	• The head grades going into the process plant for the LOM are estimated to average 0.56% copper or 0.8%CuEq.
	• Copper recoveries are estimated to be 88% and gold recoveries are estimated to be approximately 84%.
	• The iron ore product referred to by Rex is a magnetite product.

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	 Treatment of the tailings using conventional magnetic separation methods is shown to recover between 1.1 and 1.3Mt of iron ore (magnetite) annually. Of particular significance with the iron ore recoveries is that all ore types gave good quality results, with the iron ore concentrate containing an average grade of 67% iron with low impurities. This is a unique high-quality product, which, due to the close proximity of a port facility can be produced at an estimated cost of less than A\$40/t, making it one of the lowest cost iron ore products in Australia, and well within the bottom quartile of global iron-ore production.
CuEq Grade -	Copper price used = 2.80 US\$/Ib
Commodity	 Gold price used = 1200 US\$/ounce
Prices and	 Iron ore price used = 100 US\$/tonne:
Recoveries	 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
	 Copper Equivalent grade for Au = (Au/10000)*((1200/0.06857142)/2.80)*84%
	 Copper Equivalent grade for Iron Ore = ((Fe*43%)/67%)*((125/2204.623)/2.80)
	*0.06857142 = conversion from oz's to Ib's
	*2204.623 = conversion from tonnes to lb's
Calculation of the	 Iron Ore Tonnes = Tonnes x Fe Grade of Recovered Iron (%), where
amount of iron	• Fe Grade of Recovered Iron (%) =
ore in the	(Fe Grade – Fe in other minerals)/Fe % in iron Oxides
Mineral Resource	Assumptions:
	• Fe in other minerals assumed to be 4.2% after analysis by Rex
	Fe)
	 Rex calculated the value of 4.2% for Fe in other minerals by following the steps below.
	assuming plant feed grades of 0.50% Cu, 13.2% Fe, 1.05% S from chalcopyrite ore:
	1) % of Fe with Copper
	 = %Cu * CuFactor, where
	 CuFactor = 0.88 (this is simply the Fe:Cu ratio for chalcopyrite)
	o = 0.50 * 0.88
	o = 0.44
	2) % of Fe with Pyrite

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	\circ = (%S - %Cu) * PvFactor. where
	\circ PvEactor = 0.87 (ratio of Fe to S in pyrite)
	\sim %Cu = The conner feed grade and represents the %S in chalconvrite, since the
	5 // Cu – The copper feed grade and represents the //s in charcopyrite, since the
	Sicuratio in chalcopyrite is 1.01.
	\circ = (1.05 – 0.50) * 0.87
	o = 0.48
	3) % of Fe in non-sulphide gangue
	\circ = %NSG * 0.04 [#] where
	\sim %NSG = 100 - %S/0.4 - %Fe *0.8/0.71 (a simplified assumption that combined
	0^{-1} (100^{-1} (100^{-1}) (100^{-1
	0 - 85% 0.04
	0 = 3.3%
	• Therefore, the Fe % in other minerals = Step 1 + 2 + 3
	\bullet = 0.44% + 0.48% + 3.3%
	• = 4.2%
	"0.04 = an assumption that the non-sulphide gangue has a Fe content of 4%. The 4% assumption is one that holds reasonably well with many magnetite situations based on AMEC's experience. The 4% consists of the following iron:
	 Iron in silicate minerals as part of the general chemical composition (major component)
	 Iron in oxides other than magnetite and hematite (minor)
	Iron in other minerals that are neither oxides or silicates (trace)
Environmental	• As part of the Rex PFS, waste dumps and tailings storage facilities have been designed
factors or	and planned. Encasement of potential acid forming material has been factored into the
assumptions	dumping sequence.
	 A comprehensive program of surface and groundwater monitoring has been undertaken.
	as is detailed in Pay's Mining Lasse proposal to the South Australian government
	as is detailed in Rex s Mining Lease proposal to the South Australian government.
	A comprehensive flora and fauna study was also undertaken as is detailed in Rex's Mining
	Lease proposal to the South Australian government.
	A community consultation program has been in place for the life of the Hillside project.
Bulk density	 Approximately 74% of all sampled diamond core has been measured for density.
	• The method used the entire air-dried core sample weighed in air and water, which was
	used to estimate the density.
	Regular daily check hulk density measurements were completed as part of the data
	collection protocols
	 Ordinary kriging (OK) to the parent block size was used to estimate bulk density. Where
	 Ordinary Kinging (OK) to the parent block size was used to estimate block density. Where blocks were not estimated for bulk density, the overage density for the demain was
	blocks were not estimated for bulk density, the average density for the domain was
	assigned.
Classification	• Mineral Resources have been classified on the basis of geological and grade continuity
	confidence and reflect the Competent Person's view on the deposit.
	 confidence and reflect the Competent Person's view on the deposit. Inferred Mineral Resources have an average drill hole spacing of up to 150mN by
	 confidence and reflect the Competent Person's view on the deposit. Inferred Mineral Resources have an average drill hole spacing of up to 150mN by 150mRL.
	 confidence and reflect the Competent Person's view on the deposit. Inferred Mineral Resources have an average drill hole spacing of up to 150mN by 150mRL. Indicated Mineral Resources have an average spacing of up to 50mN by 50mRL. (Some

