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Updated Production Plan for Hillside Copper Project

- **Enhanced mine schedule shows potential for after tax cash flows of over A\$2.5 billion for the first 10 years of production¹.**
- **Updated plan of over 75kt copper and 60koz gold within a copper-gold concentrate and over 1.2Mt iron ore concentrate (>110,000t CuEq²) of annual production for first 10 years.**
- **Continued scope for growth beyond the current 12 year open pit Ore Reserves.**
- **Bankable Feasibility Study (BFS), fixed price EPC contract and finance on track for 2H 2013.**
- **Rex and NFC to remain on track to deliver MOU objectives.**

Rex Minerals Ltd (“Rex”) has enhanced its 110,000 CuEq² per annum Hillside Copper Project in South Australia with an updated production schedule for the first 10 years. The updated schedule is the culmination of work completed by Rex over the past 10 months since the completion of the Hillside Pre-feasibility Study.

The updated mine plan defines an estimated A\$2.5bn in after tax cash flows¹ for the first 10 years of production (see Figure 1) and builds on the recently announced 12 years of Ore Reserves (announced 28 June 2013).

Managing Director Mr Mark Parry said today “The larger Ore Reserve and strong cash flows expected from the new production plan are a huge boost to our funding plans at Hillside. We continue to progress the debt funding package associated with a fixed price construction contract to the level of US\$550 million and expect that the remainder of our funding will come together on the strength of our feasibility study results.”

“We have now passed many important milestones with improvements to the Ore Reserve, production profile and cash flows associated with Hillside. The final elements of the Bankable Feasibility Study are now coming together and we continue to find cost and operational improvements to the project. We look forward to providing further detail as the BFS and financing is finalised later this year.” Mr Parry said.

The current schedule contemplated for the development of the Hillside project will have commissioning in late 2015 with full production capacity available in 2016. The production grades delivered to the processing plant have increased to allow for a higher level of average production over the first 10 years of the mine life.

As a result of the improved production profile, the estimated cash flows that can be achieved from the Hillside project have also improved¹. The potential cash flows generated from the updated production profile form the basis for ongoing discussions with many possible partners to help deliver the balance of the funding required for the development of the Hillside Project.

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

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Update on MOU for fixed price turnkey EPC contract

Rex and its preferred engineering procurement construction (EPC) contractor, NFC of China, have reiterated their commitment to agreeing on a fixed price turnkey contract as per the June 4 2013 ASX announcement.

Whilst it is disappointing that Australian engineering group Allmine, the parent company of Arccon that was subcontracting to NFC has been placed in administration, a number of alternatives exist. To maintain its options and flexibility, Rex and NFC will hold discussions with other potential Australian subcontractors. The deadlines and objectives of the MOU announcement on 4 June 2013 have not changed.

Further growth options for Hillside

Optimisation work based on the updated Mineral Resource has shown potential for the planned Open Pit mine to expand beyond its current 12 year capacity.

In addition, earlier work completed and announced previously as part of the Hillside Pre-Feasibility Study (announced 31 October 2012) has shown potential for underground mining methods to supplement the supply of ore from the open pit in the later years of production at Hillside.

Consequently, there remains significant potential for further extensions and enhancements to the Ore Reserve at Hillside beyond the recently announced 12 year open pit Ore Reserve. A new presentation highlighting some details associated with the mine plan and processing plant design for Hillside follows this announcement as a separate release to the ASX by Rex.

