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Rare Earths

ASX Release
5 May 2023

A\$4.0 Million Institutional Placement to Accelerate Resource Definition and Development Studies at Cummins Range

Highlights

- **Firm commitments received to raise A\$4.0 million from new and existing institutional, sophisticated and professional investors**
- **Strong institutional investor interest highlights the quality and scale of RareX's flagship Cummins Range Phosphate Rare Earths Project strategically located in Western Australia**
- **RareX is now fully funded to continue additional resource definition drilling, complete a DFS for a stage-1 phosphate DSO development, PFS for its fully-staged Project and for general working capital.**

RareX Limited (**RareX or the Company**) (ASX:REE) is pleased to announce that it has received firm commitments to raise A\$4.0 million (before costs) via a share placement to institutional, sophisticated and professional investors at A\$0.045 per share (**Placement Price**) with approximately 88.9 million new fully paid ordinary shares to be issued (**Placement**). The Placement included a one (1) for two (2) free-attaching option exercisable at A\$0.0675 and expiring 24-months from the issue (**Attaching Options**). It is proposed that the Attaching Options will be listed subject to satisfying ASX requirements.

The Placement saw strong support from existing shareholders and new investors, with demand significantly exceeding shares available under the offer.

In addition, Directors and management have agreed to subscribe for A\$500,000 on the same terms as the Placement, subject to shareholder approval, which will be sought at a General Meeting (**GM**) intended to be held in late June 2023.

The new shares and options will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Settlement of the Placement is expected to occur on Wednesday, 10 May 2023 and the new shares will rank equally with the Company's existing shares on issue. The Placement Price represents a 23.1% discount to the 15-day volume weighted average price of A\$0.0585.

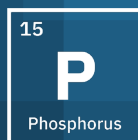
Commenting on the Placement, RareX CEO James Durrant said:

"The great demand from both offshore and domestic institutions for this equity raising is a strong endorsement of our corporate strategy and testament to the quality of the underpinning resource and the Cummins Range Project more broadly. We are looking forwards to progressing rapidly with the plan to define the project in its 3 stages and accelerate the DSO Stage 1 towards approvals and operations as fast as possible. I want to thank the new and existing shareholders for their trust in our team to deliver for them and we welcome the well qualified institutions that have joined the register."

Funds raised in the Placement will be used to fund the following activities at Cummins Range:

- Resource definition drilling;
- Completion of a definitive feasibility study (**DFS**) for Stage 1 phosphate DSO development;





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- Completion of a pre-feasibility study (**PFS**) for the fully-staged Cummins Range Project; and
- General working capital.

Canaccord Genuity (Australia) Limited (**Canaccord**) and Bell Potter Securities Limited (**Bell Potter**) acted as Joint Lead Managers to the Placement (together, the **Joint Lead Managers**). Further details regarding the Placement are set out in the Appendix 3Bs of today's date.

RareX on track to capitalise on recently updated Resource

The Cummins Range Project is located 130km southwest of Halls Creek in the East Kimberley Region of Western Australia and is the largest undeveloped rare earths deposit in Australia. The Current JORC 2012 Mineral Resource of the Project is 519Mt at 0.32% TREO and 5% P₂O₅ for a total of 1.6Mt of contained TREO and 24Mt of contained P₂O₅.

The recently updated Mineral Resource along with significant changes in project scale has provided a catalyst for the Company to develop a new approach to the Cummins Range Project, commencing with an initial DSO phosphate fertiliser phase and further staged development.

The new project development concept targets a fast-tracked DSO phosphate fertiliser development (Stage 1) followed by production of phosphate concentrate (Stage 2) and subsequently rare earths concentrate (Stage 3). The staged approach will lower the risk associated with building the full rare earth value chain pre-production, whilst RareX delivers and simple, low-cost DSO phosphate operation using existing infrastructure, whilst maintaining development towards a large-scale, strategic, rare earths and phosphate critical minerals project.