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	also been considered (by the Competent Person) as appropriate to be classified as Indicated.)
	 Measured Resources were deemed appropriate based on data acquired from an infill drilling study within the Dart and Songvaar starter open pits. This study showed that; The maximum variability for Cu grade within the Dart and Songvaar infill drilling areas was -9.2% and -5.3% respectively; The maximum variability for tonnes within the Dart and Songvaar infill drilling
	areas was +0.3% and -1.8% respectively;
	 Rex considers this variability to be relatively minor, and as such, feels that classifying these areas as Measured within the Mineral Resource Estimate for the feasibility study is appropriate. Additionally, given Rex has demonstrated the robustness of the Mineral Resource estimates in these areas, Rex feels that in areas of similar geological complexity (low complexity with consistent strike and vertical continuity of grade), there is no need for further infill drilling before a "Measured" classification can be applied. As such, Rex has extended the Measured classification to a limited number of these areas that possess coarser (50m x 50m) spaced drill holes, and similar geological complexity.
Audits or Reviews	 An audit and review of sampling techniques, data collection, modelling parameters, geostatistical evaluation, block grade creation and grade estimation for Hillside was undertaken by AMC Consultants Pty Ltd in May of this year, building on previous progressive audits. No matters were noted that would impair the validity of the Mineral Resource estimate.
Discussion or relative accuracy/confide nce	 As part of the feasibility study for Hillside, Rex commissioned an assessment of the robustness of the current resource estimate. This study was completed by CS-2 Pty Ltd and MGen Pty Ltd and revealed: The additional infill-drilling data did not materially change the Cu estimates, specifically the: Interpretations have changed locally as would be expected, but there has been no significant change to the underlying interpretation; and Grade-tonnage relationships and mean grades above the likely operating cut-off grades are stable. A recoverable resources approach suggests that the current Rex model in the infill drilled areas for: Dart is a good representation of the grade-tonnage that will be realised at the proposed SMU of 10x10x10m; and
	 with a classification as Measured resources (JORC 2012) subject to there being no issues with: Data quality; and the Reasonable prospects test; The infill-drilled areas are reasonably representative of the remainder of the

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	domains;	
0	As such the level of confidence that many of the resour	ces not informed by the
	infill-drilling could meet Measured status is present.	Once again subject to
	satisfying data quality and reasonable prospects issues.	

Appendix 3 - Assessment and Reporting Criteria Table Ore Reserves – JORC 2012

The following table provides a summary of important criteria related to the assessment and reporting of the Hillside Ore Reserve.

