

From the Managing Director



■ Rex Minerals started from my dining room table. In less than four years we have made a significant copper discovery at Hillside on the Yorke Peninsula, we have over 4,280 shareholders and are currently listed in the ASX top 300 companies.

Our initial success is not just based on the value of the copper Resource, but also because we are located near to infrastructure and a workforce.

We are now beginning a new phase in our growth to achieve our vision to define and develop a long term modern copper project on the Peninsula.

To do this we will engage with the community to ensure that as the project develops it delivers the best outcome for all.

We are very excited about launching our inaugural Community Newsletter "REXPRESS" – the first of many – that we hope will prove a very useful tool to keep you informed of our activities.

We also hope it will answer some of the questions that have been asked by those in the community and help us to learn about your views.

Each newsletter will vary, as you will help decide the content. We always welcome your feedback, so let us know what you think of our first edition.

Thank you.

Steve Olsen, Managing Director.

Exploration Update

■ The Hillside Project

For most of 2011, Rex has had between six and eight drilling rigs operating at the Hillside project near Pine Point. This exploration drilling has focused on defining shallow copper mineralisation (less than 300m below the surface). The drilling results are continually adding to refining the Resource Model. We are starting to see the potential for a mine with staged open pits which would allow for more flexibility in terms of mine design and rehabilitation options.

To find out more about The Hillside Project log onto our website and follow this link www.rexminerals.com.au/projects

■ Regional Exploration Program

The data Rex has obtained over the last 18 months from our regional gravity and magnetic surveys has meant we can now identify prospective areas of copper mineralisation outside of our Hillside discovery.

Soil sampling in some of these areas has been completed and further soil testing is planned. Drill testing of some regional targets started in July.

In order to gain access to farm land, Rex has been working with landholders in the region, to develop access and compensation agreements that address farmers' concerns and recognise the value of both the agricultural and mineral potential of the land.

Rex would like to thank these farmers for their input and the time they have devoted to this process.

For more on our Regional Exploration Program log onto our website and follow this link www.rexminerals.com.au/projects



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REXPRESS

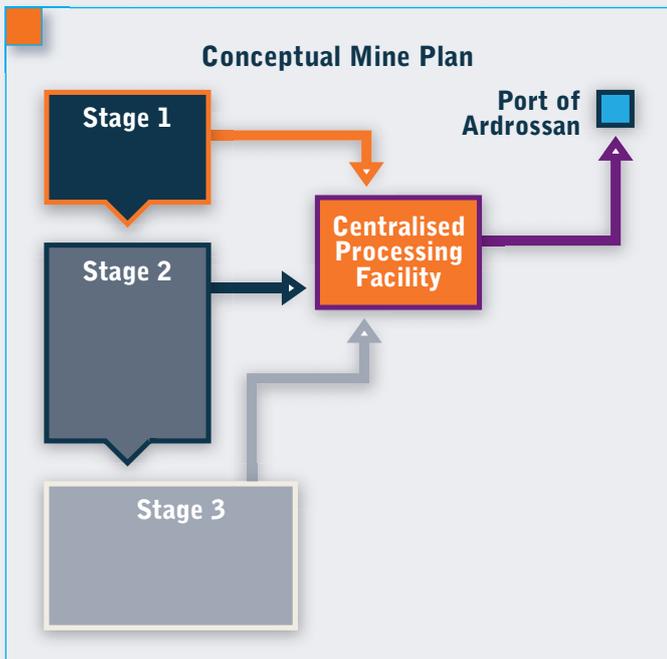
COMMUNITY NEWS

Drill | Discover | Define

From Exploration to Mine Planning – A Three Stage Approach

As Rex continues to define the Copper Resource at Hillside, it has also begun to determine the feasibility of mining the resource. The first step in this process is a 'Conceptual Study'. This is the first technical overview of the project and it generally identifies possible technical issues that will require additional test work. A conceptual study enables broad estimates of capital and operating costs to be determined. It makes assumptions about mining methods, type of mine (underground or open cut), production schedules and basic infrastructure needs. This study determines if the project has merit and if so develops a conceptual mine plan(s). The conceptual study for the Hillside project was completed in July 2011.

