

# Rex Minerals Ltd

## (RXM \$0.21) Speculative Buy

EUROZ HARTLEYS

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**Date**  
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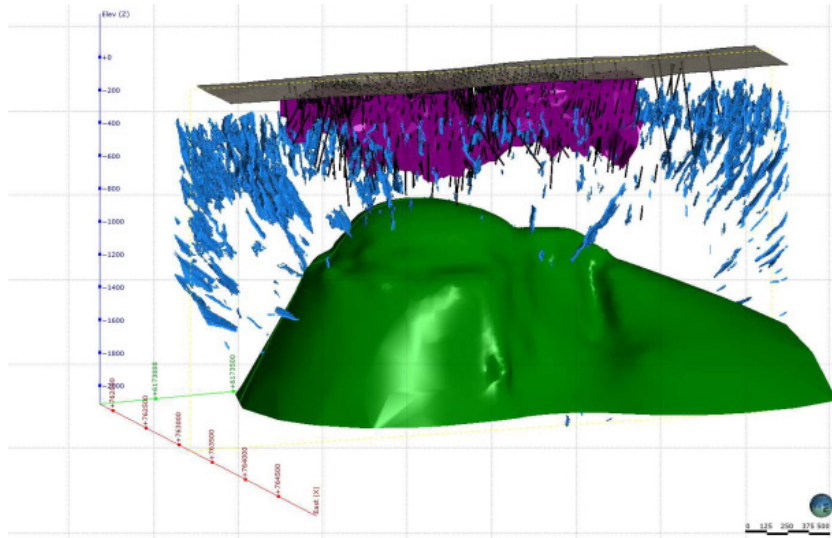
**Price Target**  
\$0.80/sh

### 3D Seismic highlights potential large copper intrusion at depth

#### Key Points

3D seismic survey over the Hillside Copper Project (100% RXM), SA has highlighted an interpreted large intrusive body at depth.

- Highly encouraging seismic data, which appears to define radiating structures from an interpreted large intrusive body below the large Hillside copper deposit (-2Mt contained copper resource, -1Mt contained copper reserve).
- The interpreted body may represent the “source intrusion” for the Hillside, presenting a key target for future drilling.
- In addition, numerous interpreted faults in the host stratigraphy has also been identified, providing additional targets for potential higher-grade copper mineralisation outside of zones previously tested.
- No timing for drill-testing as yet provided but we would envisage key targets to be drilled in 2HCY22.
- The initial work program for Hillside involves a project execution plan, optimisation of the plant layout to include room for potential later-date expansions, bankable level schedule and potential ordering of long-lead items.
- We maintain our **Speculative Buy**.



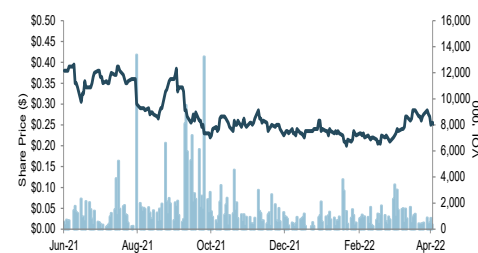
Oblique view of interpreted structures (Blue) radiating away from an interpreted potential source intrusion (Green) located below the 2Mt copper resource at Hillside (Purple). Drill hole traces are shown (Grey).

#### Rex Minerals Ltd (RXM)

Share Price	0.21	A\$/sh
Price Target	0.80	A\$/sh
Valuation	0.87	A\$/sh
Shares on issue	593	m(dil)
Market Capitalisation	125	A\$m

Enterprise Value	75	A\$m
Debt	0	A\$m
Cash	50	A\$m
Largest S.holder	Ellerston	7.9%

#### Share Price Chart



#### Disclaimer

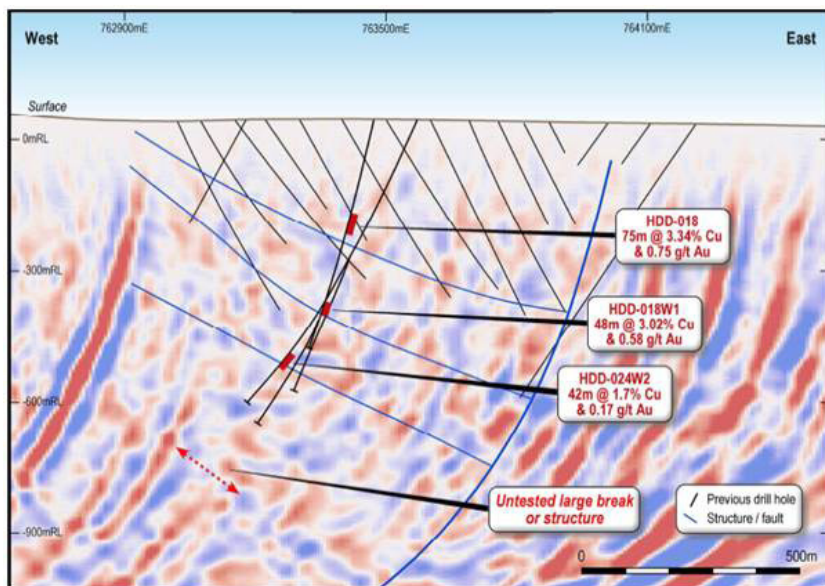
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Cross section seismic data looking north at 6174400mN. Major interpreted structures (Blue lines) and significant drill hole intercepts that are interpreted to relate to these structures.

## Investment Thesis

Hillside remains a compelling copper-gold development opportunity, large-scale and considered low risk (shovel-ready, fully permitted). Hillside Stage 1 open pit forecast to produce payable copper of ~35ktpa and payable gold of ~24kozpa at an estimated AISC of ~US\$1.60/lb Cu. Pre-production capex estimate of <US\$500m, expected to be updated for final investment decision by Q4CY22. Large reserve position for 988kt of contained copper and 823koz gold, for a long mine-life which has potential to be adjusted by higher processing throughputs over time (ie start at the planned scale from the 6Mtpa upgrade over time).

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