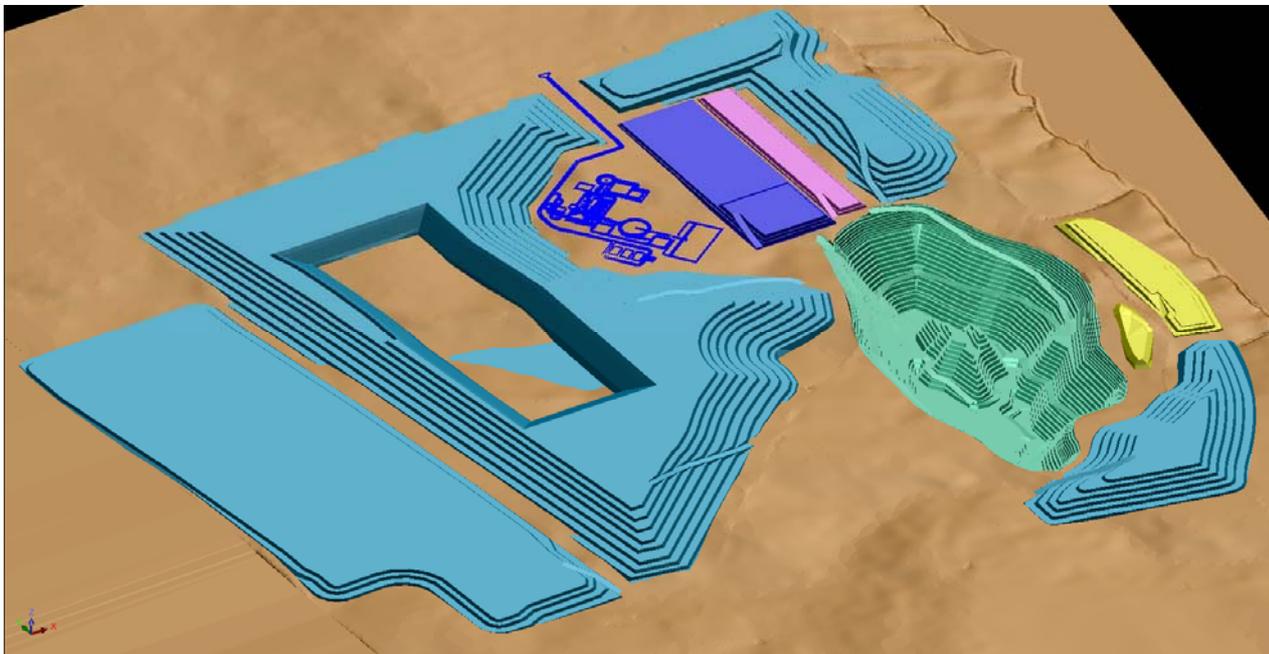


Figure 1: Design of the Hillside project at the end of year 10 based on the current mining and production schedule, including open pit, waste rock and tailings stockpiles and processing plant.

Notes to the announcement

The estimates of production and cash flow as reported here are within the Company's 12 year Ore Reserve and represent the best estimate to date of the production profile of the Hillside project over an initial 10 year period.

Revenues are based on the increased production schedule and commodity price forecasts shown in Table 1. Rex has also completed further refinements and confirmation of the costs identified in the Hillside PFS which has given Rex further confidence in the potential cash flows reported in this announcement.

Whilst the current estimates of production and cash flows from Hillside represent the best estimate from existing information and work completed to date, Rex will continue to refine and optimise the financial outcomes from the development of the Hillside project. Greater detail in regard to the financial estimates from the Hillside project will be released upon completion of the Hillside BFS. These forecasts are all dependant on the timely and successful completion of the required mining approvals and permits, financing and successful commissioning of the Hillside project.

	2016	2017	2018	Long Term
<i>Copper Price (US\$/lb)</i>	3.2	3.0	3.0	3.0
<i>Gold Price (US\$/oz)</i>	1300	1300	1250	1250
<i>Iron Ore Price (US\$/t) *for 62% Fe content</i>	100	100	100	100
<i>USD:AUD exchange rate</i>	0.9	0.8	0.8	0.8
<i>Inflation</i>	2.5%	2.5%	2.5%	2.5%

Table 1: Table of Commodity prices used in estimates of cash flow. Commodity price assumptions have been based on a review of broker consensus and research on the projected supply and demand for each commodity supplied to Rex Minerals by CRU strategies.

¹ 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".

²Notes 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 = $(\text{Au}/10000) * ((1200/0.06857142)/2.80) * 84\%$
 - 3) Copper Equivalent grade for Iron Ore = $((\text{Fe} * 43\%)/67\%) * ((125/2204.623)/2.80)$
 - *0.06857142 = conversion from oz's to lb's
 - *2204.623 = conversion from tonnes to lb's

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.