

From the Managing Director



Mark Parry.

- Lower Capital Costs and Increased Production for Hillside
 - > Higher production profile of more than 115,000tpa CuEq (80,000t copper plus by-products) in years 3 to 10 due to higher grades and improved recoveries;
 - > BFS on track with potential for material savings to capital expenditure estimate;
 - > Drilling program reduced due to completion of work associated with the Hillside BFS.

The work completed over recent months has focused on optimising the production profile and start-up capital costs identified last year in the Hillside Pre-Feasibility Study (PFS).

The recent work has created substantial value to the Hillside project economics. The Hillside PFS created a solid base for the team at Rex to work from, and now we are starting to see important improvements to the mine plan as we progress the Bankable Feasibility Study (BFS).

The extra revenue from higher grades and recoveries has substantially enhanced our ability to lock in funding for Hillside, allowing us to progress meaningful discussions with a number of parties actively engaged in funding proposals for the project.

Mark Parry
Managing Director/CEO

Latest Updates

■ Hillside Begins Approvals Process

Rex has commenced the approvals process by submitting the mining lease proposal documentation to DMITRE for the Hillside project. Once the Mining Lease application has been accepted by the State Government, the process for approval of a Mining Lease is expected to take a period of 6 months, which includes a period of public consultation. Statutory consultation is required under the Mining Act and is there to ensure that the proponent has identified all relevant issues and as far as practical addressed those concerns in the mining lease proposal submitted.

The information included in the mine plan is based on environmental studies completed over the past 18 months, as well as valuable input from an independent community consultative group, leading up to the submission of the mining lease. The community consultative group is made up of 20 members including those with interests in agriculture, potentially affected landholders, natural resource management and the environment, small business, tourism, local government, emergency services, and various local community members.

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

■ Regional Exploration Program

Rex continues with its regional exploration program over Yorke Peninsula in the search for additional copper deposits. Over the past 6 months, Rex has commenced preliminary exploration in the central part of the Peninsula. The bulk of the work undertaken has been soil sampling, which provides a first-pass indication of mineralisation that may be concealed beneath the surface.

The information obtained from these surveys assists Rex in rationalising areas of interest and determining potential for further exploration and future drill targets. The level of regional activity has decreased in recent months and will continue to remain at this level over the coming months as the focus for Rex is to progress the Hillside project into the development phase.

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



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REXPRESS

COMMUNITY NEWS

HILLSIDE PROJECT
AUSTRALIA'S NEXT
GREAT COPPER PROJECT

Community Engagement

■ Site Tours

Community site tours have proved to be successful since commencing just before Christmas 2012 exceeding over 300 visitors.

The broad range of people attending the tours raised a wide range of questions and issues which have been passed on to the Community Consultative Group.

Site tours will continue on the first Saturday of each month. If you are interested in knowing more about Hillside, please feel free to call the Ardrossan office on 8837 3019 or email community@rexminerals.com.au (Bookings are essential).



Pictured here is Exploration Manager Marc Twining with a tour group at a drill rig at Hillside.

Community Consultative Group Update

The Hillside Community Consultation Group meets each month to review information and discuss and present community concerns. Over recent months presentations from a number of experts have provided more detailed information on both environmental and social issues.

CCG chair Peter Stockings provides the following summary of CCG discussions:

- > Very good presentations on the Noise and Dust levels that are predicted to arise as a result of the proposed mine provided an in-depth explanation on the noise and dust modelling. Lots of questions were asked, in particular about how other mines manage dust and noise and what the impact has been on nearby towns. The concern from the CCG about the impact on nearby residents was raised and it was agreed that every effort should be made to reduce the impacts on these residences and to offer assistance to further reduce these impacts to those affected.
- > A detailed Socio-Economic Impact Assessment of the Hillside Project has been completed and the findings presented to the CCG. This is a very detailed document and will be discussed in more depth by the CCG to ensure that socio economic impacts are understood and negative impacts minimised and positive aspects of the project maximised. The wider community will be able to comment on these impacts and how Rex proposes to manage them as part of the Public Consultation process.
- > Numerous meetings have been devoted to Baseline environmental studies and proposed management plans. The CCG have been provided with considerable amounts of information and have been guided through this, often technical information by Rex and expert consultants. This enables the CCG to assess if issues they have raised have not been addressed adequately.

Community Consultative Group Update (Cont.)

- > The CCG meetings have had a good attendance and representation. Those that are unable to attend receive minutes. The CCG has been asked how they are working by other similar groups. As chair I cannot stress enough that Rex Minerals have tried in every way to seek answers and address what has been asked from the CCG.

