



# LOI signed for Hillside mining operations

ASX Release: 4 August 2022

## Key Project Milestone

### Rex Minerals Limited

ASX: RXM | OTCQB: RXRLF

ABN 12 124 960 523

### Directors

Ian Smith, Non-Executive Chairman

Richard Laufmann, CEO & MD

Amber Rivamonte, CFO & Executive Director

Gregory Robinson, Non-Executive Director

Andrew Seaton, Non-Executive Director

Kay Donehue, Company Secretary

Ordinary Shares on Issue 592,654,254

Unquoted Options 20,246,667

Hog Ranch Consideration Rights 15,000,000

### Share Price Activity – June 2022 Quarter

Low 12.5c

High 28.5c

Last 13.5c

### Cash & cash equivalent

\$44.1M at 30 June 2022

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Rex Minerals Ltd (Rex or the Company) is pleased to announce that Thies Pty Ltd (Thies) has been selected as the preferred tenderer for the provision of mining services for the 100% owned Hillside Copper-Gold Project located in South Australia.

The Company has secured a strategic alliance with Thies by entering into a *non-binding Letter of Intent* (LOI) which will see the companies work together to deliver an optimal mining solution for the Hillside Project

Once this solution is completed the plan is to enter into a Mining Services Contract, targeted for late CY2022

The benefits to this type of approach are to mitigate critical risks for a growing mining company with a large-scale greenfield development.

Thies has shown genuine willingness to join the Company and drive down Project costs, including:

- Developing appropriate and flexible mining equipment options
- The early integration of personnel to assist with the Project planning including optimal Mine Infrastructure Area (MIA) layouts, and
- Utilisation of Thies' proven HSE systems to further de-risk the Project with a planned commencement in early 2023.

Commenting on the non-binding Letter of Intent, CEO Richard Laufmann said: *"We are very excited about this partnering opportunity with Thies. Thies is an exceptional Tier 1 mining services provider with well documented experience with projects at large scale in this region. Working together we are well placed to drive a sustainable mining approach and contribute to a lower carbon future for the Hillside mine."*

*"Rex remains focused on bringing Hillside into production. The depth and experience that Thies can bring in delivering this objective is a massive de-risking step for the Company."*

## Background

Since December 2021, Rex has explored the use of Tier 1 mining contractors for operational and mining start-up for the current Stage 1 mine plan in parallel with an owner/operator mining model. It has become evident that the mining contractor model presents many benefits, including opportunities to alleviate the tight schedule of long lead capital items such as excavators and haul trucks. It also provides the option to leverage off an experienced workforce with developed operational procedures. This is particularly important given the tight market for equipment and personnel that has been impacted by the Covid-19 pandemic.

A shortlist of contractors was approached to provide costed proposals for an initial five-year mining period and following a rigorous and detailed evaluation, Thiess' proposal was the preferred.

The benefits for a greenfields development like Hillside being performed by a suitability experienced and qualified mining contractor is to mitigate critical risks including:

- The mining contractor's buying power to either secure new mining fleet and reduce lead times or to enable the use of the contractor's existing fleet inventory at commencement
- Experience with specific knowledge of operating in South Australia
- Recruitment and mobilisation of a mining team, including proven industrial relations management
- Development of proven management and training systems (including integration of mining HSE systems)
- Flexibility to procure material input costs more directly – for example, consumables such as fuels
- Optionality of leveraging the contractor's presence on site to tender for non-MIA works such as general roads, civil drainage and pre-development work programs.

## Next Steps

Rex will now work with Thiess to develop and agree pricing and contract terms before entering into a Mining Services Contract for the Project. The anticipated timing for finalising the Contract is the end of the fourth quarter CY2022. Target timeframes are indicative and not binding, and may be subject to adjustment as the parties progress the discussions.

This announcement has been authorised for release by the Board of Directors of Rex Minerals Ltd.

For more information about the Company and its projects, please visit our website <https://www.rexminerals.com.au/> or contact:

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