Criteria	Status
	Section 4 – Estimation and Reporting of Ore Reserves
Mineral Resource estimate for conversion to Ore Reserves	 The Mineral Resource estimate used as a basis for the conversion to an Ore Reserve is detailed in Appendix 2 and referred to in Rex's internal report as the 14 June 2013 model. The Mineral Resources are reported inclusive of the Ore Reserves.
Site Visits	 Site Visits have not been completed by the Ore Reserve Competent Persons, as the site is an exploration site located on agricultural land, with no significant landforms or water courses or other factors that may influence modifying factors identified by the many project personal of Mining Plus and Rex Minerals that have visited site. Further site visits are planned as part of on-going bankable feasibility studies.
Study Status	 Rex is currently in the process of finalising a bankable feasibility study for the Hillside project. A (PFS) was previously announced to the market in October 2012. As part of the PFS, a mine plan was developed that was technically achievable and economically viable. This mine plan considered Modifying Factors such as mining, processing, metallurgy, infrastructure, economic, marketing, legal, environmental, social and governmental.
Cut-off parameters	• The cut-off grade was at .17%Cu on the basis to ensure the project was economically viable.
Mining factors or assumptions	 The mining method was based on traditional open pit mining, utilising truck and hydraulic shovels and excavators for primary haulage, with drill and blast practices for rock breakage and wall control. Ramps were designed for exiting and entering the pit carrying two-way traffic, to achieve production requirements. The Ore Reserve estimate was created using DCF methodology within the Whittle Open Pit optimisation software to select an appropriate pit shell that was economically viable. Copper Oxide was treated as waste as there is no treatment process for it to date, and was added to the pre strip ratio's. The geotechnical slope design parameters used were based on work completed by external consultants. Further assessment and reviews were completed by TL Geotechnics & Mining Pty Ltd and further reviews in conjunction with mine design and scheduling were completed by Mine Technics Pty Ltd. Both companies signed off on the geotechnical pit slope design parameters used. There are various slope configurations based on the geotechnical rock domains and location in the mine schedule.

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	No assumptions were made with regard to grade control.
	• 24/7 mining operations
	Conventional dump truck and hydraulic shovels were used.
	Mining recovery 100%
	 Mining dilution set at 10%
	 Copper price used = 2.80 US\$/Ib
	• Gold price used = 1200 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.
	• The exchange rate used in the study was USD \$0.85
	 Processing cost of A\$12.61 PMT of ore.
	• 15mt of processing ore per annum schedule
	 Recovery as per metallurgical results as provided by the Competent Person
	 There is no Inferred material used in the Ore Reserve estimation.
	• Infrastructure requirements for open pit mining included: A workshop for all mobile
	equipment for maintenance needs, offices, crib rooms and amenities, explosive storage.
	water dams and communications.
Metallurgical	• As part of the Hillside PFS. Rex commissioned AMEC to complete the mineral processing
factors or	test-work including estimates for the capital required for construction of the processing
assumptions	plant.
	• Extensive mineral recovery work has been carried out by AMEC based on all ore types
	defined within the Mineral Resource at Hillside and across various grade ranges. This
	provides a comprehensive view of the average copper, gold and iron ore recoveries that
	can be realistically achieved at Hillside.
	• The essential elements of the process plant design utilise conventional flotation
	technology to produce a copper-gold concentrate. In addition, the tailings from the
	copper-gold circuit will be treated to recover an iron ore product, which would be
	produced and sold separately as an iron ore concentrate.
	• The head grades going into the process plant for the LOM are estimated to average 0.56% conner or 0.8%CuEq
	 Copper proveries are estimated to be 88% gold recoveries are estimated to be
	approximately 84% and iron ore recoveries are estimated to be 43%
	 Treatment of the tailings using conventional magnetic separation methods is shown to
	recover between 1.1 and 1.3Mt of iron ore annually. Of particular significance with the
	iron ore recoveries is that all ore types gave good quality results, with the iron ore
	concentrate containing an average grade of 67% iron with low impurities.
	• This is a unique high-quality product, which, due to the close proximity of a port facility
	can be produced at an estimated cost of less than A\$40/t, making it one of the lowest
	cost iron ore products in Australia, and well within the bottom quartile of global iron-ore
	production.
Environmental	• Waste Rock Dump designs take into consideration any Potential Acid Forming Material
	(PAF) and are design to meet the license requirements. Designs take into consideration
	stability and erosion measures and will be rehabilitated as per the license requirements.
	The Mining Lease Application (MLA) is currently being approved by the relevant