The diagram below shows the staged development of the conceptual mine plan. Stages 1 and 2 represent the Hillside project and Stage 3 possible other discoveries. More information about the conceptual plan will be provided over the next few months.



Conceptual mine plan for Hillside.

The second stage in planning a mining project is a 'Pre-Feasibility Study' which is commonly referred to as a PFS. This is more detailed than a conceptual plan. It provides a reality check and determines areas within the project that require more attention. A PFS is usually undertaken by a team of experts across a range of technical disciplines. It brings together the technical, environmental, social and economic aspects of the proposed project.

Rex will begin a pre-feasibility study in the second half of 2011 with completion in 2012. Extensive community consultation will form an important part of this process.



Path to Development

Pine Point Copper Belt (SA)



Proposed time line for PFS and feasibility study at Hillside.

Moving from a PFS to a 'Feasibility Study' adds another level of confidence to the project in order to determine if the project can proceed. It ensures that the technical, economic, environmental and social objectives required for mine development approval have been met. It is also important for raising the necessary debt/equity capital for developing a mining project.

Aboriginal Heritage at Hillside

Rex respects the traditional owners of the land. While the land where we are exploring is not part of a native title claim, the significance and history of Aboriginal presence on the land is critical for how we manage our exploration activities. Rex and the Narungga Nation Aboriginal Corporation have been working closely together since mid 2010 and have recently entered into an important agreement – The Narungga Nation Collaborative Heritage Agreement – to ensure Aboriginal heritage is protected at Hillside. This agreement has heralded a productive and valued relationship between the Narungga people and Rex.



Some examples of heritage items and sites found on the Yorke Peninsula.

Working for Rex

Increasing local employment.

With the expansion of the Hillside exploration project, we have recently employed a number of new staff from the Yorke Peninsula. More than 50% of our field staff, our Ardrossan office staff and site manager are from the Peninsula. A number of our geologists are also moving to the Peninsula to live.

■ Paul Williams – Senior Field Assistant

“Hi my name is Paul Williams (also known as Willa). I’ve been working at Rex Minerals for about 15 months as a Senior Field Assistant /Field Supervisor. I’ve lived on the Yorke Peninsula all my life and am a fully qualified butcher and before working for Rex I travelled around Australia. Working for Rex means I get to live on the Yorke Peninsula and have a great family life and a good job.”



■ Kylie Van Arend – Ardrossan Administrative Assistant

“Hi my name is Kylie Van Arend. My parents are farmers near Brentwood and I spent my childhood on the Yorke Peninsula. I went to school in Adelaide. My Husband and I moved back to the Yorke Peninsula and we live between Yorketown and Minlaton. I have spent the last seven and a half years working for Solicitors in Yorketown. I started work with Rex Minerals at the end of May this year and am thoroughly enjoying the fast paced variety that every new day brings.”



Community Support Program 2011

Rex is becoming a more integral part of the Yorke Peninsula community. As the company grows, our impact on local business and employment opportunities also increases. Earlier this year we initiated our Community Support Program. At the beginning of each year this program invites community organisations to apply to us for funding to support a range of community initiatives. Some of the projects being supported this year are storm water harvesting, sports, education, safety and heritage projects.

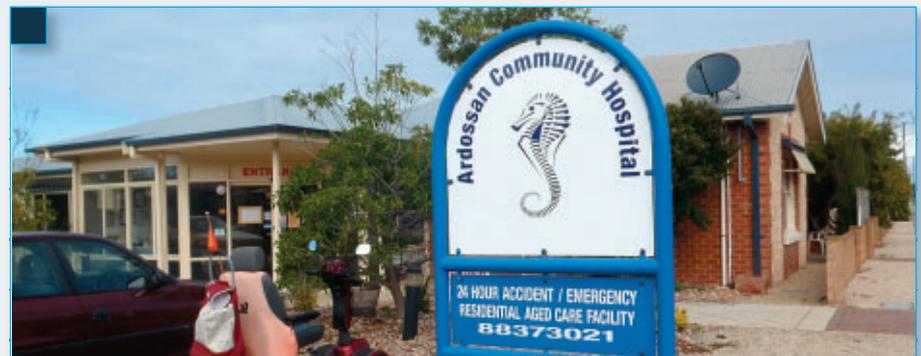
For more information on the Community Support Program and projects follow this link www.rexminerals.com.au/community-engagement/



Ardrossan Area School Principle Andrew Quin is delighted with Rex’s support for improved water supply and school ground upgrade.