Peter Stockings (Chair – CCG).

■ Community Consultative Group Chairperson

Peter Stockings (Soxy) Profile

- > I work for Regional Development Australia (RDA) –Yorke and Mid North as an Economic Development Officer (over 10 years) and had a dual role with the District Council as the same. Now I am still working for RDA but part time on "Special Projects".
- > I was also an Indigenous Economic Development officer under a DEEWR contract, assisting with Indigenous issues (which include social issues) and trying to bring commercialisation projects into action to gain work on the lands themselves. I still work with the Point Pearce Community each week supervising the Corrections program.
- > I still continue to assist (Chair) in the role out the SA Works program, which offers training of all kinds for up-skilling and all manner of training.
- > I have a passion for water and this being such a scarce ingredient on the YP has lead me to desalination and assisting the local Council to place one at Marion Bay near Innes National Park to offer good water to the tourist and residents alike. I worked with the Ardrossan Community/ Council and SA Water over a number of years to gain the extra water for the expansion of Ardrossan, this is happening.
- > I like to think that I have a great knowledge of the area having lived here all my life; I also like to think I am a resource of information.
- > I was involved with the local Progress Association at Edithburgh for many years, committee member and then Chair for 10 years.
- > I have competencies (Adelaide University) in Project Management, Financial Analysis and Management and Negotiating for Success.
- > I am married to Helen, two children, James married and Tessa all working.
- > We have a small (hobby) farm run on organic lines, free range chooks egg production, sheep/wool/meat and hay production, and we are growing more trees. I am now a member of the Northern and Yorke (Local) NRM Committee.



■ If you would like to find out more about the CCG please email: community@rexminerals.com.au

Peter Stockings (Chair – CCG).

2013 Community Sponsorship Program

The 2013 Community Sponsorship Program again proved to be successful. Rex received over 40 applications for this year's program. The 23 successful applications for 2013 are: Minlaton District School, The Charitable Foundation for Books in Homes, Yorketown Progress Assoc., Port Julia Progress Assoc., Tiddy Widdy Progress Assoc., Maitland Golf Club, Curramulka Community Club, Pt. Vincent Bowls Club, Pt. Moorowie Progress Assoc., YP Alkaline Soils Group, James Well/Rogue Point Progress Assoc., Kadina Neighbourhood Watch, Pt. Vincent Tennis Club, Ardrossan Area School Governing Council, Ardrossan Bowls Club, Lions Club Stansbury, Kadina Growing Group, Pine Point Tennis Club, Maitland AH&F Society, YP Art Trail Group, YP Leisure Options DCYP, Price Progress Assoc. and Njinkali Aboriginal Community.

Aboriginal Heritage and Hillside

■ Educational Training Video

Late last year, Rex Minerals was approached by Narungga Heritage for the purpose of developing an educational training video to assist in training both indigenous groups and developers in heritage management procedures and the conduct of heritage surveys. Rex along with a number of other companies and industry bodies provided funds to support this initiative.

Some of the filming was undertaken at the Hillside site and SAPOL and earth moving company Harts of Warooka where also on hand to assist with the filming.

The video provides a practical step-by-step visual guide to the structures, protocols and procedures needed to respectfully help: Land Developers – Miners – Energy, Oil and Gas Producers – Explorers – Archaeologists – Anthropologists – Government Departments – and Aboriginal Groups to understand and navigate the Aboriginal Heritage Process. The video will be publically available.

Rex works closely with Narungga regarding heritage management at Hillside.

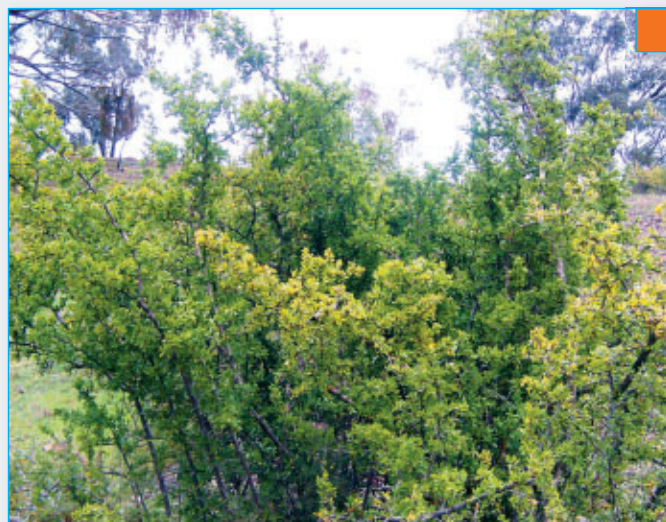


Filming of the Training Video at Hillside.

