

December 2011

Project Consultation

Rey Resources snapshot

Rey Resources Limited (Rey Resources) is an ASX-listed exploration and development company working to develop the proposed Duchess Paradise Coal Project in Western Australia's Canning Basin.

The proposed Duchess Paradise Project is an estimated 20-year low-impact slot and underground mining and export operation with a planned production rate of up to about 2.5 million tonnes per annum (Mtpa).

Community stakeholder engagement has been a key priority for Rey Resources since 2008 with further opportunities coming up in 2012.



About Us

Rey Resources has operated in the Canning Basin and Derby region since 2007, completing mineral exploration in consultation with the local community. Post feasibility studies, Rey Resources has started more detailed discussions about the proposed Duchess Paradise Project and the opportunities this will present.

The proposed project is located on a pastoral station about 175 km (south east by road) from Derby and 60 km (east by road) from the communities of Jarlmadangah and Looma.

Early project definition involved close consultation with the traditional owners and other stakeholders.

The preliminary mine plan is now based on slot and underground mining which results in a much smaller footprint on the land in comparison to conventional open cut mining methods.

The project's conceptual mine area is located on land grazed by livestock for over 100 years and is outside of any environmentally sensitive and heritage protected areas, including the Federal Government's West Kimberley National Heritage Listing announced in August 2011.

In 2009, Rey Resources took over the Derby Export Facility sublease and recently invested \$1.5 million in cleaning up and remediating this important economic asset in Derby. With construction on the Duchess Paradise project expected to start in 2013, the export facility has a future of returning to a diverse and working port for local product to reach important international markets.

Approvals and Consultation

In addition to native title and mining tenement processes underway, the company has also started the formal environmental approvals process.

WORKING WITH STAKEHOLDERS

Rey Resources has conducted substantial stakeholder consultation during the project's feasibility stages. Open dialogue and extensive information sharing has occurred with:

- State Government agencies
- Nyikina and Mangala traditional owners
- Kimberley Land Council
- Shire of Derby / West Kimberley
- Peak bodies and industry associations
- Business and industry participants
- Elected members
- Local community members and suppliers

This program is ongoing and the company looks forward to continuing consultation and engagement during 2012 and providing further information about events and opportunities to for input.

FACT SHEET > PROJECT CONSULTATION

In August (2011), the Environmental Protection Authority determined the Project will undergo a Public Environmental Review (PER). The PER is a high level of assessment providing several stages for public participation in the environmental assessment process. The company is strongly supportive of this level of assessment.

Consistent with industry standard, Rey Resources also referred the Duchess Paradise Project to the Commonwealth Government during 2011. The Commonwealth has determined the Project will be assessed through the Federally accredited Western Australian EPA's PER process. This allows feedback on the proposal through one main mechanism.

Opportunities for Input

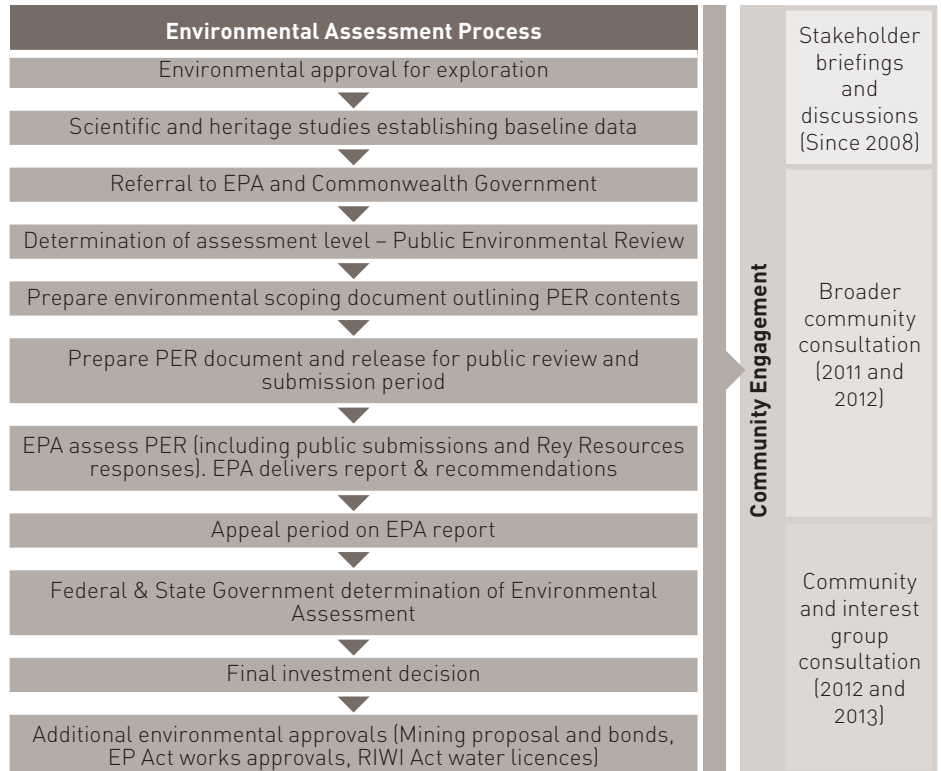
As part of the PER process an Environmental Scoping Document (ESD) has been prepared. The ESD identifies environmental factors and studies to be addressed in the PER and will be released by the EPA for a two (2) week public review and comment period. The EPA has advised the ESD will be released during January 2012.

Building on extensive regional stakeholder engagement by Rey Resources over several years, broader community consultation is planned to occur during 2012. Opportunities for community member involvement will be provided and feedback will form an important part of Rey Resources' future management of the project.

Importantly, there will be opportunities for input to ensure benefits are delivered to the towns of Derby and Fitzroy Crossing, local communities and the broader Kimberley region. Employment, local business involvement, direct and indirect investment in the community, partnerships and other contributions to the community will be considered during this process and beyond.

There will also be an eight (8) week public review period when the EPA makes the PER documentation available for public comment. This is currently expected to be around mid-2012.

Consultation and the Government Approvals Process



Project Snapshot

The proposed Duchess Paradise Project includes a low-impact slot mine and underground mine, a coal handling and preparation plant, support infrastructure and an access road to the Great Northern Highway.

- Product will be transported by truck along the access road and then the Great Northern Highway, Derby Highway and Loch Street to an existing export facility at Derby. The route along the highway to the Export Facility are existing public roads previously used by other mining projects for mineral handling and export
- The Project offers employment for about 300 people over the estimated 20 year project life
- The Project also offers good quality bituminous coal (5,500 kcal/kg [gar]) combined with the strategic advantage of its close proximity to Asian markets

- The Project will provide significant export value to the Derby region and Western Australia

The mining method involves:

- Low-impact slot mining for about the first 10 years ensuring the minimum impact to the environment and full rehabilitation of the mined area. Slot mining causes far less surface disturbance than open cut mining and is conducive to progressive back-filling and rehabilitation of the slots. No open slots will be left at the site after the completion of the project.
- Adoption of room-and-pillar underground mining of the deeper coal for about 10 years after the slot mining is expected and subject to further feasibility studies by the company

Construction is proposed to start in 2013, subject to required approvals.

Want to know more?

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