Assay results for 30 drill-holes were reported by RareX during the March quarter, with multiple significant rare earth and phosphate intercepts. Results included intercepts of:

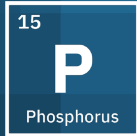
- 513.8m at 0.5% TREO and 5% P₂O₅ from 3m; and
- 144m at 5% P₂O₅ and 0.7% TREO from 557m, including very high-grade zones of 12.65m at 2.3% TREO and 5% P₂O₅ and 7.8m at 5.3% TREO and 6% P₂O₅

The April 2023 Mineral Resource Update is to be followed by a revised Scoping Study encompassing the new 3-stage, DSO-catalysed development approach.

The Company has a busy period of activity ahead, with upcoming activity and key milestones including:

- Delivery of an updated scoping study outlining key parameters and economics of phase 1, 2 and 3 (June Q CY23)
- Progression of key approvals for all 3 stages of the project (ongoing)
- Continuation of metallurgical testwork for all project stages (ongoing)
- Generation of product samples from met programmes (progressively by the end of CY23)
- Securing preliminary offtake agreements for products for all 3 stages (progressively over the next 12 months)
- Securing preliminary commercial agreements for mining, haulage, trucking, port and shipping for Stage 1 (progressively by the end of CY23)
- Completion of baseline environmental surveys (by end of CY23)





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- Progressing on-ground work including grade definition drilling, hydro, geotech and met drilling (June Q to Dec Q CY23)
- Progression of negotiations and Jaru native title sign off by Dec Q CY23
- Updated resource to include Measured category (by end of CY23)
- Delivery of Stage 1 DFS by late CY23/early CY24

This announcement has been authorised for release by the Board of RareX Limited

Competent Person's Statement

The information in this release that relates to Mineral Resource Estimates was reported in accordance with Listing Rule 5.8 on 1 May 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.

Table 1. Cummins Range Mineral Resource Estimate, P₂O₅ ≥ 2.5%

Classification	Tonnes (Mt)	P ₂ O ₅ (%)	TREO + Y ₂ O ₃ (ppm)	HREO (ppm)	Nd ₂ O ₃ (ppm)	Pr ₆ O ₁₁ (ppm)	Nb ₂ O ₅ (ppm)	Sc ₂ O ₃ (ppm)	ThU (ppm)
Indicated	66.6	6.8	5010	290	850	250	830	90	90
Inferred	452.7	4.2	2900	170	490	140	550	60	40
Total	519.3	4.6	3170	190	540	160	580	70	50

- Notes:
1. Due to effects of rounding, the total may not represent the sum of all components
 2. TREO (ppm) includes: Light Rare Earth Oxides (LREO): La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃; and Heavy Rare Oxides (HREO): Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃; + Y₂O₃
 3. ThU comprises ThO₂ + U₃O₈ (ppm)
 4. Mineral Resource is reported from all blocks, classified as either Indicated or Inferred, where interpolated block grade is >2.5%P₂O₅

About RareX Limited – ASX: REE

RareX Limited (ASX: REE) is a Perth-based rare earths and phosphate project development company. RareX's focus is on developing its flag-ship Cummins Range Rare Earths and Phosphate Project.

Rare Earths and in particular, NdPr are core enablers of decarbonisation and electrification of our society. NdPr supports high strength magnets which enables low carbon technologies, especially in the electric mobility sector, robotics solutions and renewable energy, particularly the wind energy sector.

Phosphates are one of the three macro nutrients required in fertilisers. Fertilisers are in ever more demand due to population growth, depleting soils and reduced arable land requiring ever more intensive farming.

The Cummins Range Rare Earths and Phosphate Project is in the East Kimberley region of Western Australia. RareX is committed to developing a sustainable, ethical, transparent and secure low carbon rare earth and phosphate supply chain solution for its products which satisfy the two global mega-trends of population growth and electrification.