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	government department and all designs are in accordance with the submitted
	 Hydrology studies completed for both surface and ground water flows, with no significant considerations for the proposed mining operations.
Infrastructure	 The Hillside project is 150kms from Adelaide with a workforce within reach without the need to have an onsite accommodation facility. The site has access to mains power through the network grid and sea water will be used for processing and mining operations as per the license conditions. Potable water will be purchased from the SA Water for the filter of concentrate and other activities that need potable water. The transport of final product will be through the Ardrossan Port with is with 15 kms of the site, where large vessels can be loaded.
Costs	 As per Rex's PFS, projected capital costs are A\$800M-A\$850M. Operating costs for mining used Gemcon and other software to create a schedule and the OEM specifications for the mining fleet were used to derive cycle times to create fleet numbers. OEM specifications were used to create fuel usage and maintenance costs. Cost for equipment was sourced from suppliers and labour to operate the machinery was applied with a traditional mining operations organisational structural. Drill and Blast cost were based on detailed blasting needs and industry costs. Processing costs were supplied by AMEC to REX Minerals and were applied to the economic input for mine design parameters and cost models. No allowances were made for deleterious elements as Rex has shown in metallurgical test work that they are unlikely to exist in any significance way. The base rate exchange rate used in the study was US\$0.85 : A\$1.00 A Cu freight charge of \$35/tonne was used – estimate based on consensus rates for \$A in current market. No penalties assumed, no deleterious elements in concentrate. TC/RC charges based on historic summary and forecast from GFMS Copper book.
Revenue Factors	 Assumptions are in line with those disclosed in the February ASX release. Smelter payables and TC's are as per above. The derivation of assumptions made on commodity prices was conservatively based on data supplied by CRU Strategies and consensus forecasts.
Market Assessment	 Rex has engaged and been provided with documentation on the supply demand metrics for copper, gold and iron ore by CRU strategies. The forecast commodity prices took into consideration the projected supply demand for each commodity in conjunction with broker consensus analysis. Price forecasts for the key commodities are detailed in the "Mining factors or assumptions" section above.
Economic	 The PFS estimate inputs provided by AMEC and Mining Plus (capital and operating costs) are at +/-25% as is standard for this study phase. An inflation rate of 2.5% and a discount rate of 10% was used. Highest level sensitivities are exchange rates, copper prices and grade. Mining Plus (on behalf of Rex) has run sensitivities on a broad range of key inputs including opex, capex, etc in the cost model.

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Social	• Rex has in place a community consultative group and all aspects of social interaction between the project and the community are addressed through the community consultative group.
Classification	 Based on the geological information provided and no increased risk to the modifying factors identified, all Measured Mineral resources if deemed economic by the DCF analysis has been classified as a Proved Ore Reserve. Based on the geological information provided and no increased risk to the modifying factors identified, all Indicated Mineral resources if deemed economic by the DCF analysis has been classified as a Probable Ore Reserve. The Ore Reserve estimate provided appropriately reflects the Competent Person's view of the deposit based on the modifying factors used derived from the Pre-feasibility Study recently completed and the updated Mineral Resource model received and referred to in Rex's internal report as the June 14th 2013 model.
Audits or Reviews	• No external audits of the Ore Reserve have been undertaken. Mining Plus have completed an internal audit as part of the Ore Reserve derivation process.
Discussion or relative accuracy/confide nce	 As part of the feasibility study for Hillside, Rex commissioned an assessment of the robustness of the current resource estimate that was used for the Ore Reserve estimate. The results from this study are detailed in Appendix 2. All mining estimates are based on Australian costs, and relevant cost reports have been benchmarked against. There are no unforseen modifying factors at the time of this statement that will have any material impact on the Ore Reserve estimate. Where practical and possible, current industry practices have been used to quantify estimations made. As part of ongoing Bankable Feasibility Study works it is recommended that further work is completed in mine scheduling and operability testing to ensure any modifying factors are accurate and there is a high level of confidence as the project undergoes further technical evaluation.