Environmental Department

■ Weed Removal and Monitoring

Over the past 6 months the environmental team have been busy removing and monitoring both declared and non-declared weeds on Rex owned land in particular land near the coast. More than 200 boxthorn shrubs have been removed from the roadsides and coastal areas. Rex has commenced planning revegetation trial sites. Identification of recommended revegetation species and seed collection has begun on Rex land.



Common weed – Boxthorn.

Working for Rex

■ In Profile: Mark Parry – Rex Minerals MD/CEO

Having joined Rex Minerals in October 2012, I have been asked to provide a brief profile to help you get to know me a little better.

I am married to Trudy and have two sons (Nic 14 and James 12). My family live in Adelaide and have done so for the past 5 years. I have also lived and worked in Wollongong, Geelong, Newcastle (Port Stephens), Whyalla and Sydney.

I spent over 28 years working for BHP and then OneSteel (which was spun out from BHP in 2000). I am a metallurgist but also have a business degree. All of my education was undertaken in Wollongong. I was also fortunate enough to attend an exclusive MBA at Harvard Business School in 2010, a life changing experience.

As for interests, I like to keep fit by taking spin classes, some weights in the gym, swimming and the occasional run. My family likes to ski in winter and I try to go on at least two fishing trips a year (one to chase marlin and one to chase barra and large pelagics). I like watching AFL (go the Cats!) but am most passionate about supporting the Wallabies in Rugby (comes with being a NSW boy).

Since joining Rex, I have been made to feel very welcome by everyone I have met. My key priorities for this year are securing regulatory approval for Hillside, finalising the feasibility study funding. I am happy to say we are making very good progress in each of these areas.

Working for Rex (Cont.)

People @ Work

People @ Work are proud to be partnered with Rex Minerals to manage and coordinate the recruitment of staff for the Hillside project. Our Recruitment Executive Michelle Williams is onsite each month to keep abreast of the staffing needs. If you or someone you know is available for short or long term opportunities from administration to general laboring then please visit our website www.peopleatwork.com.au and register your interest.



Opportunities in Business and Training

Careers Program

Rex Minerals and Syngas are extremely pleased to support the Yorke Peninsula Resources and Energy Careers Program, which has resulted in co-ordination across industry, government and training groups. The Program has proved to be a success thus far with 16 students from across a number of Yorke Peninsula schools involved in the Program.

We officially launched the Program in February and a number of organisations travelled to the Yorke Peninsula to speak to the students regarding career opportunities within the Resources and Energy sector, Occupational Health and Safety and the Rex Minerals Hillside Project.

At this stage the committee has planned day visits to Hillside, The University of Adelaide, Civil Train (plant simulators and safety) and Cavpower (equipment, parts and service) giving the student an insight to the industry.



Careers Program student Jarrod Lee – Maitland Area School – receiving his PPE Equipment from Rex's Community & Landholder Liaison Officer, Wayne Brooks.

More information can be found at this web address:

www.syngas.com.au/staging/index.php?option=com_content&task=view&id=1172&Itemid=1180

Frequently Asked Questions

We are asked many and varied questions in our discussions with the community. Some of these are answered here. More Q&A can be found in past REXPRESS editions. These can be viewed at www.rexminerals.com.au/community-engagement

- One of the most regular questions we receive at Rex is regarding employment.

2013 will be a very busy time for Rex securing approvals and permits as part of the Bankable Feasibility Study.

When these approvals and permits are met, Rex will be looking at starting the construction phase for the proposed mine. This will consist of the construction of the processing plant, other infrastructure – power lines, road diversions, water pipelines, concentrate pipelines, upgrading the port facilities, upgrading and relocating existing camp facilities to name a few. Many of the jobs associated with this work will be undertaken by contractors who will tender for the work, and employment opportunities will be diverse. The timeline for construction will be by the start of 2014 (if approvals and permits are met) and will take approximately 18 months.

Operation will commence late 2015 and this will employ approximately 600 people.

To register for work opportunities with People@Work, simply go to www.peopleatwork.com.au, they will hold your details and notify you of any future employment.

- If you have any comments on the newsletter or questions you would like to be addressed please email: community@rexminerals.com.au
- If you would like to find out more about Rex go to: www.rexminerals.com.au
- A copy of this and past editions of REXPRESS can be found at the Community and Environment section of Rex's web site: www.rexminerals.com.au/community-engagement/

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