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Rex signs Letter of Intent with Nittetsu Mining for Investment in Hillside development

Rex Minerals Ltd (Rex or the Company) has executed a non-binding Letter of Intent (LOI) with Nittetsu Mining Co. Ltd. (Nittetsu), a Japanese public company with global mining experience, to establish a Joint Venture in respect of the Company's wholly owned Hillside Copper-Gold Project (Hillside or the Project).

The Joint Venture would combine the complementary skills and resources of Rex and Nittetsu to finance, develop, and operate the Hillside Project. Nittetsu is an ideal long-term partner with experience in Iron Oxide Copper Gold (IOCG) style exploration, development and operation.

Following comprehensive due diligence by Nittetsu, the parties have agreed to work together to identify additional JV partners and to secure the complete funding package with debt and equity providers¹. Rex's funding commitment will include the proceeds from the sale to Nittetsu of its Participating Interest.

The LOI sets out the principal terms on which Nittetsu can initially acquire a 15% participating interest in the Hillside Project (Participating Interest), with optionality to increase its investment up to 45% in the future. A Participating Interest includes the obligation to contribute a share of all Joint Venture expenditure and the right to receive and dispose of a share of copper-gold concentrate production for its own account.

Capital expenditure for the development of Stage 1 of the Project is estimated to be A\$854 million. It is intended that approximately 50% of the development costs of the Project can be funded by jointly procured debt finance facilities secured over the Project. Domestic and international banks, with deep experience in supporting Australian mining and development projects, have demonstrated robust interest in providing this funding.

Nittetsu is a Japanese corporation established in 1939 and listed on the Tokyo Stock Exchange Prime. Nittetsu operates globally and has extensive mining and exploration expertise in IOCG deposits. Nittetsu owns and operates Japan's largest limestone mine, the Atacama Kozan Copper Mine and is in the process of developing a second copper mine, Arqueros Copper Mine in Chile. In addition to mining, Nittetsu business interests extend to developing and distributing industrial minerals, machinery, real-estate and environment-related products, and power generation using renewable energy.

¹ This is subject to final agreement and satisfactory due diligence by all the parties and investors completing Project funding up to and including FID

Rex's Chief Executive Officer, Richard Laufmann, made the following comments: "Nittetsu holds corporate values and objectives that complement Rex's ambition to fund and develop Hillside.

"In addition to its interest in IOCG deposits, Nittetsu has a long history in mining, and operating the largest limestone mine in Japan. Nittetsu also has ongoing and long-term contracts with the Whyalla Steel Works, in South Australia, for limestone supply running for 54 years. We are excited to be working with a company that brings so much to the table."

About Hillside Copper-Gold Project

High level key points about the Hillside Project include:

- *Project Value for Stage 1:* Net Present Value (NPV) A\$1,252M (pre-tax), NPV of A\$847M (post-tax) Internal Rate of Return (IRR) of 19%, (nominal IRR 23%), C1 of US\$1.52/lb copper and a 4.3-year payback period
- *Scale and Opportunity:* Stage 1 (11 years) lays the foundation for Stage 2 extending the life to over 20 plus years. Substantial potential exists for Resource and Ore Reserves growth, leading to mine life extension and higher processing rates beyond Stages 1 and 2
- *First Production:* Annual payable metal of circa 42kt copper (Cu) and 30koz gold (Au) to follow ramp-up. First concentrate delivery timing to align with the beginning of the forecast global copper market deficit
- Estimated pre-production capital cost of A\$854M (US\$598M) all-inclusive of full fleet, pre-strip and contingency
- *Team:* Board and Management have significant experience in delivering similar projects in Australia and internationally
- *Contribution:* Hillside to provide employment for over 500 people during construction and over 400 during operations (over \$600M in payroll) and contributing over A\$200M in state royalties
- *Regulatory Approvals:* Key approvals are in place to allow commencement of development and operations.

This announcement has been authorised for release by the Chief Executive Officer/Managing Director.

For more information about the Company and its projects, please visit our website

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