■ Ardrossan Community Hospital Platinum and Gold Sponsors

It is important to the community and Rex to have access to Emergency services in Ardrossan and we hope to continue to work closely with and support the hospital in achieving this. Rex is proud to be a Platinum Sponsor of the hospital. Titeline Drilling (our drilling contractor) is proud to be a Gold Sponsor. We hope these sponsorships help secure these essential services in Ardrossan.



Ardrossan Community Hospital: An important community asset.

Business Opportunities

Local businesses in Ardrossan and nearby towns are now getting used to seeing the Rex Minerals logo at their counters. Coastline Clothing in Ardrossan is supplying all the Manchester needs for housing Rex employees. This accommodation is maintained by local cleaning and gardening contractors and other service providers.

Regional Development Australia Yorke and Mid North (RDAYMN) provides free and confidential business advice and assistance to anyone who is about to enter a small business or for those already in an existing business. Rex has been talking with RDAYMN about the types of local businesses Rex are using and what the future needs might be. Local businesses can seek advice from RDAYMN in tendering for work with explorers.

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

Frequently Asked Questions

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

■ Will there be a mine?

While there is a significant amount of copper and some gold and magnetite (iron ore), there is a lot of work to do before there is a decision to mine. The PFS, Feasibility studies and approvals process provide the information needed to make this decision. Of course like other primary industries, projects are ultimately in the hands of the market and the commodity price. So we cannot make a definitive answer yet as to whether there will be a mine.

■ Are there any jobs?

Rex now directly employs around 35 staff based in our Ballarat, Adelaide, Ardrossan offices and at Hillside. The remaining workforce is employed via recruitment agents specialising in mining such as EURO and People at Work (more than 35) and by the drilling contractor Titeline (around 70). If you are interested in finding out more about employment opportunities refer to the following websites:

www.euroex.com.au/
www.peopleatwork.com.au/
www.titinedrilling.com.au/

We also advertise new positions in the Yorke Peninsula Country Times.

If a mine develops, employment numbers may be up to 1,000 people in the construction phase and during operation up to 600 hundred permanent jobs.

■ Does the ore body contain uranium?

Uranium is commonly associated with copper gold deposits in South Australia. If uranium concentrations are more than 200 parts per million (ppm), the Radiation Protection and Control Regulations define this as a radioactive ore. (www.epa.sa.gov.au/environmental_info/radiation/legislation_and_regulations).

At Hillside, the average grades of uranium in the drilling assays are well below levels which would define the ore body as radioactive. The average level in the drill assays is 24ppm, whilst in the copper-gold rich ore body, the average uranium grade is 53ppm. This compares to around 16 ppm in soil samples taken from the Hillside /Pine Point area.

As part of our pre-feasibility work we will provide a comprehensive understanding of background radiation levels.

■ What happens when Rex drills on farmland?

To drill on farm land we firstly need the agreement of the landholder. The positioning of the drill rig is based on geology and minimising the impact on the farm and its crops. The drill site is prepared by laying down fibre and adsorbent matting to protect the soil; a water supply is provided and drilling commences.

The drilling process lasts for up to 3 weeks depending on the depth of the drill hole and the rock types intersected. Once completed the matting is removed, the land rehabilitated and agreed compensation is paid to the landholder for any economic loss and inconvenience. We are continually working with farmers to improve our procedures to reduce our impact.



Dave McLean, Environmental and Land Management Officer inspects the fibre matting drill pad ready for the drill rig.



Drilling using a diamond drill rig.



Rehabilitated drill pad area ready for seeding.

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

The Hillside site is an exploration work site and for OH&S reasons entry is restricted to authorised personnel. We are proposing public site visits later in the year. These will be advertised in the local media. In the meantime, if you are driving past Hillside on the Main Coast Road you will see the drilling rigs in action.



Hillside rigs at night.

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

■ The newsletter is also available in PDF format on our website at: www.rexminerals.com.au/community-engagement/

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