

April 2012

Project Consultation

Rey Resources snapshot

Rey Resources Limited (Rey Resources) is a small Australian ASX-listed exploration and development company proposing to develop the Duchess Paradise 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 export rate of up to 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 and extensive remediation of the existing port lease area it acquired in 2009, 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 remote pastoral station about 175 km south east of Derby and 60 km east from the communities of Jarlmadangah and Looma.

Early project definition involved close consultation with the traditional owners and other stakeholders. Consequently, the proposed mine plan is now based on low-impact slot and underground mining which will result 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 recent West Kimberley National Heritage Listing.

In 2009, Rey Resources took over the Derby Export Facility sublease and recently invested \$1.8 million in cleaning up and remediating this inherited site which is an important Derby economic asset. With construction on the Duchess Paradise Project expected to start in late 2013, the facility has a future of returning to a diverse and working port for local product to reach important domestic and international markets.

Approvals and Consultation

Rey Resources has conducted extensive environmental and heritage surveys and assessments since 2008, and in addition to native title and mining tenement processes underway, the company has also started the formal environmental approvals process.

In August (2011), the Environmental Protection Authority (EPA) determined the Project will undergo a Public Environmental

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:

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

This program is ongoing and Rey Resources looks forward to continuing consultation and engagement during 2012 and providing further information about events and opportunities for community involvement.

FACT SHEET > PROJECT CONSULTATION

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 Government 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) identifying environmental factors and studies to be addressed in the PER was released in January 2012 for public comment for a two (2) week period. This document has now been approved by the EPA.

This year, with community involvement, the company has undertaken a Social Impact Assessment to determine social perceptions and impacts of the Project. This information will assist in the preparation of a framework for project-based social management plans. Importantly, there will be opportunities for input to ensure benefits continue to be delivered to the region. Employment, local business involvement, direct and indirect investment in the community, partnerships and other contributions to the community will also be considered during this process and beyond.

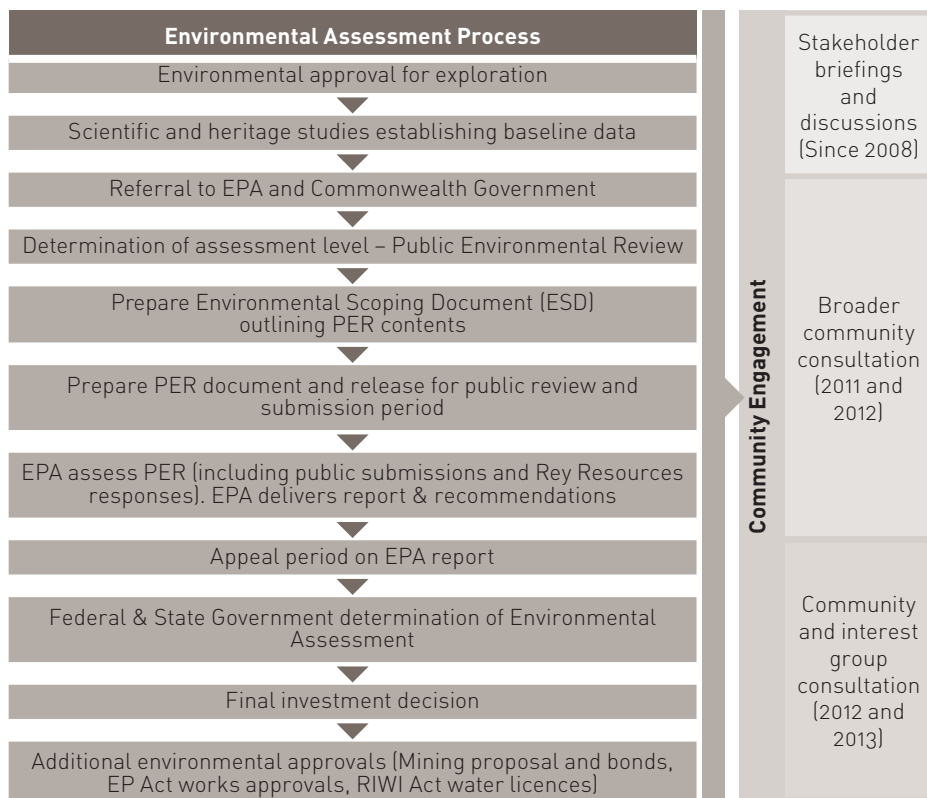
There will also be an eight (8) week public review period when the EPA makes the PER documentation available for public comment. This is expected to be this year.

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

Consultation and the Government Approvals Process



Northern Highway, Derby Highway and Loch Street to the recently remediated refurbished Derby Export Facility (DEF). The route along the highway to the DEF are existing public roads previously used by other mining projects for mineral handling and export

- The Project offers employment for about 300 people during initial construction and an additional 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
- Multiplier effects including job creation and demand for services, both regionally and from Western Australia

Low-Impact Project

The mining method involves:

- Low-impact slot mining for about the first 10 years ensuring the minimum impact to the environment. 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 is expected for about 10 years after the slot mining. This is subject to further feasibility studies by the company

Construction is proposed to start in late 2013, subject to required regulatory approvals, aiming for first production in 2014. 🏠

Want to know more?

PO BOX 1809
WEST PERTH WA 6872

T +61 8 9211 1999
F +61 8 9485 1094

consultation@reyresources.com

www.reyresources.com

